

ANNUITY DISTRIBUTION APPLICATION FOR INDIVIDUAL ACCOUNT BALANCE

INSTRUCTIONS

PLEASE READ THIS APPLICATION CAREFULLY. PLEASE PRINT

RETURN THIS APPLICATION WITH A COPY OF YOUR PHOTO I.D.

APPLICATION DATE: _____

APPLICANT

NAME: _____
LAST FIRST MIDDLE

TELEPHONE: _____ SOCIAL SECURITY NO: _____

DATE OF BIRTH: _____

ADDRESS: _____
NUMBER STREET CITY STATE ZIP CODE

ELIGIBILITY

PAYMENT OF YOUR INDIVIDUAL ACCOUNT BALANCE WILL BE IN THE FORM OF A LUMP SUM ONLY.

check one and complete required fields:

_____ **RETIREMENT OR DISABILITY (100% Account Balance).** Enter date of Retirement/Disability: _____

For disability retirement, please provide Social Security Disability papers or letter from doctor stating you are completely and totally disabled. Total and Permanent Disability shall be determined in the sole discretion of the Trustees.

_____ **TERMINATION OF PARTICIPATION: Please check one:** 100% or 50% of account balance.

Enter date last worked: _____

I have not worked in covered employment and no contributions are payable to my Individual Account for at least the previous 6 consecutive months from the date of my application.

_____ **ALTERNATE PAYEE Court-Ordered Qualified Domestic Relations Order (100% Account Balance)**

Participant Name (Ex-Spouse): _____ Date of Birth: _____

_____ **DEATH OF PARTICIPANT (100% Account Balance):**

Deceased Participant's Name: _____ Social Security Number: _____

- I am the surviving spouse (provide copy of marriage certificate and death certificate)
 I am the non-spousal designated beneficiary (provide copy of death certificate)
 I am the estate executor or administrator (attach legal assignment, provide copy of death certificate)
 Other (explain relationship, provide copy of death certificate) _____

Right to Defer Your Distribution: If you postpone the distribution, the funds in your account will continue to be invested and your account will continue to be adjusted for any gains, losses or administrative fees as described in your SPD.

INCOME TAX WITHHOLDING

All distributions made to participants are subject to 20% federal withholding tax, unless the distribution is transferred by the Local 57 Annuity Fund directly to another IRA or qualified defined contribution plan. You may elect to receive your Annuity payoff by check, with 20% withheld from your amount or you may elect to have your full balance transferred to the IRA account you designate, avoiding the 20% withholding tax.

(Check One)

_____ I elect to have my Annuity balance paid directly to me. 20% of the payoff amount will be withheld for federal tax.

When my check is ready, I wish to **(check one):**

_____ pick the check up at the benefits office. Please call me when it is ready.

_____ have the check mailed directly to my address provided on page 1.

_____ I elect to transfer my full balance to another qualified plan, avoiding the 20% withholding tax.

Name of Institution _____
Contact Person _____
Telephone # _____

By January 31 of the year following the year in which you receive your Annuity payoff, a federal tax form will be mailed to you stating the full amount received and the amount of tax withheld from your payment. Your payment is taxable income in the year received. You may wish to consult your tax preparer prior to making the election above.

I understand that payment of my Individual Account, will be made in a Lump Sum Payment, and therefore is subject to federal income tax and may also be subject to state income tax. I have received the summary of new rollover rules and have been advised by the Local 57 Annuity Fund office to consult a qualified tax advisor before electing how my account balance is too paid. I certify under penalty of perjury that all of the above information is true and correct. I understand that false information may disqualify me for Annuity payment made to me because of fraudulent information.

PARTICIPANT'S SIGNATURE

DATE

ROLLOVER NOTICE

YOUR ROLLOVER OPTIONS

This notice explains how you can continue to defer federal income tax on your retirement saving in the International Union of Operating Engineers Local 57 Annuity Fund (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 the Board of Trustees of the Plan (your "Plan Administrator") because all or part of the payment that you will soon receive from the Plan may be eligible to be rolled over to an IRA or an employer plan. A rollover is a payment by you or the Plan Administrator 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. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section. If you have additional questions after reading this notice, you can contact **Mr. Shawn Houlihan** at (401) 331.9191.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, **except** required minimum distributions ("RMD") after age 70½ (or after death).

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

IUOE Local 57 Annuity Fund Office
857 Central Avenue, Johnston, RI 02919
T: (401) 331-9191 F: (401) 764-0015
iuoelocal57.org

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

Payments made after you separate from service if you will be at least age 55 in the year of the separation;

Payments made due to disability;

Payments after your death;

Payments made directly to the government to satisfy a federal tax levy;

Payments made under a qualified domestic relations order (QDRO); and

Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA. You should consult with a tax advisor for more information.

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

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

If you were born on or before January 1, 1936

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

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an

IUOE Local 57 Annuity Fund Office

857 Central Avenue, Johnston, RI 02919

T: (401) 331-9191 F: (401) 764-0015

iuoelocal57.org

exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you are not a Plan participant

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

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

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

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

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

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

If you are a nonresident alien

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

Other special rules

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

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory

cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

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

TRUSTEE – TO – TRUSTEE ROLLOVER INSTRUCTIONS

1. Go to your bank or financial institution to set up an IRA account. Ask for an IRA Transfer form to be prepared. If you already have an IRA account, only a Transfer form needs to be prepared.
2. Forward the original IRA Transfer form to the IUOE Local 57 Annuity Fund office together with your Individual Application for Annuity Account balance.
3. Your payout check will be sent by certified mail directly to the bank or financial institution as directed on the Transfer form. You will receive an acknowledgment in the mail confirming that your account balance has been transferred to your IRA account.
4. Allow 7 to 10 business days for payment from the time the Annuity Fund office receives your completed application and Transfer form.
5. Should you have any questions or require help in completing a form, please call the IUOE Local 57 Annuity Fund office at (401) 331-9191, weekdays, 8:00am - 4:00pm.