IUOE Local 57 Annuity Fund
857 Central Avenue, Johnston, RI 02919
Telephone 401.331.9191   Fax 401.764.0015

APPLICATION FOR INDIVIDUAL ACCOUNT BALANCE

(Retirement, Disability, QDRO or Termination of Participation)

INSTRUCTIONS

PLEASE READ THIS APPLICATION CAREFULLY. PLEASE PRINT

****

APPLICATION DATE_________________   **Telephone #**_________________________

Participant

Name____
Last   First   Middle

Social Security No. ________________________   Date of Birth ______________

Address ____
Number   Street   City   State   Zip Code

Spouse /Beneficiary

Name____
Last   First   Middle

Social Security No. ________________________   Date of Birth ______________

Address ____
Number   Street   City   State   Zip Code

Eligibility

I request the withdrawal of my Individual Account for the following reasons: **(Check One)**

______**Retirement-** I retired from Local 57 on _____________

______**Disability Retirement-** Disability effective as of _________________ *(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-** I have not worked in covered employment and no contribution are payable to my Individual Account for at least the previous 6 consecutive months from the date of my application.

______**QDRO-** I am the Alternate Payee in Court Ordered Qualified Domestic Relations Order. Please provide name of annuity participant (ex-spouse) __________________________________

IUOE Local 57 Annuity Fund

857 Central Avenue, Johnston, RI 02919
Telephone 401.331.9191   Fax 401.764.0015

Percentage Request (Check One)

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

_______ I request **50%** of my IUOE Local 57 Annuity Balance

_______ I request **100%** of my IUOE Local 57 Annuity Balance

INCOME TAX WITHHOLDING

RULES EFFECTIVE JANUARY 1, 1993

Effective January 1, 1993, all distributions made to participants are subject to a 20% federal withholding tax, unless the distribution is transferred by the L-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.

_____ I elected 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

IUOE Local 57 Annuity Fund
857 Central Avenue, Johnston, RI 02919
Telephone 401.331.9191 Fax 401.764.0015

**INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 57 ANNUITY PLAN**

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 for rollover by you or your Plan Administrator to a Traditional IRA or an eligible 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. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Saving 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 ; a section 402(b) tax-shelter 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 complete before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distribution, such as after-tax amounts. If this is the case, and your distribution includes after-tax amount, 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 traditional IRA. If an employer plan accepts your rollover, 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 making the rollover.

If you have additional questions after reading this notice, you can contact **Mr. Shawn Houlihan** at (401) 331.9191.

SUMMARY

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 plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, 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 late distribution may be subject to different tax treatment that 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 Plan administrator is required to withhold 20% of the 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 59 1/2, 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 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.

<u>You're Right to waive the 30-Day Notice Period</u>.
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 make 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 Plan Administrator.

MORE INFORMATION

I. <u>PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER</u>
II. <u>DIRECT ROLLOVER</u>
III. <u>PAYMENT PAID TO YOU</u>
IV. <u>SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES</u>

<u>PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER</u>
Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Saving Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution.
<u>Required Minimum Payments.</u> Beginning when you reach age 70 ½ 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.
<u>Corrective Distributions.</u> A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.
The Plan administrator of this plan should be able to tell you if your payments include amounts which cannot be rolled over.

II. <u>DIRECT ROLLOVER</u>
A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional 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 in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional 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 you 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 of 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 IRA).
DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want to direct rollover to that plan, ask the plan administrator 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 a traditional 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 plan administrator 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 a traditional 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 for a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, you benefits will no longer be eligible for that special treatment. See the sections below entitles “Additional 10% Tax if YOU Are under Age 59 1/2 “ and “Special Tax Treatment if You Were Born before January 1, 1936.”

III. PAYMENT PAID TO YOU

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

Income Tax Withholding

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above 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. For 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 Withholding. If any portion of your payment is taxable but cannot be rolled over under Part 1 above, 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, as the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option If you receive a payment that can rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollover. 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 under Part I above, 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 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 under Part I above 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 eligible employer plan. To do this, 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 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 59 1/2. If you receive a payment before you reach age 59 ½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra 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 to life expectancy (or you and your beneficiary’s lives or life expectancies, (4) payments that are paid directly to the

857 Central Avenue, Johnston, RI 02919
Telephone 401.331.9191 Fax 401.764.0015

government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relation order, or (60 payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the addition 10% tax.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 402 (a) annuity plan that can be rolled over under Par 1 and you do not roll it over to a traditional IRA or an eligible employer plan, the payments will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution", it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you reached age 59 ½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59 ½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only one in your lifetime, and the election applies to all lump sum distribution that you receive in the same year. You may not elect this special tax treatment if you rolled amounts into the Plan from a 403(b) tax-sheltered annuity contract a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. Of you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer). You cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plans, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan. Or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

IV. 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 to employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan result form a "qualified domestic relation order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above paid in a DIRECT ROLLOVER to a traditional 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 a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payments is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59 ½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distribution, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarized only the federal (not state of local) tax rules that might apply to your payments. 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 with the Plan Administrator or a professional tax advisor before you take a payment of you benefits from you Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer's 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 Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

IUOE Local 57 Annuity Fund
857 Central Avenue, Johnston, RI 02919
Telephone 401.331.9191   Fax 401.764.0015

IUOE LOCAL 57 ANNUITY FUND

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 @ (401) 331-9191, weekdays, 8:00am - 4:00pm.