

Distribution Election

Governmental 401(a) Plan

PERS/TRS Defined Contribution Retirement Plan

FOR OFFICE USE ONLY

Toll-Free: 1-800-821-2251
www.state.ak.us/dr

Division of Retirement and Benefits
PO Box 110203
Juneau, Alaska 99811-0203

Juneau: 465-4460
TDD: (907) 465-2805
Fax: (907) 465-3086

Refer to the attached Participation Distribution Guide while completing this form.

SECTION A. PARTICIPANT INFORMATION (Date form provided to participant _____.)

Your "Legal" Name _____ SSN (Mandatory) _____-____-____

Mailing Address _____ Birthdate ____/____/____

City _____ State _____ ZIP _____ Home Phone (____) _____

Marital Status: Single Married Divorced (provide divorce documentation) Work Phone (____) _____

Select Disbursing Plan: PERS Tier IV 98214-04 TRS Tier III 98214-05 Termination Date _____

Are you a U.S. citizen or resident alien? Yes No

Deceased Participant Name and SSN if this is a payment to a Beneficiary:

"Legal" Name _____ SSN (Mandatory) _____ Percent (Office Use) _____

SECTION B. DISTRIBUTION OPTION REQUESTED (unless requested otherwise, post-tax balances, if any, in your account will be disbursed first followed by pre-tax balances)

I elect the following Disbursement option(s)—multiple options may be selected. (If you elect a disbursement option other than a lump sum payment or a direct rollover, you may want to update your beneficiary designation form.)

1. Lump Sum/Paid to Participant: a single payment of the entire balance in the account. 20% of this disbursement will be withheld for federal tax withholding for most participants. See the attached Participant Distribution Guide for more information.

2. Periodic Lump Sum Payment/Paid to Participant: a payment of a portion of the balance in the account, not more than twice a year until the account is fully disbursed. Each payment amount must be at least \$1,000. 20% of this disbursement will be withheld for federal tax withholding for most participants. See the attached Participant Distribution Guide for more information.

Change in previous election.

Frequency: Semi-annually Annually Dollar Amount \$ _____

3. Direct Rollover: a payment of an eligible rollover distribution to an eligible retirement plan on behalf of the participant. The minimum balance required for this distribution option is \$200.

Dollar Amount \$ _____ or Percentage _____% of account. If less than 100%, first distribute Post-tax Pre-tax account balances. After-tax contributions, if any, may be directly rolled over only to a qualified 401(a) or 403(a) plan or to a 403(b) annuity contract if the other plan or annuity contract (defined contribution or defined benefit) will accept after-tax contributions and provides that it will separately account for the rollover amount and any earnings on the rollover amount. You can also directly rollover after-tax contributions to a traditional IRA. After-tax contributions may not be rolled over to a governmental 457(b). If you have after-tax contributions in your account and you elect a direct rollover to a governmental 457(b), the cost basis of the after-tax contributions will be distributed to you in a lump sum and the investment earnings on the after-tax contributions will be included in the rollover amount.

Direct Rollover to an Eligible Retirement Plan: 401(a) 403(b) Governmental 457(b)
 408(a) IRA 408(b) annuity 403(a) annuity

Provide receiving plan information:

Receiving Plan Name _____ Account Number (Mandatory) _____

Plan Mailing Address _____

City _____ State _____ ZIP _____

Receiving Plan Contact Person _____ Telephone Number (____) _____

Your "Legal" Name _____ SSN _____

If you are requesting a full withdrawal as a direct rollover and you have not yet met your required minimum distribution for the year and you are over 70½ and are no longer working, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied your required minimum distribution for the year, your required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ _____.

Do you wish to have 10% federal income tax withheld from your required minimum distribution? Yes No

Additional amount to be withheld at your request \$ _____.

4. Annuity Contract options: contracts payable in monthly installments over a specified amount of time or for life. The minimum balance required for this distribution option is \$5,000. Annuity payments cannot be stopped or changed once started.

Period Certain Annuity, payable monthly: 5-year or 10-year or 15-year
(You MUST provide a copy of the Participant's birth certificate if the following options are elected and your survivor's birth certificate if the last option is selected.)

Single Life Annuity, with a: 10-year or 15-year period certain, payable monthly.

Single Life Annuity, payable monthly.

Joint and Survivor Annuity, payable monthly: 50% Survivor Benefit or 100% Survivor Benefit

Survivor "Legal" Name _____ SSN _____

Mailing Address _____ Relationship _____

City _____ State _____ ZIP _____ Birthdate ____/____/____

You may be subject to a 10% tax penalty at tax time if you receive a payment before age 59-1/2 and do not roll it over to an IRA or qualified plan, see the attached Participant Distribution Guide for exceptions.

SECTION C. TAX WITHHOLDING INFORMATION (This Section is to be completed if you are selecting to receive an annuity.)

For annuity options having a duration of 10 years or more, the W-4P withholding form on page 8 should be completed. All other payment options except a direct rollover will have the mandatory 20% federal tax withheld.

Check here if you to have more than 20% withheld, indicate the additional dollar amount here \$ _____. State tax will be withheld from your payment if the address in Section A is for a State with mandatory withholding.

Check here if you live in a state that does not mandate state income tax withholding and would like state income tax withheld. If you would like additional state income tax withheld, indicate amount \$ _____ or percent _____% of the distribution amount.

Do NOT withhold federal income tax from my required minimum distribution.

SECTION D. DISTRIBUTION DELIVERY (Select ONE distribution option only.)

Check

Express Delivery - \$25 nonrefundable charge (will be withheld from refund) – Not available for periodic or annuity payments. Express delivery available Monday through Friday only. Not available to PO Boxes. If selecting this option, address in Section A must be your physical address.

ACH – only available on periodic or annuity payments. Checking Account Savings Account

Financial Institution Name _____ ABA Routing Number _____

Account Number _____

Financial Institution Mailing Address _____

City _____ State _____ Zip _____

Attach VOIDED check if a Checking Account was selected. Attach savings account deposit slip if Savings Account was selected.

Disbursement Date – Disbursements are processed once the Disbursement Election form is approved by R&B. Processed disbursements are mailed and ACH transactions are originated the Wednesday following the completion of the waiting period. The disbursement date will be no sooner than 60 days from your termination date, unless you have received a waiver of the 60-day waiting period from the Plan Administrator. ACH transactions typically reach bank accounts one day after they are originated. Your account balance continues to fluctuate with the change-in-value until paid to you. Your account is also subject to fees until paid to you.

Treasury regulations require that the distribution date be no more than 180 days after receipt of this form. Members will be required to complete a new form if the distribution date is more than 180 days from the date this form was provided. The date this form was provided is documented on the first page of the Distribution Election form.

Your "Legal" Name _____ SSN _____

SECTION E. SPOUSE WAIVER (Required if married and account balance is greater than \$5,000) Signature must be witnessed.

I agree to the disbursement options elected on this form and the survivor designation, if applicable:

Spouse Signature: _____ Date: _____

Signature witnessed by one of the following: Retirement and Benefits Representative or Postmaster (must include postmaster stamp)

Signature _____ Title _____ Date ____/____/____

_____ OR, SIGNATURE WITNESSED BY A NOTARY _____

On this ____ day of _____ 20____, personally appeared before me _____ whose identity I proved on the basis of satisfactory evidence to be the signer of the spouse's signature above, and he/she acknowledged that he/she executed it.

SEAL OR POSTMASTER STAMP REQUIRED	Notary Public: _____ State of: _____ and Borough/County of: _____ Residing at: _____ Commission Expires: _____
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SECTION F. PAYMENT AUTHORIZATION APPROVAL

In the event that any section of this form is incomplete or inaccurate, the Division of Retirement and Benefits may not process the disbursement requested on this form and may require that I complete a new form or provide additional or proper information before the disbursement can be processed.

My signature acknowledges that I have read, understand and agree to all pages of this Distribution Election form, as well as the Participant Distribution Guide (including the Special Tax Notice Regarding Plan Payments) attached to this form and the provisions of the Alaska Defined Contribution Retirement Plan Document.

I understand that investment funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the investment fund's prospectus or other disclosure documents. I will refer to the investment fund's prospectus and/or disclosure documents for more information.

I understand the implications of my selections. I further understand that in order to be valid, elections must conform to the Plan requirements. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code. I understand that it is entirely my responsibility to ensure that the plan into which I am rolling money over will accept the dollars, if applicable. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen.

I understand that it is my duty to inform you of any Qualified Domestic Relations Order, Property Settlement, Child Support Enforcement Order, or Internal Revenue Service Order that entitles another person to a portion of my account payment. It is my responsibility to designate beneficiaries.

I also understand that I must make all changes no less than seven days prior to the Disbursement Commencement Date. Changes are not allowed on or after seven days before the Disbursement Commencement Date.

I understand that I may not receive a distribution before 60 days after my termination date. I understand that I may receive a waiver of this waiting period by demonstrating a qualified hardship on a form provided by the Division of Retirement and Benefits. Qualifying hardships are outlined in Alaska Statute 39.35.810 (b) and 14.25.410 (b).

I understand that my disbursement date must be no more than 180 days after receipt of this form. A new form must be completed if more than 180 days have lapsed since I have received this form. The date this form was provided to me is reflected on the top of the first page of the form itself.

I understand that I have a right to consider the decision of whether or not to elect a direct rollover for at least 30 days after receipt of this form and the attached Participation Distribution Guide. I understand that I waive this right by completing and submitting this form before this 30-day period has lapsed.

Your "Legal" Name _____ SSN _____

In completing this form, I acknowledge that a person who knowingly makes a false statement, or falsifies or permits to be falsified, a record of the retirement system in an attempt to defraud the system, is guilty of a class A misdemeanor, which, upon conviction, is punishable by a fine of not more than \$500.00 or by imprisonment for not more than twelve months or both. AS 39.35.670; AS 11.56.210. I also acknowledge that a person who obtains funds and/or benefits by deception may be subject to prosecution for other crimes, including theft, which may be charged as misdemeanors or felonies with potential fines and penalties including imprisonment. I also acknowledge that a person who obtains funds and/or benefits from the system unlawfully may also be required to make restitution.

Participant's Signature: _____ Date: _____

Forward this completed form to:

Division of Retirement and Benefits
 PERS/TRS Defined Contribution Retirement Plan
 PO Box 110203
 Juneau, Alaska 99811-0203

Express Address:
 333 Willoughby Avenue
 6th Floor – State Office Building
 Juneau, AK 99811

Office Use only

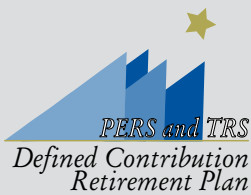
I certify that this request is in compliance with applicable Plan provisions and federal law and that the participant has received from the Division of Retirement and Benefits any notices required by law. The participant is entitled to a vested benefit of _____% of employer contributions.

Distribution Eligibility Date _____

Distribution Date _____

 Authorized Division of Retirement and Benefits Representative

 Date



Participation Distribution Guide

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When you sever employment with your employer, you need to make several choices with respect to your distribution options. You may leave your balance in your current Plan, you may begin taking distributions, you may be required to begin taking distributions in accordance with the Plan's distribution requirements or you may roll it over to another plan that accepts such rollovers or to an Individual Retirement Account (IRA). If you wish to begin taking distribution, you have different distribution forms from which to choose.

You will first be eligible for payment 60 days after your termination date (see Alaska Statute 39.35.810 for exceptions to this rule). With processing and mailing time included, your actual payment will take MORE than 60 days. Only you can make this very personal decision after careful consideration of several factors including your age, financial needs, and other sources of income. To receive a disbursement, you must submit a complete Distribution Election form.

Reemployment under another Alaska PERS/TRS Defined Contribution Retirement (DCR) Plan employer will not affect prior distributions that have commenced. However, reemployment under another Alaska PERS/TRS DCR Plan employer prior to disbursements elections commencing will void the disbursement election and your payment eligibility.

Please study each of your options described in this Participant Distribution Guide (Guide) in order to make distribution choices that best suit your financial needs. You should read all pages of this Guide before you begin to complete the Distribution Election form. This Guide will assist you in completing each section of the Distribution Election form and give you the information you need to make informed decisions regarding your distribution. If you need further clarification about the information discussed in this Guide, call a representative at the Division of Retirement and Benefits (R&B) at 1-800-821-2251.

You are strongly urged to consult with an accountant and/or tax advisor before making your financial decision and completing this Distribution Election form. While R&B representatives are able to explain the options to you, they cannot tell you which payment and/or tax-withholding method is best for you. The Division of R&B will not provide tax or legal advice. Additionally, neither this Guide nor the Distribution Election form represents tax or legal advice.

If you receive a distribution before you reach age 59½ and you do not roll it over, then, in addition to regular income tax, you may have to pay a tax penalty equal to 10% of the taxable portion of the payment when you file your taxes. See the Federal and State Income Tax Withholding section of this Guide for more information on taxes and the 10% early withdrawal penalty.

Please note that R&B cannot release your funds until they confirm that you are entitled to take a distribution from the Plan.

R&B is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, we cannot conduct business with persons in a blocked country or any person designated by OFAC as specially designated national or blocked person. For more information, please access the OFAC website at www.ustreas.gov/offices/eotffc/ofac.

Incomplete or Inaccurate Information – In the event that any section of the Distribution Election form is incomplete or inaccurate, R&B may not be able to process the disbursement requested. You may be required to complete a new form or provide additional or proper information before the disbursement request will be processed.

Changes to Your Request – If you make a change on the Distribution Election form as you are completing it, you must initial all changes. If you do not initial all changes, the Distribution Election form may be returned to you.

SECTION A: PARTICIPANT INFORMATION

The information you supply in this section will be used to identify your account and to contact you in the event that your request is not properly completed. This information is also required to properly report withholding information to the Internal Revenue Service (IRS), reporting tax information (1099R) to you at year end and determining if a state tax applies. For more information on taxes, see Section C. Please inform us of any address changes prior to December 31 of the year you receive your refund so this information is available for mailing your federal 1099-R tax reporting form. If you checked divorced for marital status, you are required to provide us with the following documentation:

1. If you were divorced prior to participating in the DCR Plan and the marital status with your Plan employer has always been reported as single, please check single on this form. Otherwise, please provide a copy of your divorce decree to verify the divorce date.

2. If you have a divorce or dissolution document that indicates that you are solely entitled to the entire account balance, you must supply us a court certified copy of both the divorce or dissolution document and the property settlement that has been approved by the court that indicates you are entitled to the entire account.
3. If your property settlement or dissolution settlement is completely silent on rights to the Alaska defined contribution retirement plan's annuity account(s), your ex-spouse will need to complete section E. You must also supply us a court certified copy of both the divorce or dissolution document and the property settlement that has been approved by the court.
4. You are **REQUIRED** to inform us if there is a Qualified Domestic Relations Order (QDRO) or other restriction that is a result of a divorce or dissolution that allocates a portion of your account to an alternate payee. Your account will not be paid until the plan has received a court certified copy of your QDRO and the plan has specifically approved the QDRO as complete, proper and valid within the requirements of the DCR Plan Document. Without this approval or documentation, the account will **NOT** be paid.

FAILURE TO PROVIDE THIS DOCUMENTATION WILL PREVENT YOUR ACCOUNT FROM BEING PROCESSED FOR PAYMENT.

If a QDRO exists, the spouse waiver cannot be used to nullify the requirements of the QDRO. You must go back to court and have the Order itself changed, released, etc., as appropriate before the Plan can proceed with a form of payment or amount other than as specified in the Order.

SECTION B: DISBURSEMENT OPTION REQUESTED

There are several distribution options that you may chose from. More than one distribution option may be selected. If more than one distribution option is selected, you must indicate next to the distribution option either the dollar amount, the percentage of the account, or "remainder of account" to be used with each disbursement option selected. Accounts of \$5,000 or less do not require a participant's signature to be witnessed. Partial payments from accounts greater than \$5,000, regardless of dollar amount, require the participant's signature be witnessed.

For all payment options lasting 10 years or longer, the W-4P tax withholding form on the last page of this guide should be completed. For lump sum payments and others lasting less than 10 years made directly to participants, there is a mandatory 20% federal tax withholding.

For certain states there is additional state tax withholding. For nonspouse beneficiaries and minimum distribution payments to participants age 70-1/2 or greater, a default 10% federal tax withholding may apply. (For more information see Section C of this Guide.)

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 when you file your taxes. Some exemptions to the additional 10% tax include: 1) distributions directly rolled or transferred to another type of eligible employer plan or to a traditional IRA; 2) payments that are paid to you if your separation from service with your employer is during or after the year you reach age 55; 3) payments made to you from a lifetime annuity or Joint & Survivor annuity; 4) payments attributable to your disability defined under the Internal Revenue Code; and 5) payments after you reach age 59-1/2. See the Special Tax Notice section of the Guide and IRS Form 5329 for more information on the additional 10% tax.

In order to comply with the Internal Revenue Code (IRC) and applicable federal Treasury regulations, you must begin to receive at least your required minimum distribution by the later of April 1st of the year following the year during which you attained age 70-1/2 or the year during which you sever employment with your employer. The IRS may impose a 50% excise penalty on amounts that should have been distributed pursuant to the minimum distribution requirements. R&B does not assume any responsibility or liability for ensuring that distributions are elected in a timely manner to meet the minimum distribution requirements. It is solely the member's responsibility to ensure that the required minimum distribution is made in a timely manner and in the appropriate amount. You are strongly urged to consult your tax and/or legal advisor regarding the minimum distribution requirements.

Distributions will be automatically prorated against all of your available investment options.

Changes to your Disbursement Election – At any time, but not less than seven days before the disbursement date, you may cancel your distribution election, change your payment option, or change your joint annuitant designation. Changes are not allowed on or after seven days before the disbursement date. Cancellations must be submitted to R&B in writing. Changes must be submitted on a new or revised Disbursement Election form.

Disbursement Date – Disbursements are processed once the Disbursement Election form is approved by R&B. Processed disbursements are mailed and ACH transactions are originated the Wednesday following the completion of the waiting period. The disbursement date will be no sooner than 60 days from your termination date, unless you have received a waiver of the last 60 day waiting period from the Plan Administrator. ACH transactions typically reach bank accounts one day after they are originated. Your account balance continues to fluctuate with the change-in-value until paid to you. Your account is also subject to fees until paid to you.

Treasury regulations require that the distribution date be no more than 180 days after receipt of this form. Members will be required to complete a new form if the distribution date is more than 180 days from the date this form was provided. The date this form was provided is documented on the first page of the Distribution Election form.

The following is a description of the disbursement options offered:

1. **LUMP SUM/PAID TO PARTICIPANT**— a single payment of the entire account balance.
2. **PERIODIC LUMP SUM PAYMENT/ PAID TO PARTICIPANT**— Periodic lump sum payments can be made twice a calendar year. Each payment amount must be a minimum of \$1,000 or the balance of the account, whichever is less. Future periodic payments can be changed. If you wish to make such a change, please check the box to indicate the fact that you are electing to change a previous periodic payment election. Changes must be submitted and approved not less than seven days before the next disbursement date.

Keep in mind that, for the two options listed above, 20% of the amount requested will be withheld for Federal Tax Withholding, mandatory State tax will be withheld and a 10% early withdrawal tax penalty may apply at tax time.

3. **DIRECT ROLLOVER**— a payment of an eligible rollover distribution to an eligible retirement plan on behalf of the participant. The minimum balance required for this distribution option is \$200. No tax withholding will occur for rollovers to a 408(a) individual retirement account or 408(b) individual retirement account or to another employer's eligible plan which includes a qualified 401(a) plan, a 403(a) annuity plan, a 403(b) tax-sheltered annuity, and an eligible 457(b) plan maintained by a governmental employer. Direct rollovers are not subject to taxation or the 10% early withdrawal tax penalty, however a 1099-R will be issued at tax time for reporting purposes. Beginning January 1, 2008, a direct rollover can be made to a 408A Roth IRA. A direct rollover to a 408A Roth IRA will be subject to income taxation, but will not be subject to the 10% early withdrawal tax penalty. Once processed, a direct rollover cannot be returned.

After-tax contributions in the PERS or TRS DCR account, if any, may be directly rolled over only to a qualified 401(a) or 403(a) plan or to a 403(b) annuity contract if the other plan or annuity contract (defined contribution or defined benefit) will accept after-tax contributions and provides that it will separately account for the rollover amount and any earnings on the rollover amount. You can also directly rollover after-tax contributions to a traditional IRA. After-tax contributions may not be rolled over to a governmental 457(b). If you have after-tax contributions in your account and you elect a direct rollover to a governmental 457(b), the cost basis of the after-tax contributions will be distributed to you in a lump sum and the investment earnings on the after-tax contributions will be included in the rollover amount.

A required minimum distribution cannot be rolled over. If you are subject to a required minimum distribution and have not yet satisfied your required minimum distribution for the year, your required amount must be distributed prior to processing a rollover.

You must determine whether your new employer's plan or IRA accepts eligible rollover distributions. If you wish to rollover after-tax dollars, you must determine if your new employer's plan or IRA will accept after-tax dollar rollovers.

4. **ANNUITY CONTRACT OPTIONS**— contracts payable in monthly installments over a specified amount of time or for life. Payments made under the available annuity options will not change for as long as the annuity period continues. The annuity options are available for account balances greater than \$1,000. Monthly annuity payments are paid directly by a carrier that is under contract to the Plan. Like all other distributions, **ANNUITY PAYMENTS CANNOT BE STOPPED OR CHANGED ONCE STARTED.**

To request an annuity quote or review the annuity options call R&B's carrier at 1-800-232-0859. The carrier issuing the annuity makes annuity payments and will deduct applicable income tax withholding.

The purchase date for your annuity is the date your funds are disbursed from your existing account and placed into the annuity. The interest rate applied will be the annuity rate in effect on the actual purchase date. The purchase date will be the first day administratively possible after your disbursement date.

Annuity payment options include:

PERIOD CERTAIN ANNUITY—equal monthly payments for five years (60 payments), ten years (120 payments) or 15 years (180 payments). If you die before receiving your period certain payments, your beneficiary will receive the balance of the payments. Unlike the rest of the annuities, individual payments are IRA rollover eligible. For this reason, this annuity has a mandatory 20% federal tax withholding as provided for by law.

The remaining annuity options are not subject to the 10% early withdrawal tax penalty. For these annuity options, you must supply evidence of your birth date, such as a copy of your birth certificate, military records, passport, etc. For Joint and Survivor Annuities, you must also submit acceptable evidence of your designated survivor's date of birth.

SINGLE LIFE WITH TEN-YEAR OR FIFTEEN-YEAR PERIOD CERTAIN—monthly payments for the rest of your life. If you die before your period certain payments have been made, your beneficiary will receive the balance of the period certain payments.

SINGLE LIFE ANNUITY—monthly payments for your life. No payments are made after your death. This covers only the member, not the member's family.

JOINT AND SURVIVOR ANNUITY—monthly payments for your lifetime. After your death, your survivor will receive 50% or 100% (depending on the option you select) of the monthly amount you were receiving for his or her lifetime.

SECTION C: TAX WITHHOLDING INFORMATION

The State of Alaska and the Alaska Defined Contribution Retirement Plan do not give tax advice. You are solely responsible to determine how federal tax law affects your particular situation. You should contact the Internal Revenue Service or your tax advisor as necessary.

The address you supply in SECTION A is what determines whether a state tax applies. "Under the State Taxation of Pension Income Act of 1995," monies from plans such as the PERS and TRS defined contribution plans are also taxed using the State of the recipient's residence.

Lump sum payments (including periodic lump sum payments) – Twenty percent (20%) mandatory federal income tax withholding will apply unless you elect a direct rollover.

Direct Rollover – Eligible rollover distributions that are directly rolled over are not subject to federal income tax withholding.

Annuities – Twenty percent (20%) mandatory federal income tax withholding will apply to all period certain periodic payments scheduled to continue for less than 10 years. If your annuity payments are payable over your life expectancy or are scheduled to continue for a period certain of more than 10 years, it is suggested that you complete and attach Form W-4P to your Distribution Election form. If a W-4P is not attached, federal income tax withholding will be made as though you are married with three allowances. If not attached to this Guide, a Form W-4P may be obtained at www.irs.gov.

If you are a U.S. citizen or a resident alien and your payment is to be delivered outside the U.S. or its possessions, you may not elect out of federal income tax withholding.

If you are a nonresident alien you must attach IRS Form W-8BEN. In general, the withholding rate applicable to your payment is 30% unless a reduced rate applies because your country of residence has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. To obtain the IRS Form W-8BEN, call 1-800-TAX-FORM.

You have received and must read the attached Special Tax Notice, which provides additional income tax withholding information. You are strongly urged to consult with your tax advisor to determine your appropriate income tax withholding.

If you do not have enough federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

SECTION D: DISTRIBUTION DELIVERY

The delivery of your distribution will depend on the distribution option you selected. Certain delivery options are not available on all types of distributions. Below is a description of each delivery option.

Check – you can receive your distribution by check regardless of the distribution method you selected on the Distribution Election form.

Express Delivery – Not available for periodic or annuity payments. The amount of each distribution check will be reduced by \$25.00 for this service. Express delivery is available for Monday through Friday delivery only and is not available to PO boxes. Delivery is not guaranteed to all areas. If selecting this option, address in Section A must be your physical address.

ACH (Automatic Clearing House) – This option is an electronic deposit option into your checking or savings account. You may not designate a business account or an IRA account. This option is available to only periodic or annuity payments. Upon receipt of a properly completed Distribution Election form, we will notify your financial institution of your ACH request with the account information you provided. The pre-notification process takes approximately 10 days. During the pre-notification process, your financial institution will confirm that the account and routing information you submitted is correct and that it will accept the ACH transfer. After this confirmation is received, your payments will be transferred to your financial institution within 2 days of the first disbursement date. If your payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to your financial institution may be delayed accordingly.

If your financial institution rejects the pre-notification, you will be notified and checks will be mailed to you until you submit the information needed to successfully process the ACH transaction. As a result, it is important that you continue to notify us in writing of any changes to your mailing address.

By choosing an ACH credit to your financial institution account, you are authorizing us to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to your checking or savings account. You are also authorizing your financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. We will make payments in accordance with the directions you have specified on the Disbursement Election form until such time that you notify us in writing that you wish to cancel the ACH agreement. You must provide notice of cancellation at least 30 days prior to the next disbursement date for the cancellation to be effective with respect to all of your subsequent disbursements.

R&B reserves the right to terminate the ACH transfers for any reason and will notify you in the event of such termination by sending notice to your last known address on file.

It is your obligation to notify us of any address, account, or other changes affecting your electronic fund transfers during your lifetime. You are solely responsible for any consequences and/or liabilities that may arise out of your failure to provide such notification.

By selecting an ACH method of delivery, you acknowledge that we are not liable for payments made by us in accordance with a properly completed Distribution Election form. By selecting this method of distribution delivery, you are authorizing and directing your financial institution not to hold any overpayments made by us on your behalf, or on behalf of your estate or any current or future joint account holder, if applicable.

SECTION E: SPOUSE WAIVER

Your spouse **MUST** complete a waiver if your account balance is greater than \$5,000 and:

1. You are **MARRIED** and have chosen a Joint and Survivor Annuity and you wish to name an individual **OTHER THAN** your spouse as survivor *or*
2. You are **MARRIED**, have an account balance greater than \$5,000, and you select a payment option **OTHER THAN** a Joint and Survivor Annuity *or*
3. You are **DIVORCED**, have an account balance greater than \$5,000, and your property settlement or dissolution settlement is completely silent on rights to the Defined Contribution Retirement Plan account. You are also required to submit a court-certified copy of your divorce or dissolution documents and property settlement. The spouse to whom you were married during the period any contributions were made to your account must complete this waiver.

THIS WAIVER CANNOT BE USED TO NULLIFY AN EXISTING QUALIFIED DOMESTIC RELATIONS ORDER. The spousal waiver must be completed for partial account payments for all accounts greater than \$5,000 even if the partial account payment amount is less than \$5,000.

SECTION F: PAYMENT AUTHORIZATION APPROVAL

Read the disclosure on the Distribution Election form in this section before signing. Once you sign this form you attest to receiving, reading, understanding and agreeing to all provisions of the Distribution Election form, the Guide and the Special Tax Notice.

A representative from the Division of Retirement and Benefits must also sign this form and indicate your vesting percentage. Your Distribution Election form will not be processed without the signature of an authorized representative from the Division of Retirement and Benefits.

SUBMITTING THE DISTRIBUTION ELECTION form – Once you have completed the Distribution Election form, forward it to the following address:

Division of Retirement and Benefits
PERS/TRS Defined Contribution Retirement Plan
PO Box 110203
Juneau, Alaska 99811-0203

Express Address:
333 Willoughby Avenue
6th Floor – State Office Building
Juneau, AK 99811

IMPORTANT NOTICE – Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state and local tax laws may be revised, and new plan provisions may be adopted by your Plan.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS FROM SECTION 401(a) PLANS

This notice explains how you can continue to defer federal income tax on your retirement savings in your Plan and contains important information you will need before you decide how to receive your Plan benefits. If sending form electronically, **YOU MAY REQUEST A PAPER COPY OF THIS NOTICE FROM THE PLAN ADMINISTRATOR AT NO CHARGE TO YOU.**

This notice is provided to you by 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 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(b) 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 Plan Administrator.

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 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 Plan Administrator 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 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 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.

Qualified Public Safety Employees. On and after August 18, 2006, if you are a “qualified public safety employee” who terminates employment in the calendar year in which you are age 50 or older, and receive an eligible rollover distribution, you will not have to pay the additional 10% tax on a payment that is eligible for rollover and PAID TO YOU. You are a “qualified public safety employee” if you are an employee of a State or political subdivision of a State (such as a county or city) whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for an area within the jurisdiction of the State or political subdivision.

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 your Plan Administrator.

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
1. 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 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 Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

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

- a. Rollover into a Traditional IRA. You can roll over your aftertax contributions to a traditional IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the aftertax portion. If you roll over aftertax contributions to a traditional IRA, it is your responsibility to keep track of, and report on the applicable forms, the amount of these aftertax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your aftertax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.
- b. Rollover into an Employer Plan. Beginning January 1, 2007, you can rollover after-tax contributions from an employer plan that is qualified under Code section 401(a) or 403(a) to another such plan or to a Code section 403(b) annuity contract using a direct rollover if such other plan or annuity contract (defined contribution or defined benefit) provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. If you want to rollover 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 Plan Administrator of this Plan to make a direct rollover on your behalf. You can also roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or 403(a) to a traditional IRA; however, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan. You CANNOT roll over after-tax contributions to a governmental 457(b) 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 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.

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.

II. DIRECT ROLLOVER

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 \$200.00.

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 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 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 from 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(b) plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "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 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 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 \$10,000.00, only \$8,000.00 will be paid to you because the Plan must withhold \$2,000.00 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 \$10,000.00 as a taxable payment from the Plan. You must report the \$2,000.00 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 \$200.00.

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. 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 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 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 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 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 under Part I above is \$10,000.00, and you choose to have it paid to you. You will receive \$8,000.00, and \$2,000.00 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000.00, you may roll over the entire \$10,000.00 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000.00 you received from the Plan, and you will have to find \$2,000.00 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000.00 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000.00, when you file your income tax return you may get a refund of part or all of the \$2,000.00 withheld.

If, on the other hand, you roll over only \$8,000.00, the \$2,000.00 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 \$2,000.00 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.00.)

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) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, (6) payments that do not exceed the amount of your deductible medical expenses, or (7) payments to a qualified public safety employee who separates from service during or after the year reaching age 50. 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 from a plan qualified under section 401(a) that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, 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. 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 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. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403 (b) tax sheltered annuity contract, a governmental 457(b) plan, or from an IRA not originally attributable to a qualified employer plan. If 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(b) plan, 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(b) 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 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 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 payment is generally not subject to the additional 10% tax described in Part 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, 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 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 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 Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

PERS/TRS Defined Contribution Retirement Plan W-4P to be used for monthly annuities and periodic payments having a term of ten years or greater. All other nondirect transfer/rollover payment options have mandatory 20% tax withholding.

Form W-4P Department of the Treasury Internal Revenue Service	Withholding Certificate for Pension or Annuity Payments	OMB No. 1545-0415 20
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Purpose. This form is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities, including commercial annuities, and certain other deferred compensation. Use this form to tell payers the correct amount of Federal income tax to withhold from your payment(s). You also may use this form to choose (a) not to have any income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld. Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution as explained on page 3. Your previously filed Form W-4P will remain in effect if you do not file a Form W-4P for 2001.

What do I need to do? Complete lines A through G of the Personal Allowances Worksheet. Use the additional worksheets on page 2 to adjust your withholding allowances for itemized deductions, adjustments to income, or multiple pensions/more-than-one-income situations. If you do not want any income tax withheld, you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for yourself if no one else can claim you as a dependent A _____

B Enter "1" if: } B _____

- You are single and have only one pension; or
- You are married, have only one pension, and your spouse has no income subject to withholding; or
- Your income from a second pension or a job, or your spouse's pension or wages (or the total of all) is \$1,000 or less.

C Enter "1" for your spouse. But, you may choose to enter -0- if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (This may help you avoid having too little tax withheld.) C _____

D Enter number of dependents (other than your spouse or yourself) you will claim on your tax return D _____

E Enter "1" if you will file as head of household on your tax return. E _____

F Child Tax Credit (including additional child tax credit):

- If your total income will be between \$18,000 and \$60,000 (\$23,000 and \$63,000 if married), enter "1" for each eligible child.
- If your total income will be between \$60,000 and \$80,000 (\$63,000 and \$115,000 if married), enter "1" if you have two eligible children, enter "2" if you have three or four eligible children, or enter "3" if you have five or more eligible children F _____

G Add lines A through F and enter total here. Note: This may be different from the number of exemptions you claim on your tax return. G _____

For accuracy, complete all worksheets that apply.

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.
- If you have more than one source of income subject to withholding or a spouse with income subject to withholding and your combined income from all sources exceeds \$35,000 (\$60,000 if married filing jointly), see the Multiple Pensions/More-Than-One-Income Worksheet on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line G on line 2 of Form W-4P below.

----- Cut here and give the certificate to the payer of your pension or annuity. Keep the top part for your records. -----

Form W-4P Department of the Treasury Internal Revenue Service	Withholding Certificate for Pension or Annuity Payments	OMB No. 1545-0415 20
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Type or print your full name	Your social security number
Home address (number and street or rural route)	Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code	

Complete the following applicable lines:

1 Check here if you do not want any Federal income tax withheld from your pension or annuity. (Do not complete line 2 or 3.) (Enter number of allowances.)

2 Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (You may also designate an additional dollar amount on line 3.) (Enter number of allowances.)

Marital status: Single Married Married, but withhold at higher Single rate

3 Additional amount, if any, you want withheld from each pension or annuity payment. Note: For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2 \$

Your signature _____ Date _____

Cat. No. 10225T

For periodic payments, the Internal Revenue Service requires that the payments have a minimum duration of ten years in order to have Federal tax withholding based on the W-4P.

If a periodic payment is selected and it is determined that the payment will not last a minimum of 10 years Federal tax withholding will default to 20% withholding regardless of whether a W-4P is submitted. For participants who select a periodic payment based on a dollar amount and payment frequency rather than a stated number of years, the Internal Revenue Service "safe harbor" provision calculation will be made to determine if the periodic payment will last ten years or longer. The "safe harbor" calculation divides the payment amount and frequency into the current account balance, assuming the account earns zero percent.

