
Please check with your employer regarding loan eligibility and approvals required to process this request. A "Loan Request Form" must be approved and signed by the Employer/Plan Administrator to process a loan from your Plan Account.

STEP 1

Participant Information: ALL information is required.

STEP 2

Employer Information: ALL information is required.

STEP 3

Loan Amount: Minimum and maximum loan restrictions. Select only one option.

STEP 4

Loan Duration: Select only one duration option. Please review carefully.

STEP 5

Payment Options: Select the payment option. Different requirements may be applicable depending on your payment instructions. Please review carefully.

STEP 6

Repayment: Loans MUST be repaid via automatic Electronic Funds Transfer (EFT) on a monthly basis.

STEP 7

Signature & Acceptance: Signatures REQUIRED for the following:

- Participant
- Employer/Plan Administrator

Signature Guarantee **mandatory** on Participant Signature if check mailing instructions are to a third party address.

Please review the above before you submit your request. Incomplete forms will not be processed and will be returned to the client.

Fax or mail the completed form and all required supporting documents to:

Pentegra Trust Company
c/o ASPire
ATTN: Loan Processing
4010 Boy Scout Blvd, Suite 450
Tampa, FL 33607
Fax: 813.425.9790

For Client Services, please contact 866.634.5873.

Thank you,

Pentegra Trust Company

Account Number

STEP 1 Participant Information
 First Name Last Name M.I.

 Address (Street Address only. P.O. Box not accepted) Apartment/Suite

 City State Zip

 Daytime Phone Number Evening Phone Number * Email Address

 Social Security Number Single Married Date of Birth (month/day/year) Date of Hire (month/day/year)

* By providing your email address, you consent to receiving notifications regarding your loan via email. If no email is provided communications will be sent via USPS.

STEP 2 Employer Information

 Employer Name

 Contact Name Title Phone Number

STEP 3 Loan Amount

The minimum loan amount is \$1,000 per account. You may borrow up to the lesser of \$50,000 or 50% of your 403(b)(7) account balance, subject to certain IRS restrictions.¹ The \$50,000 limit may be further reduced if you previously borrowed from your 403(b)(7) account.

Please complete only one of the following:

- Maximum Loan Amount
- Amount of Loan Requested: \$ _____

Have you defaulted on a loan from any other 403(b) plan? Yes No

1. If you have other 403(b) accounts with this employer, or if you are a participant in another type of employer retirement plan offering loans, it is important to note that the loan limits imposed under IRC 72(p) apply to all plans of the employer. Thus, you must take care to avoid multiple loans that, collectively, would exceed the overall limit.

STEP 4 Loan Duration

Loans are generally payable within one to five years. Only loans used to purchase a primary residence may have a duration of up to 15 years—see Terms and Conditions for details. If no selection is made here, the loan duration will be five years and cannot be modified after submission of this form. All loans are repaid monthly.

Five Year: Yes No

OR Other Duration (in Years) _____

Will your loan be used to purchase a primary residence? Yes No

If you chose Yes, please indicate the loan duration (in Years) _____ (Maximum is 15 years)

If blank, default is 15 years.

STEP 5 | **Payment Option**

Please select ONLY one payment option below:

- Make check payable to the Participant and mail to the Participant's address of record.
- Make check to third party address (Signature Guarantee required in Step 7)

Address

City State Zip

- Send payment via Electronic Funds Transfer (EFT) – (Allow 2-3 business days to receive your proceeds.)

To Bank:

Bank Name

Names(s) on Bank Account

Bank Address

City State Zip

Routing Number Account Number

Account Type: Checking Savings

Name

Pay to the order of _____ \$ _____

Please staple your VOIDED check here

Routing Number Account Number

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Include a preprinted voided check or a deposit slip. We cannot establish repayment without pertinent bank information. Your bank account will be debited on the 15th day of each month, or the business day before or after, if the 15th is not a business day. In the event that any loan payment cannot be processed due to insufficient funds, the debit may be re-requested and insufficient funds fees may be applied.

Please choose from the following options to establish loan repayments via electronic transfer from your bank account.

- Check here.** If check information is the same as Step 5.
- Checking account.** If withdrawing from your Checking account, please attach a preprinted voided check.
- Savings account.** If withdrawing from your Savings account, please attach a preprinted deposit slip.

From Bank:

Bank Name		
Names(s) on Bank Account		
Bank Address		
City	State	Zip
Routing Number	Account Number	
Account Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		

Name

Pay to the order of _____ \$ _____

Please staple your VOIDED check here

Routing Number Account Number

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Please fax or mail the completed Loan Request Form to:

Pentegra Trust Company
 c/o ASPIre
 ATTN: Loan Processing
 4010 Boy Scout Blvd, Suite 450
 Tampa, FL 33607
 Fax: 813.425.9790

For Client Services, please contact 866.634.5873.

STEP 7 | **Signature & Acceptance**

I hereby certify that I have received and read the Terms and Conditions for obtaining a loan from my Pentegra Trust Company Custodial Account. I understand that I will pay an annual \$100 Loan Administration Fee. I hereby promise to pay to the order of the Lender (the word Lender means Pentegra Trust Company as Custodian of my 403(b)(7) account), the principal sum specified in item 3 of this request form (referred to as the loan amount), with interest on the principal balance remaining from time to time unpaid at the per annum rate, in consecutive, equal monthly installments of principal and interest beginning within one month after receipt of the loan dollars and continuing thereafter until paid (according to the disclosure statement that will be sent to me after my loan is made). All payments shall be applied first to the payment of interest due hereunder and second to unpaid principal of the loan amount. All payments will be sent to Pentegra Trust Company, c/o ASPire.

This loan request is being made pursuant to and shall be governed by the terms of the Pentegra Trust Company 403(b)(7) Custodial Agreement which is hereby incorporated herein by reference, and the determination of whether a failure to pay any installment of the principal and interest when due in accordance with the terms of this loan request constitutes a default shall be determined according to the terms of the Custodial Agreement.

I hereby certify that by signing and submitting this loan request, I understand and signify my agreement to borrow money in the amount and according to all other terms set forth on this request form and the Terms and Conditions. I have received a copy of this loan request and the Terms and Conditions. I understand that a Promissory Note and Disclosure Statement will be sent to me with specific information about my loan and the repayment obligation. I have read and understand all terms of this Agreement which include the provisions to be included on my Promissory Note, and I agree to be bound by them.

I further certify that I do not have any outstanding loans in this or any other 403(b) program that are either already in excess of or will be in excess of the maximum loan limitations upon commencement of this loan request as set forth in Section 72(p) of the Internal Revenue Code.

I waive any and all obligations the Lender may have to present this Agreement for payment, to make demand for payment, or to give notice of dishonor. I agree that this loan is made in the State of Maine and the provisions of this Agreement will be interpreted according to Maine law. If I am in default, this Agreement may be enforced in any Maine court that has jurisdiction and I agree to submit to the jurisdiction of that court regardless of where this Agreement is signed. I agree to pay any tax or fee charged by any governmental body in connection with this loan.

I hereby submit this loan request form and agreement to borrow under my Pentegra Trust Company Custodial Account.

----- **PARTICIPANT SECTION** -----

I hereby affirm that the information given is true and correct, and I authorize and direct the Custodian to make distributions according to the instructions provided on this form. In addition, by signing this form, I understand and acknowledge that (i) my employer may be required to execute any and all other documents, and to provide and/or share any and all other information, necessary to comply with Section 403(b) of the Code and the final regulations promulgated thereunder and (ii) there is the risk that if my employer and/or the plan is not in compliance with Section 403(b) of the Code and the final regulations promulgated thereunder that the distribution being made by Pentegra Trust Company under this form may be considered a disqualifying event by the Internal Revenue Service and reportable by Pentegra Trust Company. I acknowledge I will be charged an annual Loan Administration Fee of \$100.

➤

Date (month / day / year)

Each signature of participant must be guaranteed by a bank, broker-dealer, savings and loan association, credit union, national securities exchange or any other "eligible guarantor institution" as defined in rules adopted by the Securities and Exchange Commission. Signatures may also be guaranteed with a medallion stamp of the STAMP program or the NYSE Medallion Signature Program, provided that the amount of the transaction does not exceed the relevant surety coverage of the medallion. A signature guarantee **may not** be obtained through a notary public.

➤

DATE (MONTH / DAY / YEAR)

----- **SPONSOR SECTION** -----

Pentegra Trust Company requires 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 Employer/Third Party Administrator for the above referenced 403(b) Plan approves the above requested loan based on it satisfying the terms of the 403(b) Plan and Internal Revenue Code Section 403(b) statutory and regulatory requirements and the terms of the written Plan document. The information provided in connection with this request is true and accurate. 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.

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DATE (MONTH / DAY / YEAR)

Terms & Conditions

Pentegra Trust Company 403(b)(7) Custodial Account owners have the ability to borrow from their 403(b)(7) accounts in accordance with the following Terms and Conditions.

ELIGIBILITY

A Pentegra Trust Company 403(b)(7) Account owner who is a current employee of the employer and has not previously defaulted on a loan from his/her 403(b)(7) Plan may obtain a loan from his/her Pentegra Trust Company account prior to his/her Required Beginning Date (RBD) for Required Minimum Distributions (RMDs). Only one loan may be taken each calendar year. You may have a maximum of two outstanding loans at a time. Account owners may only have one outstanding principal residence loan at one time.

MAXIMUM AMOUNT

The maximum loan amount is up to the lesser of 50% of your 403(b)(7) account balance or \$50,000. The \$50,000 limit is reduced by the highest outstanding loan balance in existence in any plan of the employer at any time during the last 12 months. All funds must clear escrow before they can be applied to your maximum eligible loan amount. The account owner's entire account balance in all share classes and account types will be included in determining your loan maximum.

MINIMUM AMOUNT

The minimum loan available is \$1,000 per account type. Loan amounts will be rounded down to nearest whole dollar amount when requesting the maximum loan amount.

FREQUENCY

Account owners may enter into a loan once each calendar year. The sum of all outstanding loans in all plans of the employer can never exceed the maximum loan limits outlined above. There may be no more than two outstanding loans at a time.

LOAN PROCEDURE

Upon receipt of the Loan Request Form, Pentegra Trust Company will process the redemption immediately and send this directly to your bank through ACH, unless you have selected otherwise. By signing the Loan Request Form you will be agreeing to all the terms and conditions of the loan. You will be sent a Promissory Note/Loan Disclosure Statement for each loan, which will document all pertinent information regarding the loan. A fee of \$100 for each loan will be taken at the time the liquidation is processed and each year thereafter.

LOAN DURATION

The duration of the loan should not exceed five years. The loan will be amortized over the period of the loan duration and repaid in equal installments. However, the loan may be amortized over a period up to 15 years in the event that loan proceeds are utilized to acquire the account owner's principal residence, and if each monthly payment is at least \$25. The account owner may elect to repay the loan in full without penalty at any time.

RATE OF INTEREST

The fixed rate of interest for each loan will be equivalent to the federal prime interest rate minus 1% on the day prior to the loan's approval. The rate will be fixed for the duration of the loan. All interest paid is reinvested into the account owner's account.

LOANS FROM SHARE CLASSES THAT HAVE CDSC

With all loans taken from assets invested in shares of a fund subject to an applicable contingent deferred sales charge (CDSC), the CDSC will be assessed against the gross amount of your loan distribution. However, for loan repayment and tax reporting purposes, the loan amount will be the amount of the loan distribution less the amount of the CDSC assessed. Loans repaid to Class B or C shares will be processed as new purchases. This will result in commissions being paid to the broker of record and the CDSC period will begin again on all loan repayments.

REDEMPTION FEES

A 2% redemption fee may apply to redemptions (or exchanges out) that are made within 30 days of purchase (or exchange in) from certain funds in which your account is invested. For more information on this fee and how it may affect your transaction, read the fund's prospectus or speak with your financial advisor. Refer to share class information for any contingent deferred sales charge (CDSC).

REPAYMENT

The loan must be repaid in equal monthly installments, starting within 90 days following the issuance of the loan. Payments will be made directly from the account owner's bank account via ACH draft into the fund selected on the Loan Request Form. A separate ACH draft will occur for each account type. Account owners will not receive a monthly bill or coupon. Account owners will not be permitted to renegotiate outstanding loans or consolidate multiple loans into one aggregate loan. We will not process payment amounts less than the monthly installment payment. Account owners submitting late repayments must remit the full outstanding amount due to make the loan current. Any outstanding loan balance must be fully repaid by the account owner's Required Beginning Date. In the event of the participant's death, only the spouse as beneficiary has the right to repay the loan. The spouse is allowed to repay the loan in a lump sum amount only. We do not allow consolidation or refinancing of loans.

REINVESTMENT OF LOAN INSTALLMENT PAYMENTS

All installment payments are reinvested into the account owner's account at the fund's NAV on the reinvestment date in the same manner as purchases, as described in the prospectus. If Plan assets have been fully or partially exchanged into another account, loan repayments will be reinvested in the original account. If you have fully exchanged into a new account, you must notify us if you want the repayments to move to the new account.

DEFAULT

Any loan will be considered in default if a payment is not received within 90 days from the original due date. No extensions are permitted. At that time, another notice will be sent to the account owner indicating that the loan is in default. The outstanding balance of the loan is then considered a "taxable distribution" and will be reported as such to the IRS and will be subject to taxation. An account owner who defaults on an outstanding loan is ineligible to obtain any additional loans from the Pentegra Trust Company 403(b)(7) Custodial Account.

REPAYMENT OF A DEFAULTED LOAN

Traditional account owners have the right to repay their Pentegra Trust Company defaulted loan incurred with their current employer. Account owners must submit a defaulted loan repayment form and are required to sign a repayment agreement and pay another \$100 Loan Administration Fee. Account owners who have separated from service from the employer under which the loan was taken or attained age 59½, may not repay the defaulted loan. The repayment amount will be based on the original defaulted loan plus accrued interest from that date to the date of repayment. This balance may be paid back over the time left on the outstanding loan (i.e., five-year loan defaulted at 24 months, 36 months remaining in the repayment period). At the time repayment begins, the loan will be recalculated at the current interest rate based on the outstanding loan amount plus accrued interest. The repayment amount will also include accrued interest for the remaining period. All default repayments must be made directly from the account owner's checking account via ACH draft into the fund selected on the Loan Request Form. Repayments of the defaulted loan amount will be tracked separately as after-tax dollars. If one payment is missed, the account owner loses the right to repay that particular defaulted loan. If you have multiple defaulted loans you must repay each one separately. You may not take an additional loan if you repay a defaulted loan.

PLAN DISTRIBUTION

An account owner may take a distribution due to a qualifying event including financial hardship, disability, in-service withdrawal for participants over age 59½, separation of service and RMD. It is very important to note that if you begin taking your RMD, the outstanding loan balance must be included in determining how much you must distribute annually. Pentegra Trust Company is unable to include the outstanding loan amount in an RMD calculation. You must continue to repay a loan after a qualified distribution. In the event of the death of the account owner, a beneficiary may distribute the remaining assets. Only a spouse beneficiary may repay the loan in a lump sum payment. If not repaid, the outstanding balance will be reported to the IRS under the Social Security number of the original account owner. Distributions taken from repaid defaulted loan amounts will be taken from after-tax dollars before pretax dollars. Account owners who are in default on their loan repayments will be subject to taxation on the entire amount of the outstanding balance and may jeopardize the tax-exempt status of their accounts. These loans will now be "secured," therefore any other loan, withdrawal or distribution that may cause the total account balance to be less than the current outstanding loan amount is not permitted.

QUALIFIED DOMESTIC RELATIONS ORDERS

In the event the 403(b)(7) account is to be divided pursuant to a properly executed Qualified Domestic Relations Order (QDRO), it remains the account owner's responsibility to continue to make loan repayments in accordance with the terms of this agreement. In addition, separation of assets may not be permitted if it would cause the outstanding loan to become unsecured.

LOAN TRANSFERS

The account owner may transfer loan obligation(s) from another 403(b) plan to the Pentegra Trust Company 403(b)(7) plan upon receipt of written approval of the resigning plan custodian. The resigning custodian must also provide the following information to Pentegra Trust Company: the interest rate used to calculate the loan, origination date of the loan, type of loan (residential or other), original loan amount and loan balance at time of transfer. Account owners will be required to sign a new Promissory Note with Pentegra Trust Company and will be assessed an annual Loan Administration Fee of \$100. All repayments will be remitted via ACH. Pentegra Trust Company will accept up to two outstanding loans at a time. Accounts that have had defaulted loans may be transferred to Pentegra Trust Company only if the loan has been fully repaid prior to transfer. The unpaid or partially repaid defaulted loan obligation(s) must remain at the originating 403(b) or 403(b)(7) account. Account owners may transfer their loan obligation(s) to a new 403(b)/403(b)(7) provider if the accepting company submits in writing that it is willing to assume this obligation. Pentegra Trust Company will provide detailed information on the loan(s) to the accepting provider upon request. If you wish to take a new loan at Pentegra Trust Company once you have transferred a loan to us, we will require a listing of the prior 12 months loan balance history and payments in order to calculate the maximum amount available.

DISCLAIMER

Current tax regulations provide that a loan from the 403(b)(7) Custodial Account will not adversely affect the tax-deferred status of the account or be treated as a taxable distribution, provided the loan amount is within the maximum amount permitted by the Plan and repayments are made strictly in accordance with the loan documents. However, neither Pentegra Trust Company, its affiliates, nor the Plan Custodian assume any responsibility or liability for any adverse tax consequences incurred by an account owner as a result of a loan from the Plan. Account owners who desire to borrow from their accounts should confer with their attorney or tax advisor before entering into a loan agreement. Pentegra Trust Company reserves the right to amend, modify or terminate the 403(b)(7) loan provision at any time, without prior notice, to impose additional requirements and to refuse a loan to any account owner in its sole discretion.

Special tax notice regarding 403(b) plan payments

This notice explains how you can continue to defer federal income tax on your retirement savings in the Pentegra Trust Company Custodial Account Agreement and contains important information you will need before you decide how to receive your 403(b) Plan ("Plan") benefits.

This notice is provided to you by Pentegra Trust Company (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 your Payor at 1.866.634.5873.

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 rollovers. Payments from a plan cannot be rolled over to 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 traditional 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 is 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 of 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

You can open a Roth IRA to receive a portion of your direct rollover, if you made Roth Deferral Contributions to your 403(b). 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 of 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"), 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. To elect out of withholding, ask the Payor for the election form and related information.

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 rollovers. 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 roll over 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 or by calling 1.800.TAX.FORM.