

KLERER FINANCIAL SERVICES, INC.

3272 Merrick Road
 Wantagh, NY 11793-4339
 (516)409-5500

Distribution Forms

Please Type or Print Clearly

_____	_____	_____	_____
Plan Name	Phone Number	Date of Hire	
_____	_____	_____	_____
Participant's Name	Social Security Number	Date of Birth	
_____	_____	_____	_____
Street	City	State	Zip Code

Indicate Reason For Claim

Termination
 Retirement
 Disability
 Death
 Date _____

Immediate Distribution

You may elect to receive payment of your Plan benefits at this time by completing the **Payment Election** below.

By electing payment, you forfeit any other rights you may have to your Plan benefits. In the alternative, in most circumstances you may defer payment, in which event you should not complete the **Payment Election**. If you are permitted to defer payments and you elect to do so, your Plan benefits will continue to share in the gains and losses of the Plan's investments and you will assume the investment risk relating to your benefits.

Distribution Methods and Withholding

You must choose the method that your benefits will be paid to you. Your choices are set forth in Part III of the **Payment Election**. Your choices include payment to you or a direct rollover of all or a portion of your benefits to another retirement vehicle that accepts rollover contributions. Retirement vehicles generally include pension, profit sharing, Section 401(k) plans or individual retirement accounts (IRAs) that are qualified with the Internal Revenue Service.

If you elect payment and not the direct rollover, then generally the law requires the Plan to withhold 20% of the distribution. The Plan will pay 80% of the payment to you and will send the 20% withheld to the Internal Revenue Service as taxes which will be credited toward your federal income tax liability. If you elect a direct rollover of all or a portion of your benefit payment, You must complete the attached **Direct Rollover Form**. If the amount of your distribution is \$200 or less, nothing will be withheld.

If you elect installments or an annuity that provides payments over at least your lifetime or for 10 or more years, you may not roll over those payments. You will be given the opportunity to elect ordinary tax withholding or to elect no withholding.

You should consult with your tax advisor before electing a method of payment. You also should read the attached IRS Explanation of Direct Rollover, Withholding and Tax Rules.

Qualified Joint and Survivor Annuity

The law requires that your Plan benefits be paid in the form of a qualified joint and survivor annuity ("QJSA") unless you and (if you are married) your spouse elect not to have your benefits paid in this form and you elect one of the other benefit payment alternatives. The QJSA is a pension to you for your lifetime and, upon your death, a pension to your spouse for his or her lifetime. The amount of each pension payment to your spouse will equal 50% of the pension payment made to you. If you are not married or your spouse does not survive you, the payments under the QJSA will stop at your death. The Plan benefits you have accumulated will be used to purchase the QJSA from an insurance company.

As indicated above, you may waive your rights to have your benefits paid in the form of a QJSA. If you are married, your spouse must consent to this waiver in order for it to be valid. If you make such a waiver, your benefits will be paid in accordance with your election below.

PAYMENT ELECTION

I. **Request for Payment.** I request that my Plan benefits be paid at this time. (*Do not complete this form if you desire to delay payment.*)

II. **Marital Status.** [*Check one box*]

I declare and certify that I am not married. I will notify the Plan if I marry prior to the time my benefits are paid.

I am married. Name of Spouse: _____

III. **Form of Payment.** I request payment of my Plan benefits as follows

Lump sum payment: \$ _____

The full amount in a single sum payment to me, less withholding.

The full amount in a direct rollover of the full amount of my benefits to another retirement plan or IRA.

In a single sum payment to me of \$ _____, less withholding, with the remainder to be directly rolled over to another plan or IRA.

Joint and Survivor Annuity:

\$ _____ payable to you for your lifetime and \$ _____ payable to your spouse after your death.

In the form of a qualified joint and survivor annuity.

I acknowledge receipt of the **Notice on Termination, Retirement or Disability** and the **IRS Explanation of Direct Rollover, Withholding and Tax Rules.**

Dated: _____

Signature of Participant

ADDITIONAL INSTRUCTIONS

- You must complete the attached *Direct Rollover Form* if you elected a direct rollover of all or any portion of your benefits.
- If your vested benefits exceed \$5,000 and if you elected any payment *other than* a qualified joint and survivor annuity above, then:
 - You must waive your rights to the qualified joint and survivor annuity by completing the *Waiver* which follows,
 - If you are married, your spouse must consent to your *Waiver* in order for your waiver to be effective, and
 - Your spouse's signature must be witnessed by a plan representative or witnessed by a Notary Public.

Dated: _____

Signature of Plan Representative

WAIVER OF QUALIFIED JOINT AND SURVIVOR ANNUITY

PLAN NAME: _____

NAME OF PARTICIPANT: _____

NAME OF SPOUSE (IF MARRIED): _____

Participant's Waiver of Annuity.

I waive any right to claim that my Plan benefits be paid in the form of a qualified joint and survivor annuity. A qualified joint and survivor annuity is a pension for my life (which, if I am married, will continue upon my death for the life of my spouse). I request that my benefits instead be paid to me in accordance with my Payment Election which is attached.

Dated: _____

Signature of Participant

IF YOU, THE PARTICIPANT, ARE NOT MARRIED, STOP HERE - DO NOT COMPLETE THE BALANCE OF THIS FORM

Consent of Spouse

I, the Participant's spouse, have received and understand the attached Notice and completed Payment Election. I voluntarily consent to the payment elections and above Waiver of Annuity completed by my spouse, the Participant. If my spouse elected in the Payment Election to receive payment in a form that may extend beyond his or her lifetime (such as installments), then I also voluntarily agree to the beneficiary(ies) the Participant selected in the attached Beneficiary Designation to receive any benefits payable upon the Participant's death. I understand the following:

- The law requires that my spouse's Plan benefits be paid as a pension (called a qualified joint and survivor annuity) that will pay lifetime benefits to me if I survive the Participant;
- I may, but am not required to, waive my rights to this annuity;
- My spouse's election to not receive benefits in the form of the qualified joint and survivor annuity and his or her Beneficiary Designation are not valid unless I consent to them;
- By signing this Consent, I forever waive my rights to the annuity and I forfeit such benefits that would be paid to me upon my spouse's death;

I cannot change this Consent unless my spouse revokes his or her payment elections; and even though I hereby waive my rights to a pension, I might nonetheless be able to obtain Plan benefits pursuant to a special court order called a QDRO if the Participant and I separate or divorce. In this event I should seek legal counsel.

If payment is being made less than thirty (30) days after the above-mentioned forms are distributed to my spouse and me, and therefore the Participant has completed the Expedited Payment Form, I also agree to such expedited payment. I have read and understand such form to mean that I have thirty (30) days to consider the payment options under the Plan, and I agree to waive such 30-day period in order for the Participant to receive payment sooner.

Dated: _____

Signature of Participant's Spouse

DIRECT ROLLOVER ATTACHMENT

PLAN NAME: _____

In addition to the provisions set forth elsewhere in the forms you have received, the Plan imposes several additional rules:

- If the Plan distributions to you are expected to total less than \$200 during a calendar year, then you may not elect a direct rollover of such distributions. At the same time, however, the Plan will not withhold 20% from such distributions.
- After you receive the distributions, however, you may roll over such amounts to an individual retirement account or another plan in accordance with the traditional 60-day rollover rules.
- If your distribution equals at least \$500, you may choose to split your distribution so that a portion is paid outright to you and a portion is directly rolled over.
- If your distribution is less than \$500, you must directly roll over all of it or none of it. You may not split it.
- If you have a participant loan under the Plan, you may pay it off prior to the distribution to you. Otherwise, the Plan will reduce the amount of your distribution by the amount of the outstanding loan balance. Because the loan previously was not taxed to you, then generally the outstanding loan balance (now used to reduce your distribution) will now be taxable.
- If you elect a direct rollover of the balance of the distribution, other than the loan offset, then 20% of the outstanding loan balance will not be withheld for federal income tax purposes.
- If you receive an outright distribution (and not a direct rollover) of some or all of the distribution (aside from the offset), then generally 20% withholding *will be required* from the amount of the loan offset (even though you are not actually receiving that amount now).

Example: Jim's account balance equals \$10,000 and Jim is about to receive a distribution from the Plan. The \$10,000 includes a loan with a \$3,000 current balance. Jim does not repay the loan prior to the distribution, and thus \$7,000 will be paid to him. For tax purposes he will be treated as having been paid \$10,000. If Jim directly rolls over the \$7,000, there will be no 20% withholding on the \$3,000 (but he will owe tax on it unless he timely and subsequently rolls \$3,000 over). If Jim receives a payment of the \$7,000, then there will be withholding equal to \$2,000 (which is 20% of \$10,000). Jim thus will receive cash equal to \$5,000.

CAUTION: These rules are very complex. Please see your tax advisor.

DIRECT ROLLOVER FORM

PLAN NAME: _____

Instructions. This form must be completed if you elect a direct rollover of all or any portion of your Plan benefits. Please take this form to the plan or IRA receiving the rollover so that you can complete this form accurately. This form must be completed, even if the receiving plan furnishes you with another form to accomplish the rollover.

If the direct rollover is made by check, the check will be made payable in one of the following forms: "Trustee of XYZ Corporation Savings Plan FBO Jane Doe", if the receiving plan is another qualified plan, or "ABC Bank as Trustee [or Custodian] of Individual Retirement Account of Jane Doe", if the receiving plan is an IRA.

I, _____, have elected to receive payment of all or a portion of my benefits from the Plan in the form of a direct rollover to another qualified retirement plan or individual retirement account (IRA), hereafter called the "receiving plan".

1. The full legal name of the receiving plan or IRA to receive the payment is

2. If the receiving plan is an IRA, the legal name of the trustee or custodian (such as the bank or other financial institution) is

3. The IRA account number (if available) is _____

4. The address to receive the direct rollover is (if known)

5. I represent the following: The receiving plan is an individual retirement account or a pension, profit sharing, Section 401(k) or other plan which is qualified under the Internal Revenue Code and which has agreed to accept this rollover contribution. The Plan has provided me with information explaining the direct rollover, withholding and tax rules relating to the distribution of my vested Plan benefits. I understand that the Plan will not withhold taxes from the amount rolled over and that I will owe taxes on such amount when I receive payment from the receiving plan. The information I have provided herein is correct and accurate to the best of my knowledge. I understand that I, and not the Plan, will be liable for taxes, interest or penalties if there is a failure to withhold income taxes because the distribution is not properly rolled over to an eligible receiving plan.

Dated: _____

Signature of Participant

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice contains important information you will need before you decide how to receive your Plan benefits, and is provided to you by the 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 another qualified employer plan. A "traditional IRA" does not include a Roth IRA, SIMPLE IRA, or education IRA. If you have additional questions after reading this notice, you can contact your Plan Administrator at the address and telephone number indicated on the benefit distribution forms attached herein or on the Summary Plan Description provided to you.

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 or, if you choose, another qualified employer plan that will accept it ("**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.
- Your payment will be made directly to your traditional IRA or, if you choose, to another qualified employer plan that accepts your rollover. Your Plan payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an education IRA because these are not traditional IRAs.
- Your payment will be taxed later when you take it out of the traditional IRA or the qualified employer plan.

If you choose to have a Plan payment that is eligible for rollover **PAID TO YOU**

- You will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- 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; but if you receive the payment before age 59 1/2, you also may have to pay an additional 10% tax.
- You can roll over the payment by paying it to your traditional IRA or to another qualified 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 qualified employer plan.

If you want to roll over 100% of the payment to a traditional IRA or another qualified employer plan, you must find other

money to replace the 20% 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.

MORE INFORMATION

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

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an education IRA. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments **CANNOT BE ROLLED OVER**:

Non-taxable Payments. In general, only the "taxable portion" of your payment can be rolled over. If you have made "after-tax" employee contributions to the Plan, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay that were already taxed.) Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax employee contribution portion.

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 your life expectancy), or
- your lifetime and your beneficiary's lifetime (or life expectancies), or
- a period of ten years or more.

Required Minimum Payments. Beginning when you reach age 70-1/2 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 5% or more of your employer.

Hardship Distributions. A hardship distribution from your employer's 401(k) plan may not be eligible for rollover. Your Plan Administrator should be able to tell you if your payment includes amounts which cannot be rolled over.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or another qualified 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 portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or qualified employer plan. In addition, no income tax withholding is required for any portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

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; but in choosing a traditional IRA, you may wish to consider whether the traditional IRA you choose will allow you to move all or 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 Plan. If you are employed by a new employer that has a qualified employer plan, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. A qualified employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or another qualified employer plan that will accept it, and it is paid in a series for less than ten 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.

III. PAYMENT PAID TO YOU

If your payment can be rolled over under Part I above and the payment is made to you in cash, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or another qualified 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 that amount. This amount is sent to the IRS as income tax withholding. For example, if you can roll over a 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, you must report the full \$10,000 as a 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.

Voluntary Withholding: If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty - Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or another qualified 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 another qualified 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 qualified 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% 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 qualified employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example: The 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 a qualified 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 the qualified 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 59 1/2. If you receive a payment before you reach age 59 1/2 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 404(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.

Special Tax Treatment If You Were Born Before January 1, 1936. If you receive a payment that can be rolled over under Part I and you do not roll it over to a traditional IRA or other qualified employer plan that will accept it, the payment 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. (See also "Employer Stock or Securities", below.) 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 have reached age 59-1/2 or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59-1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a 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 before 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.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936 and if you were a participant in the Plan before 1974, you may elect

to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. If you have previously rolled over a distribution from the 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, you will not be able to use special tax treatment for later payments from the traditional IRA. Also, if you roll over only a portion of your payment to a traditional IRA, 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.

Employer Stock or Securities. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock (including any net unrealized appreciation) can be rolled over to a traditional IRA or another qualified employer plan, either in a direct rollover or a rollover that you make yourself.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire amount paid to you (including the employer stock but excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum

distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

Repayment of Plan Loans. If you end your employment and 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 a traditional 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 repayment. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities).

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 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. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, 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 paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA but you cannot roll it over to a qualified employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as a direct rollover or paid to you. If you have it paid to you, you can keep it or roll it over yourself to a traditional IRA or to another qualified employer plan that accepts rollovers.

If you are a beneficiary other than the surviving spouse, 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 payment is generally not subject to the additional 10% tax described in section III above, even if you are younger than age 59-1/2.

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 distributions and the special rule for payments that include employer stock, as described in section III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a 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 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 with the Plan Administrator or 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 retirement 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.org by calling 1-800-TAX-FORMS.