



403(b) Distribution Form

YOUR ORIGINAL SIGNATURE IS REQUIRED IN SECTION 9

- Complete this form to take a single distribution or to set up systematic distributions from your U.S. Global Investors, Inc. (U.S. Global) 403(b) account.
- We recommend you consult with a financial or tax advisor before taking any distribution from your retirement account.
- This form cannot be used for IRA distributions. You may obtain the IRA Distribution Form on our website (www.usfunds.com).

1. CURRENT 403(B) OWNER INFORMATION

Full Name (required)	Social Security Number (required)	Date of Birth (required)
Street Address	City	State ZIP Code
e-mail Address	Residential Phone Number (include area code)	Daytime Phone Number (include area code)

2. ACCOUNT INFORMATION AND DISTRIBUTION AMOUNT

Account Number	Fund Name	Distribution Amount (Dollars, Shares or Whole Percentage)
Account Number	Fund Name	Distribution Amount (Dollars, Shares or Whole Percentage)

3. REASON FOR DISTRIBUTION (SELECT ONE)

- Normal Distribution: You have reached the age of 59½.
- Hardship Distribution: Please also complete Section 5.
- Severance from Employment (and under the age of 59½): Date of Event: ____ / ____ / ____
- Distribution due to Court Order/Divorce Decree (additional documents required; please see attached guide)
- Disability Distribution
- Death Distribution (additional documents required; please see attached guide)

4. DISTRIBUTION INSTRUCTIONS

A. Distribution Type – applies only if you are taking a Required Minimum Distribution (RMD) or 72(t) Distribution.

- Required Minimum Distribution – Calculate and distribute my RMD based on (choose one of the following):
- My account's 12/31 balance.
 - The following 12/31 account balance: \$ _____
 - My spouse's date of birth is: ____/____/____ (if applicable; please see attached guide)
- 72(t) Distribution (substantially equal periodic payments) – This is **not** the same as your RMD. Please see attached guide for more details. Distribute my 72(t) payments based on (choose one of the following):
- U.S. Global's calculated amount based on the Life Expectancy Tables.
 - My calculated payment amount of: \$ _____

B. Frequency of Distribution

- One-time distribution, processed immediately.
- Systematic distribution based on the following frequency:
- Monthly Quarterly Semi-annually Annually

Frequency (other than those listed above) – circle the months for distribution:

JAN FEB MAR APR MAY JUNE JULY AUG SEP OCT NOV DEC

Payments should begin on the ____ day of the month(s) indicated.

NOTE: If no start date is indicated, the default date is the date this form is received in good order. If no frequency is indicated, the default is annual distributions.

5. HARDSHIP WITHDRAWAL CERTIFICATION

I am applying for a hardship withdrawal, as defined by section 403(b)(7) of the Internal Revenue Code from the account(s) referenced in Section 2. I understand that contributions made under a salary deferral agreement are eligible for hardship withdrawal and those earnings attributable to my contributions after 1988 are **not** eligible for hardship withdrawal. I certify that the amount requested does not include earnings made on the account after December 31, 1988 or any employer contributions.

Reason for Hardship Withdrawal

This withdrawal is due to the following immediate and heavy financial need, and does not exceed the amount needed to meet my hardship, including amounts needed to pay taxes or penalties on the hardship withdrawal.

- Medical expenses not covered by insurance incurred by me, my spouse and/or my dependents as defined in section 152 of the Internal Revenue Code.
- Purchase of a principal residence for me.
- Tuition expenses for the next semester or term of post secondary education for me, my spouse and/or my dependents.
- Prevention of eviction from, or foreclosure on the mortgage on, my principal residence.
- Funeral expenses for my immediate family member(s).

Certification

By law, hardship distributions are only permitted to the extent that other resources are not available to meet your hardship needs. By signing this form, you certify as true that your heavy and immediate financial need cannot be met from other reasonable sources and that the need cannot be met:

- Through reimbursement or compensation by insurance or otherwise.
- By the reasonable liquidation of my assets or those of my spouse or my minor children, to the extent that such liquidation would not in and of itself cause an immediate and heavy financial need.
- By borrowing from commercial sources on reasonable commercial terms.
- By taking loans or distributions from any retirement plan in which I am a participant.

Under penalty of perjury, I hereby attest that the foregoing facts and declarations are true and correct. By signing this form I acknowledge that per IRS rules I must suspend my salary withdrawal contributions for a period of six months that commences on the date of my requested hardship distribution.

6. PAYMENT INSTRUCTIONS

Please send the redemption proceeds as follows:

- By Check to the Address of Record**
- By Check to Third Party Address or Payee** (Medallion Signature Guarantee Required in Section 9)

Full Name of Third Party Payee (leave blank if you are the payee)

Street Address City State ZIP Code

- To my Bank Account – NOTE:** If you do not currently have a bank account associated with your U.S. Global 403(B) account, or if you wish to have the proceeds sent to a different bank account than what is currently on file, a Medallion Signature Guarantee is required in Section 9. Please also attach a voided, pre-printed bank check or a pre-printed deposit slip below. Starter checks, temporary checks or blank deposit slips cannot be accepted.

Type of account: Checking Savings

Method of bank transfer (choose one of the following):

- Electronically to my Bank Account via ACH Transfer** – Please allow 2-3 business days after the redemption is processed for the proceeds to be deposited to your bank account. There is no fee for this service.
- Electronically to my Bank Account via Direct Wire** – Typically, the proceeds will be deposited to your bank account the business day following the redemption. A \$10 domestic wire fee will be assessed to send your proceeds via Direct Wire.

NOTE: If you are adding or modifying your bank information, U.S. Global will keep these instructions on file for any future redemptions or purchases you may wish to make.



Attach Voided Check Here:

6. PAYMENT INSTRUCTIONS (CONTINUED)

Deposit Proceeds to my Existing U.S. Global Account(s)

Account Number Fund Name Amount (Dollars or Whole Percentage)

Account Number Fund Name Amount (Dollars or Whole Percentage)

7. WITHHOLDING ELECTION (SUBSTITUTE FORM W4-P)

Distributions taken from your 403(B) account are subject to a 20% mandatory federal income tax withholding except for direct rollovers, asset transfers, RMD distributions, return of excess contributions, financial hardship withdrawals and some death distributions. If you make no withholding election, U.S. Global will withhold federal income taxes at a rate of 20%. If you do not have enough federal income tax withheld from your distributions, you may be responsible for the payment of estimated taxes. If you decide in the future to change this election, please contact an Investor Representative at 1-800-873-8637.

Please check one of the following boxes:

My distribution does not represent an RMD or hardship withdrawal. I understand that my distribution is subject to mandatory 20% federal income tax withholding.

My distribution does represent an RMD or a hardship withdrawal. I do want federal income tax withheld from this distribution at a rate of ____%. You must indicate a whole percentage of at least 10%, or 0% if you wish for no withholding to be taken.

8. PLAN ADMINISTRATOR'S OR EMPLOYER'S AUTHORIZATION AND VESTING VERIFICATION (REQUIRED)

As the Plan Administrator/Employer, I hereby certify the vesting percentage for this employee is equal to 100% and that the employee is eligible for the transfer or distribution requested above.

I certify that I am authorized to make this designation on behalf of the plan and hereby authorize the distribution to be processed in the manner indicated above.

Plan Administrator's/Employer's Name

Plan Administrator's/Employer's Title

Plan Administrator's/Employer's Signature

Date

403(b) Distribution Form Guide



Please consult the following guide for questions and information pertaining to your 403(B) distributions. If your situation is not listed here, or if you have questions about any of the information on this form, please contact an Investor Representative at 1-800-873-8637 from 7:30 AM to 7:00 PM Central Time. For more detailed information regarding the types of distributions and their required timing (if applicable) please consult IRS Publications 571, 575 and 590. U.S. Global Investors, Inc. (U.S. Global) does not provide tax advice. We recommend you consult with your tax advisor prior to taking any 403(B) distributions.

Reason for Distribution (Section 3)

- **Normal Distribution:** This generally applies to distributions taken after you have reached the age of 59½. This also applies to you if you are taking your Required Minimum Distribution (RMD) from a 403(B) after you have reached the age of 70½.
- **Hardship Distribution:** A hardship is defined as an immediate and heavy financial need when no other funds are available to you and is taken before you have reached the age of 59½, and you are not taking a distribution for any of the other reasons listed below. **NOTE:** The taxable amount of your distribution may be subject to federal taxation as ordinary income and may be subject to an additional 10% tax penalty imposed by the Internal Revenue Service (IRS).
- **Severance from Employment:** You may take a distribution any time after you have terminated your employment. However, a 10% premature distribution penalty may apply, unless you meet an exception under the Internal Revenue Code. To claim an exception, you must complete IRS form 5329. Consult your tax advisor for additional information.
- **Court Order/Divorce Decree:** You must provide a certified copy of the court order or divorce decree that specifically mentions your U.S. Global 403(B) account and the disposition of the assets. In the case of divorce, if your former spouse wishes to roll over their assets into a U.S. Global IRA and does not already have an account, an IRA Application for your former spouse must accompany this request. You may obtain an IRA Application on our website, www.usfunds.com. Either you (the current account holder) or your former spouse may sign in Section 9 as long as a certified court document is included. The signature provided in Section 9 must be Medallion Signature Guaranteed.
- **Disability:** The IRS defines disability as being unable to engage in any substantial, gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of a long-continued and indefinite duration. The IRS may require you to submit additional paperwork to certify your disability. By signing this form, you are certifying that you meet the requirements for a disability distribution.
- **Death:** We recommend you consult a tax advisor before taking a distribution due to death, due to the many complex issues surrounding the treatment of such distributions. A distribution due to death applies in the following situations:
 - You are taking a distribution from an inherited IRA. You are the beneficiary of a now-deceased account holder and have already transferred your portion of the assets into an inherited IRA in your name. Please complete the IRA Distribution Form, which can be found on our website, www.usfunds.com. No additional paperwork is needed.
 - You are the executor or administrator of the estate, and the 403(B) account has not yet been distributed to any beneficiaries. Please submit a certified copy of the death certificate for the account holder, a W-9 (for those beneficiaries who wish to redeem their portion of the assets) or an IRA application (for those beneficiaries who wish to transfer their portion of the assets into their name), as well as a certified copy of the letters testamentary or letters of administration (whichever is appropriate) certified within 90 days.
 - You are the spousal beneficiary of the account holder. Please provide either a W-9 to redeem your portion of the assets or an IRA application to rollover your portion of the assets to an IRA in your name. If you already have a U.S. Global IRA account, please provide your account number in Section 6. Additionally, please provide a certified copy of the death certificate for the deceased account holder.
 - You are the non-spouse beneficiary of the account holder. Please provide a W-9 to redeem your portion of the assets. Additionally, please provide a certified copy of the death certificate for the account holder.

403(b) Distribution Form Guide



Distribution Instructions (Section 4)

- **Required Minimum Distribution:** For 403(B) accounts the IRS requires you to begin taking distributions once you have reached the age of 70½. You can either have US Global Investors calculate your RMD amount or you may calculate the amount yourself. Please read the following when deciding which option is best for you. An RMD is considered to be a “normal” distribution, but you must withdraw at least the required minimum or you may face IRS penalties. If you hold multiple Fund accounts, the amount of your RMD is based on the total value (as of December 31st of the prior year) of **all** of your Fund accounts.
 - **Calculations Performed by U.S. Global** – Distributions are taken proportionately from each Fund in your account, unless indicated otherwise in Section 2. The RMD amount will be re-calculated each year by using the IRS Uniform Lifetime Table. If your sole beneficiary on January 1 of a distribution year is your spouse and is *more than* 10 years your junior, the Joint Life Expectancy Factor in the IRS Joint Life and Last Survivor Expectancy Table will be used.
 - **Calculations Performed by You** – For each subsequent year hereafter, U.S. Global will continue to distribute the RMD amount(s) you provided only from the Fund account(s) listed. You understand that U.S. Global will **not** calculate any RMD amount(s) on an ongoing basis unless we receive subsequent written instructions from you. You will need to submit an 403(B) Distribution Form to change the amount(s) of your future RMD distribution(s), or to have U.S. Global begin calculating your future RMD amount(s). Should you fail to provide U.S. Global with this information, you understand this may result in underpayments, which would subject you to a 50% excess accumulations penalty tax. You further agree that U.S. Global, its subsidiaries, agents and affiliates and any of their officers and employees including without limitation each Fund will not be held liable if this situation occurs.
- **72(t) Substantially Equal Periodic Payments:** Payments made under section 72(t) of the Internal Revenue Code (The Code) allow you to avoid the 10% premature distribution tax penalty. **However**, once you begin 72(t) distributions, you may not alter the payment schedule for five (5) years or until you reach age 59½, whichever comes later. If you take more (or less) than your distribution amount in a given year, you will owe the 10% tax penalty (plus interest) retroactively on all the distributions taken as part of the series. US Global **can** calculate your distributions using the life expectancy table, but **cannot** calculate your distributions using the annuitization or amortization methods. We recommend you consult a tax advisor before calculating and taking 72(t) payments.

Additional Information:

- Forms W-9 and 5329, and IRS Publications 571, 575 and 590 can be obtained at the www.irs.gov website.
- The IRA Application and IRA Distribution Form can be obtained at our website, www.usfunds.com.

402(f) Notice of Special Tax Rules on Distributions



This notice contains important information you will need before you decide how to receive your benefits from your retirement plan. This notice summarizes the federal tax rules that apply to your payment. Check with your local franchise/tax office for any state or local taxes that may also apply. Note that not all of the sections may apply to your situation.

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your 403(b)(7) (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

- How can a rollover affect my taxes?
 - You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).
- Where may I roll over the payment?
 - You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.
- How do I do a rollover?
 - There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.
 - If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.
 - If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).
- How much may I roll over?
 - If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:
 - Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
 - Required minimum distributions after age 70½ (or after death).
 - Hardship distributions.
 - ESOP dividends.
 - Corrective distributions of contributions that exceed tax law limitations.
 - Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends).
 - Cost of life insurance paid by the Plan.
 - Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment.
 - Amounts treated as distributed because of a prohibited allocation of S-corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).
 - The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.
- If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?
 - If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over. The 10% additional income tax does not apply to the following payments from the Plan:
 - Payments made after you separate from service if you will be at least age 55 in the year of the separation.
 - Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).

402(f) Notice of Special Tax Rules on Distributions



- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation.
 - Payments made due to disability.
 - Payments after your death.
 - Payments of ESOP dividends.
 - Corrective distributions of contributions that exceed tax law limitations.
 - Cost of life insurance paid by the Plan.
 - Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment.
 - Payments made directly to the government to satisfy a federal tax levy.
 - Payments made under a qualified domestic relations order (QDRO).
 - Payments up to the amount of your deductible medical expenses.
 - Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days.
 - Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.
- If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?
 - If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:
 - There is no exception for payments after separation from service that are made after age 55.
 - The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
 - The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
 - There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).
 - Will I owe State income taxes?
 - This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

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If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs). You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant

Payments after death of the participant

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse – If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

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If you are a surviving beneficiary other than a spouse – If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan). You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.