

# 403(b)

## Distribution Guide



Learn about taking distributions  
from your 403(b) retirement savings

### Accessing Your Retirement Savings Money

Whether you are nearing retirement age, have separated from service or just encountered some unexpected expenses, FPS Trust can help you access your hard-earned retirement dollars.



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# Frequently Asked Questions

Q  
A

## When can I withdraw money from my retirement account?

Generally, a distribution may be taken for any of the reasons listed below.

### Age 59½

You may withdraw money once you reach this age, even if you are still working. This is contingent on your plan document. Please verify with your plan administrator prior to selecting this option.

### Separation From Service

When you leave your job, you are eligible to leave it invested in the account or you can take a distribution from your retirement account. If you want to keep your money growing tax-advantaged, you can leave it invested in the account, or roll over the distribution to another retirement plan account or an individual retirement account (IRA).

### Disability

You may be able to request a distribution if you are totally and permanently disabled. You are responsible for justifying a disability distribution in an IRS inquiry.

### Death

If you die, your beneficiary or the executor of your estate should contact your employer for information regarding distributions at death.

There are other possible reasons for a withdrawal, such as a financial hardship or meeting the qualified reservist requirements. See IRS Publication 575 (*Pension & Annuity Income*) for more information.

FPS Trust strongly recommends consulting a tax professional before accessing retirement savings money.

Q  
A

## What are the options for my retirement account when switching jobs or retiring?

- Take a cash distribution. Not all plans allow this option, so check with your employer or plan administrator.
- Roll the money into your new employer's retirement plan. Not all plans allow such transfers, so check with your employer (former and present) and plan provider (former and present).
- Roll it into an IRA.
- Leave it where it is, especially if you like your investment choices. However, if the vested balance is below \$5,000, some employers will require you to move the money. Check with your employer.

For more detailed information refer to IRS Publication 575, *Pension and Annuity Income*. You can obtain this document by calling the IRS at 800.829.3676, or by visiting the IRS website at [www.irs.gov](http://www.irs.gov).

## Q A

### Under what circumstances may a hardship withdrawal be made?

This provision allows withdrawal of funds from certain retirement accounts if under severe financial distress. Verify with your employer or plan administrator as to whether or not your specific account/plan allows for these withdrawals. You must have no other resources available. A hardship withdrawal may be made for:

- Un-reimbursed medical expenses for you, your spouse or dependents.
- Down payment and other costs related to the purchase of a primary residence.
- Tuition and fees for the next 12 months of postsecondary education for you, your spouse or dependents.
- Eviction or foreclosure on your primary residence.
- Funeral expenses for you, your spouse or dependents.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty deduction.

Hardship withdrawals are not exempt from an IRS 10% penalty for early withdrawal. Furthermore, withdrawals are subject to ordinary income taxation in the year withdrawn. To qualify, you must certify that you have no other recourse, including the possibility of taking a loan. You also are prohibited from contributing to a retirement account for the next six months. The IRS makes it tough to access money this way for a reason: they don't want you to use the retirement account as a form of short-term savings. For details on your specific situation, it is recommended that you contact the plan administrator or your employer and a tax professional before proceeding.

Also, while the IRS permits withdrawals, it is allowable for a plan sponsor (the employer) not to permit them. The employer has some responsibility in making hardship withdrawals. The employer has to "OK" the hardship, based on written information provided by the employee as to the nature of the hardship. The employer, or the designated plan administrator, has to determine, based on the facts, whether the employee has an "immediate and heavy financial need".

## Q A

### What happens to my retirement savings money in the event of a divorce?

Distributions to an "alternate payee" will be permitted if pursuant to a qualified domestic relations order (QDRO). A QDRO is a decree, judgment or order that meets the qualification requirements of the Internal Revenue Code. Those requirements include:

- The order must have been issued under a state's community property or other domestic relations law.
- It must relate to the provision of alimony, child support or the property rights of a spouse, former spouse, child or other dependent (alternate payee).
- It must assign to the alternate payee the right to receive all or a portion of the participant's plan benefits.
- It must clearly specify:
  - The names and addresses of each alternate payee
  - The amount or percentage of the participant's benefit to be paid to each alternate payee
  - The period of time over which the order applies
  - Each plan to which the order applies
- The plan sponsor must submit a letter deeming the QDRO to be qualified under the plan.

**NOTE:** If a distribution is made to a spouse or former spouse under a QDRO, the distribution may be rolled into a qualified plan or IRA that the spouse or former spouse has. A distribution to any other alternate payee is not eligible for rollover. QDROS apply only to plans subject to ERISA.

## Q A

### I mistakenly made contributions in excess of the annual elective deferral limit. What should I do?

You must remove excess contributions by requesting a distribution. Excess contributions are taxable for the year in which the contributions are made. Excess contributions may be distributed before April 15 of the year following the year in which the excess contributions are made. Excess contributions that are not distributed before such deadline may only be distributed when otherwise distributable (*i.e.*, following death, disability, attainment of age 59½ or on the basis of hardship) and the distribution will be taxable.



## What happens to my retirement account money in the event of my death?

Death benefits to be paid under a retirement plan depend on when death occurs and who is named as the designated beneficiary on the plan.

The Internal Revenue Code states that distributions generally must be made from a retirement plan by the participant's "required beginning date," defined as April 1 of the year following the year in which the participant attains age 70½. Different rules apply to death benefits depending on whether or not death occurs before the required beginning date. The following table briefly summarizes the death benefit requirements:

Designated Beneficiary	Employee's Death Occurring	
	Before Required Beginning Date	On or After Required Beginning Date
<b>None</b>	Entire account must be distributed by December 31 of the year containing the fifth anniversary of the employee's death.	The remaining account must be distributed over the employee's remaining life expectancy, determined using the single life expectancy table published by the IRS and the employee's age on their birthday in the year of death. In subsequent calendar years, the distribution period is reduced by one for each year that has elapsed since death.
<b>Spouse (sole beneficiary)</b>	<p>Distributions are to begin on or before the later of (a) the end of the year in which the employee would have attained age 70½ or (b) the end of the year following the year of the Account Holder's death.</p> <p>The account is to be distributed over the surviving spouse's life expectancy, determined using the single life expectancy table published by the IRS and the surviving spouse's age on their birthday during the applicable year.</p>	The remaining account must be distributed over the surviving spouse's life expectancy, or the the Account Holder's remaining life expectancy, determined using the single life expectancy table published by the IRS and the surviving spouse's age on their birthday during the applicable year.
<b>Non-spouse</b>	Distributions are to begin by the end of the year following the year of the employee's death. Distributions are to be made over the beneficiary's life expectancy, using the single life expectancy table published by the IRS and the beneficiary's age on their birthday in the year after the employee's death. In subsequent calendar years, the distribution period is reduced by one for each year that has elapsed since death.	The remaining account must be distributed over the beneficiary's life expectancy, the Account Holder's remaining life expectancy, using the single life expectancy table published by the IRS and the beneficiary's age on their birthday in the year following the employee's death. In subsequent calendar years, the distribution period is reduced by one for each year that has elapsed since death.

The surviving spouse may elect to roll death benefits into his or her own IRA, after any required distributions are made for the year of the decedent participant's death. In order to make this election, the surviving spouse must be the sole beneficiary of the Retirement Account and have an unlimited right to withdraw amounts from the account.

**For Death Distributions please complete Appendix A.**

**Q**  
**A**

**If I become disabled, may I withdraw money from my retirement savings?**

Yes, but you must meet the plan's definition of disability. If no definition is present in the plan documents, you must meet the IRS definition of disability, which is "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 long-continued and indefinite duration." By signing the Distribution Request, you certify that you meet the requirements for a disability distribution.

**Q**  
**A**

**Are there rules about when distributions MUST be taken?**

Once you reach age 70½, you must begin taking Required Minimum Distributions (RMDs) annually. RMDs generally are minimum amounts that you must withdraw annually starting with the year that you reach 70½ years of age or, if later, the year in which you retire.

While the minimum amounts are dictated by the IRS, you can always withdraw more. The assets you withdraw generally qualify as income, and you must pay federal and sometimes state taxes on distributions (*i.e.*, on pretax contributions and earnings). It is important to know that RMDs are not optional. These withdrawals are required, even if you don't need the money. If you don't take your RMD or you take too little, an IRS penalty equal to 50% of the amount not distributed may apply.

Special rules apply to assets in the place before 1987. See Publication 571 (*Pension and Annuity Income*) for more information.

**Q**  
**A**

**If I qualify for a retirement account distribution, how will it be taxed?**

If you receive a distribution and do not have it directly rolled over into another eligible retirement account, it will be subject to federal and state income tax. If you receive a distribution before you reach age 59½, you also may have to pay a penalty tax equal to 10% of the taxable portion of your distribution. See Appendix B ("Special Tax Notice Regarding Retirement Plan Payments") in this booklet for more information.

In most cases, the payments you receive, or that are made available to you from a retirement account are taxable in full as ordinary income. In general, the same tax rules apply to distributions from a retirement account that apply to distributions from other retirement plans. For more detailed information refer to IRS Publication 575. For details on your specific situation, it is recommended that you consult a professional tax advisor.

**Q**  
**A**

**Who is involved with issuing a distribution to me?**

TSA Consulting Group, Inc. ("TSA") is the plan administrator, and makes the decision about distribution approvals. FPS Trust Company, LLC ("FPS") is the custodian of your account and, with TSA's approval, issues the distributions.

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# 403(b) Account Distribution Request Checklist

The Distribution Request Form must be completed, signed and returned to your plan administrator to request a distribution from your retirement account. Please review the accompanying "Special Tax Notice" in Appendix B. Then complete the Distribution Request Form based on the instructions provided below and on the form itself.

**Section 1** **Triggering Event** - The correct box should be checked to indicate the reason for the distribution.

**Section 2** **Participant Information** - The Participant (or Beneficiary) must complete all information requested in this Section of the form. If the Participant's Beneficiary is completing the form due to the Participant's death, the Beneficiary should enter the deceased participant's name, Social Security Number and address in Section 1 and the Beneficiary's information in Appendix A.

**Exception:** The last day worked (Termination Date) is not required if the distribution request is for a Hardship or In-Service Withdrawal.

**Section 3** **Employer Information** - All information in this section must be completed.

**Section 4** **Distribution Instructions** - Please indicate the amount of the distribution request.  
**NOTE:** You must waive the 30-day "Special Tax Notice" in order to have your distribution processed sooner.

**Section 5** **Required Minimum Distributions (RMD)** - Complete only if you are taking required minimum distributions because you have attained age 70½.

**Section 6** **Options for Receiving Proceeds** - Please indicate whether you wish the proceeds distributed by check or electronically. Different requirements may be applicable depending on your instructions. Please review carefully.

**Section 7** **Federal Income Tax Withholding** - Indicate your tax withholding election.  
**Note:** Eligible rollover distributions are subject to 20% withholding unless you elect to have the distributions paid in a direct rollover to an eligible retirement plan, including an IRA. With certain exceptions, an eligible rollover distribution is the taxable part of any distribution from a qualified plan, governmental 457(b) plan, or a 403(b) plan. Other withholding rates apply if the distribution is not an eligible rollover distribution.

**Section 8** **Signature & Acceptance** - Signatures are REQUIRED from the following:

1. Participant/Beneficiary
2. Employer/Plan Sponsor and/or Third Party Administrator

Please review the above before you submit your request.

**Incomplete forms will not be processed and will be returned to the client.**

Thank you,

FPS Trust Company

**Please mail or fax the completed form and all required supporting documents to:**

TSA Consulting Group  
ATTN: Recordkeeping Dept.  
P.O. Box 4037  
Fort Walton Beach, FL 32549  
FAX: (866) 741-0645

Fax this form to (866) 741-0645 or mail to: TSA Consulting Group, P.O. Box 4037, Fort Walton Beach, FL 32549.

**Questions?** Call Plan(b) Customer Information at (866)planb86 (866-752-6286), M - F, 7am - 5pm CST.

# 403(b) Account Distribution Request Form

ACCOUNT #

## Section 1 TRIGGERING EVENT

We recommend that you speak with a tax or financial advisor regarding the consequences of this distribution. A distribution cannot be made from a retirement account except for the following reasons (check only one).

**NOTE:** Different plans allow for different triggering events. Please refer to your plan's Summary Plan Description (SPD) for details.

- Age 59<sup>1/2</sup> Distribution**  
In-service distribution upon attaining age 59<sup>1/2</sup>.
- Separation from Service**
- Required Minimum Distribution**  
Employee has reached the age of 70<sup>1/2</sup> and is taking required minimum distributions. (Skip to Section 5.)
- Financial Hardship**  
The Employee can demonstrate "an immediate and heavy financial need."  
**NOTE:** Financial hardship shall be determined by the Employer. Hardship withdrawals shall be permitted only if the Employee has first made all available withdrawals and loans from all plans of the Employer and plans of entities related to the Employer in which he or she is a participant. The amount allowable as a hardship withdrawal cannot exceed the amount required to meet the need. These distributions will be reported as a code 1 (early distributions) on the Form 1099-R. The Employee is responsible for filing a Form 5329 with the IRS to report such distributions if you believe your withdrawal meets an exception to the 10% penalty.
- Excess Contributions**  
Employee has made elective deferral contributions to the account in excess of the annual elective deferral limit and needs to remove the excess contributions and investment earnings attributable to such contributions.
- Termination of Employer's Retirement Plan**
- Disability**
- Death of Participant (See Appendix A.)**
- QDRO (Please include QDRO Agreement.)**

## Section 2 PARTICIPANT INFORMATION

<input type="text"/>	<input type="text"/>	<input type="text"/>
First Name	Last Name	M.I.
<input type="text"/>		<input type="text"/>
Address (Street Address only. P.O. Boxes <b>not</b> accepted)		Apartment/Suite
<input type="text"/>	<input type="text"/>	<input type="text"/>
City	State	Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Daytime Phone Number	Evening Phone Number	Marital Status
		<input type="checkbox"/> Single <input type="checkbox"/> Married
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth (month   day   year)	Termination Date (month   day   year)	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of Birth (month   day   year)	Termination Date (month   day   year)	Social Security Number

## Section 3 EMPLOYER INFORMATION

<input type="text"/>	<input type="text"/>
Employer Name	Plan ID Number
<input type="text"/>	<input type="text"/>
Employer Address	Suite/Building
<input type="text"/>	<input type="text"/>
City	State
<input type="text"/>	<input type="text"/>
Zip	
<input type="text"/>	<input type="text"/>
Contact Name	
<input type="text"/>	<input type="text"/>
Title	Phone Number

Fax this form to (866) 741-0645 or mail to: TSA Consulting Group, P.O. Box 4037, Fort Walton Beach, FL 32549.

**Questions?** Call Plan(b) Customer Information at (866)planb86 (866-752-6286), M - F, 7am - 5pm CST.

## Section 4 DISTRIBUTION INSTRUCTIONS

Please choose from the following options:

- Direct Rollover**  
Participant is rolling over total amount in account into another retirement plan or Traditional IRA.
- Direct Conversion**  
Participant is rolling over total amount in account into a Roth IRA.
- Lump Sum (Cash Distribution of total amount in account from all sources)**  
If Special Roth Instructions are provided below, your Roth assets will not be included in this lump sum.
- Partial Cash Distribution with remaining assets rolled over**

Cash Amount \$  ,  .

**NOTE:** Cash Distributions will be paid directly to you, reduced by applicable Federal and state withholding amounts and any distribution fees. Taxes will not be withheld for amounts under \$200.

### Special Roth Instructions (optional)

A portion of my account is attributable to Roth Contributions. Payment instructions for the non-Roth portion of my account were provided above. What follows are my payment instructions for the Roth portion of my account:

**Single Cash Payment:**

\$  ,  .  of the post-tax (Roth) portion of my account.

**Direct Rollover:**

\$  ,  .  of the post-tax (Roth) portion of my account transferred to the following:

#### Roth IRA or Employer plan

Name of Roth IRA or Employer Plan

Make Check Payable to

Mail Check to

IRA Account Number (if available)

Address of Financial Institution

### Waiver of Waiting Period

In accordance with Federal Regulations, your Benefit Distribution cannot be paid until at least 30 days after the date you receive the "Special Tax Notice Regarding Retirement Plan Payments," included in this guide. However, you have the right to waive this 30-day requirement in order to have your distribution processed sooner. Please check the appropriate box below:

- I wish to waive the 30-day waiting period.
- I do **not** wish to waive the 30-day waiting period.

If you are a terminated employee and have an outstanding loan, the outstanding loan balance (principal) will be deemed a distribution and a Form 1099-R will be generated at the end of the year in the amount of the outstanding loan balance plus the amount of the distribution you are requesting at this time. By signing this form, you are agreeing to these terms and conditions.

## Section 5 REQUIRED MINIMUM DISTRIBUTIONS

Complete only if you are taking required minimum distributions because you have attained age 70½ and have retired from the employer maintaining the retirement plan. You may calculate the amount required to be withdrawn from your account each year yourself (Option 1), or FPS can calculate the amount required to be withdrawn (Option 2). This calculated amount will be taken annually on or about the 15th of October. If you fail to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulations tax imposed by the IRS.

**It is recommended that you consult with your tax advisor about your required minimum distributions.**

### COMPLETE EITHER OPTION 1 OR OPTION 2.

#### OPTION 1 – Participant to recalculate annually

**NOTE:** The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. You are responsible for re-calculating the amount of your required distribution for each year and providing FPS with updated instructions, as necessary, by sending FPS your instructions via this form.

I have calculated the amount of my required minimum distribution and would like it paid out as follows:

Distribute the following dollar amount from the account: \$  ,  .

#### OPTION 2 – FPS to recalculate annually:

I would like FPS to recalculate my required minimum distribution and pay it out based on one of the following elections:

- Determine my required minimum distribution amount using the IRS Uniform Lifetime Table.
- Determine my required minimum distribution amount using the IRS Joint Life Expectancy Table. (This option is available only if your spouse is and has been your sole primary beneficiary during the entire calendar year for which you are taking the distribution, AND he or she is more than ten years younger than you.)

My date of birth is:

--

Date (month | day | year)

My spouse's date of birth is:

--

Date (month | day | year)

If FPS did not maintain your account at the close of last year, please provide your year-end account balance, plus the amount of any rollovers or transfers into the account which were distributed from another plan in the prior year but not received into the account until the current year:

\$  ,  .

## Section 6 OPTIONS FOR RECEIVING PROCEEDS

Please indicate whether you wish the proceeds distributed by checks or ACH/Wire transfer.

**By Check** - Checks over \$50,000 will automatically be sent overnight and charged FPS's \$35 UPS Overnight Fee

**NOTE:** If your distribution is less than \$50,000, you can still elect to have UPS overnight your check for a \$35 fee by checking this box.

**A. Funds to Participant**

Make check payable to the Participant and mail to the Participant's address of record.

**B. Rollover or Trustee-to-Trustee transfer**

Make check payable to new custodian or plan trustee as a rollover or transfer.

### Make check payable to

Name of Custodian/Trustee

ATTN

Address

City

State

Zip

Receiving Account Number

**By ACH or Wire to your bank:**

**NOTE:** Automated Clearing House (ACH) & Wire instructions are different. Please contact the receiving financial institution for instructions. Verify that all account information is correct. If funds reject due to incorrect account information, you will be charged any applicable reject fees. Please allow 3-5 business days from the date of approval to receive your proceeds.

**ACH Transfer to my bank account**

**Wire Transfer to my bank account**

Bank Name

Name(s) on Bank Account

Checking  Savings

Account Type

Bank Address

City

State

Zip

Routing Number

Account Number

**Note:** Some financial institutions may charge a fee to receive your wire.

## Section 7 INCOME TAX WITHHOLDING (You must make an election if 20% mandatory withholding does not apply.)

All distributions are subject to 20% federal income tax withholding (and possibly state income tax withholding) except for direct rollovers, plan to plan transfers, required minimum distributions, return of excess contributions, financial hardship and some death distributions. Financial hardship withdrawals and RMDs will be taxed at 10% unless you have indicated that no federal taxes should be withheld.

If 20% federal mandatory withholding applies to your distribution, FPS will automatically withhold this amount.

If 20% federal mandatory withholding does not apply to your distribution, 10% withholding will apply unless you indicate below a different percentage to withhold.

- I do not want any federal income tax withheld from my distribution.
- I want federal income tax withholding at a rate of   % of the pre-tax amount

If state income tax withholding applies, FPS will also withhold this amount. Withholding will apply only to the portion of your distribution that is included in your income subject to federal and/or state income tax. Thus, for example, there will be no withholding on the return of your own after-tax contributions. If you elect not to have withholding applied to your distributions, or if you do not have enough federal and/or state income tax withheld from your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

**NOTE:** If you are under 59½ years of age, distributions may be subject to a 10% premature distribution penalty unless an exception applies.

## Section 8 SIGNATURE & ACCEPTANCE

### ACCOUNT HOLDER/BENEFICIARY/ALTERNATE PAYEE SECTION

By signing below, I certify that I am the account holder or other person authorized to sign this form, and that the information on this form is correct. FPS may rely on my certification without further investigation or inquiry. I authorize FPS to distribute cash and/or securities from my account in the manner and for the reasons stated on this form. I understand that my employer may be required to execute documents and to provide other information necessary to comply with the relevant tax laws.

▶  --  
Date (month | day | year)

Account Holder/Beneficiary/Alternate Signature

### EMPLOYER/PLAN SPONSOR/ADMINISTRATOR SECTION

**IMPORTANT:** FPS Trust Company ("FPS") may require the Employer to certify factual information within its knowledge as employer prior to making any distributions to the Employee (or the Beneficiary) from the Account.

The information provided in connection with this request is true and accurate. The distribution directed is one that the Employee (or the Beneficiary) is permitted to receive. Furthermore, the individual signing this form on behalf of the employer referenced below hereby represents and warrants that he/she is duly authorized to execute this form on behalf of the employer and to legally bind the employer to the terms and conditions stated herein.

#### IMPORTANT NOTE: This information about the participant must be provided for any distribution to be processed.

Date of hire:

--  
Date (month | day | year)

Years of Service:

Vested Percentage:

%

▶  --  
Date (month | day | year)

Administrator Signature

▶  --  
Date (month | day | year)

TPA Signature

Firm Name

Fax this form to (866) 741-0645 or mail to: TSA Consulting Group, P.O. Box 4037, Fort Walton Beach, FL 32549.

**Questions?** Call Plan(b) Customer Information at (866)planb86 (866-752-6286), M - F, 7am - 5pm CST.

# APPENDIX A

## Distributions Due to Account Holder's Death

### STEP 1 ACCOUNT HOLDER INFORMATION

<input type="text"/>		<input type="text"/>		<input type="text"/>
First Name		Last Name		M.I.
<input type="text"/>				<input type="text"/>
Address (Street Address only. P.O. Boxes <b>not</b> accepted)				Apartment/Suite
<input type="text"/>		<input type="text"/>	<input type="text"/>	
City		State	Zip	
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Single <input type="checkbox"/> Married		<input type="text"/>
Daytime Phone Number	Evening Phone Number	Marital Status		Email Address
<input type="text"/>	<input type="text"/>			<input type="text"/>
Date of Birth (month   day   year)		Date of Account Holder's Death (month   day   year)		Social Security Number
<input type="text"/>		<input type="text"/>		<input type="text"/>

### STEP 2 BENEFICIARY INFORMATION

The following person(s) or entity(ies) below as beneficiary(ies) may receive payment of the value of this retirement account upon death.

<input type="text"/>				
Beneficiary's Name (first, middle, last) or Entity Name				
<input type="text"/>				
Address				
<input type="text"/>		<input type="text"/>	<input type="text"/>	
City		State	Zip	
<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>
Daytime Telephone Number	Evening Telephone Number	Email Address		
<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>
Social Security Number	Date of Birth (month   day   year)	Percentage Share	Relationship to Participant	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

#### DEATH BEFORE REQUIRED MINIMUM DISTRIBUTIONS HAVE BEGUN

If the Employee dies on or before the April 1st following the year in which he/she attains age 70½ (the "Required Beginning Date"), before required minimum distributions have commenced, all assets remaining in the Employee's account must be distributed by the end of the fifth year following the Employee's death unless

- (i) the beneficiary is a natural person or qualifying trust designated by the Employee (a Designated Beneficiary) and required minimum distributions are taken beginning in the year following the year of the Employee's death (in which case, distributions must be made over the Designated Beneficiary's life expectancy), or
- (ii) the Employee has designated the Employee's spouse as beneficiary (in which case, distributions must be made over the spouse's life expectancy beginning no later than December 31 of the year in which the Employee would have attained age 70½).

#### DEATH AFTER REQUIRED MINIMUM DISTRIBUTIONS HAVE BEGUN

If the Employee dies after the April 1st following the year in which he/she attains age 70½ (the "Required Beginning Date"), the account will be distributed as follows:

- (i) if the Employee named the Employee's spouse as the Designated Beneficiary, over the longer of the Employee's remaining life expectancy at death or spouse's life expectancy,
- (ii) if the Employee named a Designated Beneficiary, over the longer of the Employee's remaining life expectancy at death or the Designated Beneficiary's life expectancy,
- (iii) if the Employee did not name a Designated Beneficiary, over the Employee's remaining life expectancy at death.

#### MULTIPLE BENEFICIARIES

If there are multiple beneficiaries, each beneficiary may make elections relative to his or her share of the account if separate accounts for each Beneficiary are established by December 31 of the year following the year of the Employee's death. Otherwise, distribution generally will be based on the life expectancy of the oldest beneficiary. Additional rules may apply. For more information on these rules, please see IRS Publication 590 or contact your tax advisor.

#### Additional Documentation Requirements and Instructions:

- Copy of a certified death certificate must be provided.
- Letters of testamentary or a certified copy of the small estate affidavit must be provided\* **IF** no Beneficiary was designated by the Employee and the Employee's surviving spouse will be the Beneficiary, **OR** the Employee was unmarried at the time of his or her death and the Employee's estate is the Beneficiary.
- Each Beneficiary must submit a completed Distribution Form.
- If a Beneficiary is requesting an immediate distribution of his or her entire interest in the account, he or she must submit a completed IRS Form W-9.
- If a Beneficiary is electing to maintain the account and distribute his or her interest over five years or over a life expectancy, the Beneficiary needs to contact Plan(b) Customer Information at (866)planb86 (866-752-6286) to obtain the appropriate account application.

\*In lieu of providing certified documents, the Beneficiary may provide a medallion signature guarantee in Section 9 of this distribution form.

**Note:** These are FPS's minimum requirements; the plan document may have additional specifications or requirements.

Fax this form to (866) 741-0645 or mail to: TSA Consulting Group, P.O. Box 4037, Fort Walton Beach, FL 32549.

**Questions?** Call Plan(b) Customer Information at (866)planb86 (866-752-6286), M - F, 7am - 5pm CST.



# APPENDIX A

## Distributions Due to Account Holder's Death (Con't)

### Section II. REQUIRED MINIMUM DISTRIBUTIONS APPLY

You may calculate the amount required to be withdrawn from your account (Option 1) or FPS can calculate the amount required to be withdrawn (Option 2). If a Beneficiary fails to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulation tax imposed by the IRS.

**It is recommended that you consult with your tax advisor about your required minimum distributions.**

#### COMPLETE EITHER OPTION 1 OR OPTION 2.

##### OPTION 1. Beneficiary to calculate annually

**NOTE:** The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. You are responsible for re-calculating the amount of your required distribution for each year and providing FPS Trust with updated instructions, as necessary.

I have calculated the amount of my required minimum distribution and would like it paid out as follows:

Distribute the following dollar amount from the account: \$    ,    .

##### OPTION 2. FPS to recalculate annually

I am the Designated Beneficiary of the account for purposes of calculating required distributions, and I would like FPS to calculate my required minimum distribution each year and pay it out based on the following information **Check one:**

I am the surviving spouse of the Employee. My date of birth is:   -   -     (mm | dd | yyyy)

I am not the surviving spouse of the Employee. My date of birth is:   -   -     (mm | dd | yyyy)

The beneficiary is a trust. If beneficiaries are named for the trust, and the owner died before his or her Required Beginning Date, proceeds distributed may be based on the eldest primary beneficiary's single life expectancy. If the Employee died after his or her Required Beginning Date, proceeds distributed may be based on the account owner or eldest primary beneficiary's single life expectancy.

The date of birth for the calculation is:   -   -     (mm | dd | yyyy)

The beneficiary is the Employee's Estate. Distributions may be based on the Employee's single life expectancy if the Employee died after his or her Required Beginning Date.

If there is an outstanding loan, you understand the outstanding loan balance (principal) will be deemed a distribution and a 1099-R will be generated at the end of the year in the amount of the outstanding loan balance plus the amount of the distribution you are requesting at this time. By signing this form, you are agreeing to these terms and conditions.

▶  BENEFICIARY SIGNATURE   -   -      
Beneficiary Signature Date (month | day | year)

# APPENDIX B

## Special Tax Notice Regarding Retirement Plan Payments Provided by FPS Trust Company, LLC ("FPS")

This notice explains how you can continue to defer federal income tax on your retirement savings in your employer's 403(b) plan (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by FPS Trust Company, LLC (your "Payor") because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Payor to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Payor of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE-IRA or a Coverdell Education Savings Account (formerly known as an Education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA.

If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

**If you have additional questions after reading this notice, you can contact Plan(b) Customer Information at (866)planb86 (866-752-6286) or FPS at (303) 625-9646.**

### Summary of Notice

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

1. Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("**direct rollover**"); **OR**
2. The payment can be **paid to you**.

If you choose a **direct rollover**:

- Your payment will not be taxed in the current year and no income tax will be withheld. You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE-IRA or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover **paid to you**:

- You will receive only 80% of the taxable amount of the payment, because the Payor is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

### Your right to waive the 30-day notice period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Payor.

## Payments that can and cannot be rolled over

Payments from the Plan may be “eligible rollover distributions.” This means that they may be eligible to be rolled over to a traditional or Roth IRA or to an eligible employer plan that accepts roll overs. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE-IRA or a Coverdell Education Savings Account. Your Payor should be able to tell you what portion of your payment is an eligible rollover distribution.

### After-tax contributions

If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- (a) Rollover into a traditional IRA.** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Payor should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the additional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts cannot later be rolled over to an employer plan.

- (b) Rollover into an employer plan.** You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You also can roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You cannot roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Payor of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

### The following types of payments cannot be rolled over:

#### Payments spread over long periods

You cannot roll over a payment if it's part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- A period of 10 years or more.

#### Required minimum payments

Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you. Special rules apply if you own more than 5% of your employer.

#### Hardship distributions

A hardship distribution cannot be rolled over.

#### Corrective distributions

A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

#### Loans treated as distributions

The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover. Ask the Payor of this Plan if distribution of your loan qualifies for rollover treatment.

The Payor of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

## Direct rollover

A **direct rollover** is a direct payment of the amount of your Plan benefits to a traditional or Roth IRA or an eligible employer plan that will accept it. You can choose a **direct rollover** of all or any portion of your payment that is an eligible rollover distribution, as described above. You are not subject to tax on any portion of your payment for which you choose a **direct rollover** until you later take it out of the traditional or Roth IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a **direct rollover**. This Plan might not let you choose a **direct rollover** if your distributions for the year are less than \$200.

### Direct rollover to a traditional IRA

You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure about how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

### Direct rollover to a Roth IRA

If you made Roth Deferral Contributions to your 401(k), you can open a Roth IRA to receive a portion of your direct rollover. The balance of your distribution can be rolled over to a traditional IRA and then transferred to a Roth IRA. If you choose to have your benefit transferred to a Roth IRA directly or through a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made to either a traditional and/or Roth IRA at that institution. If you are unsure about how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA you may wish to make sure that the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs (including limits on how often you can roll over between IRAs).

### Direct rollover to a plan

If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the Payor of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Payor of that plan before making your decision.

### Direct rollover of a series of payments

If you receive a payment that can be rolled over to an IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

### Change in tax treatment resulting from a direct rollover

The tax treatment of any payment from the eligible employer plan or an IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan.

## Payment paid to you

If your payment can be rolled over and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

### Mandatory income tax withholding

If any portion of your payment can be rolled over and you do not elect to make a direct rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding.

**Example:** If you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-day rollover option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

### Voluntary income tax withholding

If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding.

### Sixty-day rollover option

If you receive a payment that can be rolled over, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts roll overs. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can rollover up to 100% of your payment that can be rolled over, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

**Example:** The taxable portion of your payment that can be rolled over is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

### Additional 10% tax if you are under age 59½

If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 401(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies. The portion of your payment that is rolled over will not be subject to tax until you take it out of your IRA or the eligible employer plan.

### Repayment of plan loans

If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or an IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

### Surviving spouses, alternate payees, and other beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a beneficiary or an alternate payee, you may choose to have a payment that can be rolled over paid in a direct rollover to an IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA or to an eligible employer plan.

If you are a surviving spouse, an alternate payee or another beneficiary, your payment is generally not subject to the additional 10% tax, even if you are younger than age 59½.

### How to obtain additional information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Web site at [irs.gov](http://irs.gov) or by calling 1-800-TAX-FORM.

