



401(k) Off-Boarding Guide & Distribution Form

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Off-Boarding Guide Includes:

- ✓ Distribution Form Overview
- ✓ Rollover & Distribution FAQ's
- ✓ Rollover & Distribution Form
- ✓ Ability to Maintain Investment Management Services in an IRA at Current Institutional Rates with No Minimum Account Balance

(Click A Feature Above To View That Page)

401(k) Distribution Form Overview

Submit Pages 5-8 (or 5-10) to the HR Department of the Company Associated with this 401(k) Plan for Approval.

This Overview & the following FAQ's Provide Information about the Distribution Options Available & Instructions for Each Step.

Step 1 – Enter Account Owner Information. (In most cases this is your information, unless you are a beneficiary)

Step 2 – Select the box that corresponds to your reason for distribution.

Step 3 – Select the type of distribution you'd like to do:

- (A): 100% Rollover: Continue 401(k) Benefits in a Charles Schwab IRA (via internal transfer & no tax consequences)
- (B): 100% Rollover: Self-Managed Charles Schwab IRA & Close (via internal transfer & no tax consequences)
- (C): 100% Lump Sum Cash Out (payable to you; tax consequences & early withdrawal penalties may apply)
- (D): 100% Rollover to an Outside Institution (via check & no tax consequences)
- (E): 100% Distribution Combination of Lump Sum & Rollover (partial tax consequences and penalties may apply)
- (F): Partial Distribution (You must specify type, source and percent or amount)

Step 4 – Indicate your federal and state tax withholdings:

- All Lump Sum Cash Outs from Traditional Accounts are taxable, as are the earnings on Roth accounts held for less than five years. There is a 20% minimum federal withholding required; some states may also require withholding. You may elect to withhold more, but not less than the minimums.
- All Rollovers to qualified 401(k)'s, IRA's, 403(b)'s and 457(b)'s are NOT taxable.

Step 5 – Indicate how you'd like your distribution paid:

- All Cash Out Distributions will be sent via check to the home address of record unless you stipulate otherwise.
- Cash Outs Distributions may be paid via Direct Deposit (ACH), but a copy of a voided check MUST be included.
- Rollovers to Charles Schwab will be done electronically. All other rollovers to outside institutions will be sent via check.

Step 6 – Attach or send a copy of your government issued ID - **REQUIRED**.

Step 7 – Sign and Date the Participant Authorization section. **Signing digitally will lock the document, prohibiting any further changes.**

Step 8 – Forward this form to the Plan Sponsor's/ Employer's HR Department for their counter-signature.

Alternatively, you may send your signed form to Perfect401(k) and we will forward it on your behalf. We will process the request upon receipt of the countersigned form from the employer.

We will send you a **Confirmation Email** once the distribution is complete.

Important Notes Regarding Form Submission, Direct Deposit, PCRA & Beneficiaries:

- Electronic signature and copies of the form are acceptable. If you would like Perfect401(k) to submit the request to the employer on your behalf, you can securely upload a copy online: www.perfect401k.com/secure; via the [Participant Portal](#); via email distributions@perfect401k.com, or via fax to (703) 774-3222.
- Complete the [Direct Deposit Authorization Form](#) (pg. 9) if you would like a cash payment done via Direct Deposit (ACH). **Don't forget a copy of a voided check!** If you do not have any checks then a statement, screenshot, letter on bank letterhead or similar attestation showing your name and account number may be used to prove account ownership.
- If you hold assets in a PCRA, you must liquidate those assets prior to submitting this form (unless requesting an in-kind transfer to Charles Schwab), or submit a completed [LPOA Form](#) and Perfect401(k) will liquidate it for you. If your account has not been liquidated by the time the time we processes the distribution, we will assume your consent to have the account liquidated immediately, regardless of any fees or sales charges that may occur as a result of the liquidation.
- If you are the beneficiary to a deceased account holder, please be sure to complete the [Beneficiary/Alternate Payee Form](#) (pg. 10) and include a copy of the death certificate and a copy of the original beneficiary designation form.

FAQ's: Rollovers & Direct Distributions

WHAT HAPPENS TO MY 401(k) AFTER I NO LONGER WORK FOR MY EMPLOYER?

You have the option to either roll over your account to a new retirement account ie: 401(k) IRA, 457 or 403(b); cash it out; or a combination of the two. Review the Distribution Form and corresponding instructions on the following page for more details.

WHAT IS THE DIFFERENCE BETWEEN A ROLLOVER DISTRIBUTION AND A DIRECT DISTRIBUTION?

A Rollover Distribution lets you transfer your retirement account tax and penalty-free to another retirement account like an IRA, 401(k), 457 or 403(b). A Direct Distribution or "Cash Out" on the other hand allows you to receive a payout from your retirement account, but minimum federal and state tax withholding may apply, as will a 10% IRS early withdrawal penalty for anyone under 59.5 years old.

IF I ROLLOVER MY 401(k) TO AN IRA, CAN I STILL GET HELP FROM A FINANCIAL ADVISOR?

YES! with Perfect401(k)'s Preferred Client Rollover Service. Whether you're like most people and are unsure how to invest your retirement money on your own, or if you're an experienced and knowledgeable investor, you can keep the same benefits and services of your 401(k) plan by Selecting **Option (A) of the Distribution Form: Perfect401(k)'s Preferred Client Rollover Service.** **This service will give you direct access to a dedicated financial advisor who will help you with an investment and retirement strategy at a favorable rate with no account minimum. And as a courtesy to our existing clients, we will also waive the normal \$85 distribution fee!**

WHAT ARE THE ADVANTAGES OF USING THE PREFERRED CLIENT ROLLOVER SERVICE?

1. Perfect401(k)'s Preferred Client Rollover Service does away with the typical high broker fees and high account minimums and gives you direct access to a dedicated investment advisor, which means no waiting on hold forever after calling some 1-800 number.
2. Our advisors also understand that not one size fits all, so they will help you select the level of service that suits your investor profile, ranging from: (1) the experienced investor who wants full investment control and simply wants basic oversight and advice on investments and retirement strategies, to (2) the comfortable investor who wants help managing their own customized portfolio, to (3) the novice investor who wants to delegate all investment decisions to a professional financial advisor who will craft and manage a portfolio that's right for them.
3. And perhaps best of all, you will never pay more than you're paying now in your 401(k) plan. By rolling over directly from your 401(k) you will benefit from your employer's pre-negotiated discounted rates usually only available to institutional clients.
4. Our Client Service Managers take the guess work out of the rollover process and make it a seamless transition from 401(k) to IRA. They will help you open an IRA with Charles Schwab & Co., Inc. and then transfer your account internally; your money will be available the next day and you never have to deal with receiving and depositing a rollover check. If you have questions or would like to learn more, email our Personal Financial Service team at: [pfs@perfect401\(k\).com](mailto:pfs@perfect401(k).com) or give them a call at: (703) 994-4522.

WHAT SHOULD I DO IF I'VE MOVED OR THE ADDRESS ON MY ACCOUNT IS INCORRECT?

If you've recently moved or the address on your account is incorrect, [login to your account online](http://www.perfect401k.com/user-central) (www.perfect401k.com/user-central) to update it. This is critical as failure to do so will result in the need for additional verification which will delay the processing of your distribution request. **To update your address online:** Click on *MY PROFILE* at the top right of the Homepage, then click *Address*.

HOW MUCH TIME WILL IT TAKE TO PROCESS MY DISTRIBUTION OR ROLLOVER REQUEST?

We make every effort to complete requests within 2 weeks, if received in good order. Additional verification, illiquid brokerage-window accounts, ect. will increase processing time. Additionally, requests received during the first 3 weeks of each new calendar quarter may experience longer than normal processing times due to quarter-end processing; in these and other cases, your request may take 4 weeks or more to complete.

FAQ's: Rollovers & Direct Distributions

HOW MUCH DOES A DISTRIBUTION COST?

If you choose to rollover your account to a Schwab IRA and would like to retain your asset management services via the *Preferred Client Rollover Service*, **Perfect401(k) will waive the usual distribution fee; otherwise the standard distribution fee is \$85.**

CAN I LEAVE MY MONEY IN THE 401(k) PLAN AFTER I LEAVE?

That depends on your account balance.

- If your account balance is above \$5,000 then your money can remain in the plan until you are ready to move it.
- If your account balance is less than \$5,000 your employer could force you out of the plan either as a cash-out or as a rollover.
 - If you are forced out, you will be sent a letter informing you of a pending Force-out from the plan and you will have at least 30 days from the date of that letter to submit a distribution form. If you are forced out of the plan and your account balance is less than \$200, you will receive a check made payable to you. If you are forced out of the plan and your account balance is between \$200 - \$5,000 your money will be rolled over to an IRA in your name at Charles Schwab Trust Bank. If so, you will need to contact the Schwab Force Out IRA team at 1-800-724-7526 to take further action. Force-outs are typically done in the fourth quarter of the year, but may be done more frequently as requested by the employer.

WILL I BE NOTIFIED WHEN MY DISTRIBUTION IS COMPLETE?

Yes, we will send you an email as soon as it's complete to let you know that your money is on its way.

WHAT SHOULD I DO WITH MY BROKERAGE-WINDOW ACCOUNT (PCRA)?

Unless you are transferring your assets In-Kind (see [Step 5](#) for more info), you will need to liquidate your PCRA in order for your distribution request to be completed. Alternatively, you may authorize Perfect401(k) to trade your account by including a completed [LPOA form](#).

I'VE COMPLETED THE DISTRIBUTION FORM. WHERE DO I SEND IT?

Once you've completed all applicable sections of the Distribution Form and you've signed under Step 7 (pg. 8), you should submit it to the HR Department of the employer sponsoring this 401(k) plan. Once you've done that, you can sit back and relax! An authorized signer from the company will counter-sign under Step 8 and then forward your completed distribution request to Perfect401(k) for processing.

WHAT IF I DON'T KNOW WHERE OR TO WHOM TO SEND THE DISTRIBUTION FORM?

We understand that sometimes it's not always convenient or possible to send the distribution form to the employer's HR Department. If this is the case for you, simply email us at: info@perfect401k.com or call us at: 1-877-836-1993 and one of our representatives will be able to either give you the proper contact information for the plan sponsor or submit the distribution form to the plan sponsor on your behalf.

HOW DO I SUBMIT DOCUMENTS TO PERFECT401(k)?

We recommend submitting all documents together to prevent delays. To help keep things tidy, we've made it easy to attach files to this document, if desired so everything is in one place (see pages 8-10). You can submit documentation to us via any of the methods listed below. We recommend using Secure Citrix ShareFile because it's easy and secure. It can be accessed through the Participant Portal under the *Forms* tab, and directly from our website. [Click here](#) for more detailed information regarding Citrix ShareFile security features.

Participant Portal: www.perfect401k.com/user-central

Citrix ShareFile: www.perfect401k.com/secure

Fax: (703) 774-3222

Email: distributions@perfect401k.com

Text: (703) 774-3188 (ID only)

Mail: 14325 Willard Rd., Ste 104, Chantilly, VA 20151

Please see [Page 11](#) for Additional FAQ's Regarding Beneficiaries and State Tax Withholding.



Perfect401(k)™ Participant Distribution Form

INSTRUCTIONS: Complete pages 5-10 and *send it to the HR department* of the employer sponsoring this 401(k) account. Please allow **2 - 4 weeks** for processing after receipt by Perfect401(k). Please see [page 2](#) for more detailed instructions and [page 3](#) & [page 11](#) for FAQ's. If you have any questions, contact Perfect401(k)™ by email at info@perfect401k.com or by phone at (877) 836-1993.

Step 1: ACCOUNT OWNER INFORMATION (Complete ALL Sections)

Legal First Name	MI	Legal Last Name	Company or Plan Name
Mailing Address			Cell or Day Time Phone
			Social Security No.
City	State	Zip Code	Personal Email
			Age

Step 2: REASON FOR DISTRIBUTION (Please select ONE box & enter a Termination Date, if applicable)

- This is a distribution due to employment termination or resignation → **Termination Date:** _____ (mm/dd/yyyy)
- This is a distribution due to retirement
- This is a Required Minimum Distribution "RMD" (participants 72 years of age or older); see [Option \(F\): Partial Distribution](#)
- This is an In-Service Distribution with my current employer (contact your employer or refer to your SPD for eligibility rules)
- This is a distribution due to death of account holder (must complete the [Beneficiary section](#) on page 10 before signing)
- This is a Return of Excess Contributions (must complete [Option \(F\): Partial Distribution](#) section on page 6)
- This is a distribution due to QDRO (add'l documentation & alternate payee info required; [contact your rep](#) for more info)
- This is a distribution due to disability (as defined by the IRS)

Step 3: TYPE OF DISTRIBUTION (Please select ONE option & enter information, as applicable). Continued on Page 6..

OPTION (A): 100% ROLLOVER: Perfect401(k)'s *PREFERRED CLIENT ROLLOVER SERVICE*

Use this option to effortlessly rollover your account, avoid taxes & penalties, and continue your benefits & services at *discounted rates*.

Perfect401(k) will open a Charles Schwab IRA on your behalf, transfer your account internally for *free* and assign you a dedicated Financial Advisor who will create a customized portfolio and/or offer advice on the best investment and retirement strategy based on your needs.



- Perfect401(k) will **waive the usual \$85 distribution fee** for anyone electing to retain asset management services, regardless of account value.
- Never pay more than your current pre-negotiated 401(k) plan rate for management & advice services in your IRA.
- Direct access to a Personal Financial Service Manager. Contact them now by e-mail: pfs@perfect401k.com or by Phone: (703) 994-4522.
- Once you've selected this option, **you may skip Steps 4 & 5: Tax Withholding and Method of Delivery** and **continue to Step 6: ID Verification**.

OPTION (B): 100% ROLLOVER: SELF-MANAGED CHARLES SCHWAB IRA & CLOSE

Use this option if you wish to manage your retirement account(s) yourself at Charles Schwab. Rollover 100% of your vested Perfect401(k) account balance to the Charles Schwab IRA(s) listed below via electronic internal transfer and close your Perfect401(k) account. Direct Rollovers are non-taxable events. Once you've selected this option, you may **skip Steps 4 & 5: Tax Withholding and Method of Delivery** and **continue to Step 6: ID Verification**.

- Please list your 8 digit IRA account number(s) below:

Traditional IRA (Pre-Tax): _____ Roth IRA (After-Tax): _____

OPTION (C): 100% LUMP SUM CASH OUT & CLOSE (NON-ROLLOVER; TAXES MAY APPLY)

Use this option to **Cash Out 100%** of your vested account balance via check or Direct Deposit (ACH) and close your Perfect401(k) account. Direct Distributions are taxable events; Federal and State Taxes may apply; IRS Penalties may also apply. Once you've selected this option, **continue to Step 4: Tax Withholding**. **See Notes: §**

OPTION (D): 100% ROLLOVER: OUTSIDE INSTITUTION & CLOSE

Use this option to Rollover 100% of your vested account balance to the eligible account(s) listed below and close your Perfect401(k) account. Direct Rollovers are non-taxable events. Once you've selected this option, **you may skip Step 4: Tax Withholding** and **continue to Step 5: Method of Delivery**. See Notes: § † ‡

	Institution Name	Account Number
<u>Specify how the rollover check</u> <u>should be made payable</u>	Traditional IRA (Pre-Tax):	
	Roth IRA (After-Tax):	
	Qualified Employer Plan:	

OPTION (E): COMBINED CASH OUT AND ROLLOVER DISTRIBUTION & CLOSE

Use this option to **Cash Out a portion** of your vested account balance via check or ACH, **and then Rollover the remaining portion** to the eligible account(s) listed below and close your Perfect401(k) account. The Cash Out portion may be taxable while any Direct Rollover portion is not. Once you've completed this option, **continue to Step 4: Tax Withholding**. If using a mix of Delivery Methods, please be sure to select your preference for the Cash Out in Step 5. See Notes: § † ‡

Please Pay \$ _____ OR _____ % of my vested account balance to me (either Net or Gross of taxes):

Before taxes are removed (Gross distribution)

After taxes are removed (Net distribution)

And Rollover the remainder to the account(s) indicated below:

	Institution Name	Account Number
<u>Specify how the rollover check</u> <u>should be made payable</u>	Traditional IRA (Pre-Tax):	
	Roth IRA (After-Tax):	
	Qualified Employer Plan:	

OPTION (F): PARTIAL DISTRIBUTION - SPECIFIC TYPE(S) / SOURCE(S) / AMOUNT(S)

Use this option to **complete a partial distribution** (such as an In-Service, RMD or QDRO distribution) or **provide specific instructions** as to how you would like your Cash Out, Rollover or Combined Distribution completed. The Cash Out portion may be taxable while any Direct Rollover is not. Once you've completed this option, **continue to Step 4: Tax Withholding**. If using a mix of Delivery Methods, please be sure to select your preference for the Cash Out in Step 5. See Notes: § † ‡

Cash Out: \$ _____ OR _____ % of my vested **TRADITIONAL** account balance to me:

\$ _____ OR _____ % of my vested **ROTH** account balance to me:

Before taxes are removed (Gross distribution)

After taxes are removed (Net distribution)

Rollover: \$ _____ OR _____ % of my vested **TRADITIONAL** account balance to my new account listed below:

\$ _____ OR _____ % of my vested **ROTH** account balance to my new account listed below:

Rollover the remainder to the account(s) listed below:

	Institution Name	Account Number
<u>Specify how the rollover check</u> <u>should be made payable</u>	Traditional IRA (Pre-Tax):	
	Roth IRA (After-Tax):	
	Qualified Employer Plan:	

RMD Only: { I request my RMD for the _____ calendar year only.
I request my RMD for the _____ calendar year and authorize Perfect401(k) to process the recurring payment of my RMD in the same manner each year thereafter. Note: All RMD's are processed in the 4th quarter of each year (Oct - Dec).

§ - Direct Distributions (Cash Out portion) will be made payable to the account holder or beneficiary, less any applicable taxes; state tax is withheld for the state listed in Step 1.
† - Unless the institution remains as Charles Schwab, all rollovers will be issued as checks and mailed via USPS to the address listed above, unless you indicate otherwise (below).
‡ - All Rollover checks will be made payable to the Institution of the qualified plan or IRA for the benefit of the Account Holder or Beneficiary.
‡ - If you fail to select Net or Gross of taxes below, your distribution will be processed as the Gross amount.

STEP 4: TAX WITHHOLDING

Complete the Federal and State Tax Withholding sections if you are requesting a full or partial Direct Distribution (ie: Cash Out); there is no withholding on rollovers.

FEDERAL TAX WITHHOLDING

No Federal Withholding - For Direct Rollovers ONLY: Options (A), (B) & (D). Tax withholdings does not apply on rollovers of 100% of account balance.

Withhold the minimum as required by the IRS. I understand that the minimum is 20% federal income tax withholding on any eligible rollover amounts not directly rolled over, plus state tax withholdings (see below).

Please withhold _____ % **OR** \$ _____ of the gross distribution amount for Federal Tax purposes. (Must be at least 20%).

I understand 20% withholding is the minimum on any eligible rollover amounts not directly rolled over. Amounts less than 20% will be not be honored.

STATE TAX WITHHOLDING

No State Withholding - For Direct Rollovers ONLY: Options (A), (B) & (D). Tax withholdings does not apply on rollovers of 100% of account balance.

Withhold the minimum as required by the state. I understand that the minimum will vary by state and may not apply in all states. The states shown in the table below require state tax withholdings in addition to federal tax withholdings. Some states do not require a minimum withholding upon distribution, but still require payment upon tax filing. Please refer to the [Frequently Asked Questions](#) on [page 11](#) for state tax withholding rates.

Please withhold _____ % **OR** \$ _____ of the gross distribution amount for State Tax purposes. (Must be greater than [state min](#)).

I understand that the minimum will vary by state and may not apply in all states. Amounts less than the state minimum will be not be honored.

CA / OR Tax Waiver: Residents of California and Oregon may waive state tax withholding upon distribution, otherwise minimum state tax will be withheld.

I am a Resident of California or Oregon and I elect to have no state income tax withheld from this distribution at this time.

STATES THAT REQUIRE MINIMUM TAX WITHHOLDING[†]:

Arkansas	California*	Connecticut	Delaware	District of Columbia	Iowa
Kansas	Kentucky	Maine	Maryland	Massachusetts	Michigan
Nebraska	North Carolina	Oklahoma	Oregon*	Vermont	Virginia

[†] State Withholding rules are subject to change without notice.

STEP 5: METHOD OF DELIVERY

You will be notified via email once your distribution has been processed. Your delivery time will depend on the method selected below.

REG MAIL CHECK:

Check is the default delivery method for Options (C) - (F) in Step 3 above. All checks will be mailed via USPS to the mailing address listed in Step 1 (or in the Beneficiary/ Alternate Payee Form, if applicable) along with a 1099-R; please retain this for your records. All rollovers made out to a new custodian (ie: an institution other than Charles Schwab) will be issued as a check only. If you wish to use an alternate mailing address, you may do so below. Please allow approx. 10 business days from the process/ email notification date to receive your check.

OVERNIGHT CHECK:

Overnight checks will be mailed via UPS once your distribution has been processed and there will be an additional \$35 fee added to the existing processing fee. **Please Note:** Selecting this Method of Delivery only affects the delivery service used to mail your distribution check and will NOT affect the amount of time required to process your distribution. If selected, your check will be sent the following business day after it is processed to the mailing address listed in Step 1 (or in the Beneficiary/ Alternate Payee Form, if applicable) unless you list an alternate mailing address below; it should arrive within 2 business days from the process/ email notification date.

DIRECT DEPOSIT:

Direct Deposit (ACH) transfers may only be used with Direct Distributions, not with Rollovers. **You MUST complete the [Direct Deposit Form](#) listed on page 9 before signing and include a copy of a voided check. Failure to do so will result in your distribution being processed as a check without notice.** Please allow 2-3 business days for your funds to appear in your account from the process/ email notification date.

INTERNAL TRANSFER:

Internal Transfers allow you to roll over your liquidated account to a Charles Schwab IRA. A Schwab Internal Transfer allows you to have your funds journaled immediately from your 401(k) account to your Charles Schwab IRA and is typically completed within 1 business day. **If you're interested in or would like to know more about continued investment management services, click [HERE](#), or see [Option \(A\)](#).**

IN-KIND TRANSFER:

In-Kind Transfers allow you to rollover your PCRA assets to a Charles Schwab IRA without selling any brokerage positions. Any Core assets will be liquidated and transferred internally. An additional \$20 fee will be charged for this service. In-Kind Transfers may take 1-4 weeks to complete; there is no blackout period, however executing trades after your distribution has been processed may result in the transfer request being voided, therefore we recommend that you refrain from trading your account once you submit this distribution form.

Alternate Mailing Name	Alternate Mailing Address 1	Alt Address 2	Alternate City	State	Zip Code
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Please Note: The 1099-R will be included with the check and cannot be mailed separately; please consider this if mailing to another financial institution

Step 6: PARTICIPANT (or BENEFICIARY) IDENTITY VERIFICATION

Due to increasing incidences of cyber-security fraud, Perfect401(k) now **REQUIRES** identity verification for ALL distributions. Acceptable forms of ID include copies of a government issued ID (ie: Driver's License, SSN or ID Card, Birth Certificate or Passport). **Please reference the associated plan or company name if submitting separately from this form.** If you have any questions, contact Perfect401(k) by email at: info@perfect401k.com or by phone at (877) 836-1993. **Please Note:** Perfect401(k) may contact you by phone if additional verbal verification is deemed necessary.

I have included or submitted a copy of my ID for identity verification purposes via one of the methods listed below in Step 7.

Additionally, you may text a picture of your ID to our Distributions Dept at: 703-774-3188. (ID ONLY - Pictures of the Distribution Form will not be accepted)

I have NOT included a copy of my ID and would like Perfect401(k) to contact me by phone instead for verbal verification. I understand this may delay processing.

Step 7: PARTICIPANT (or BENEFICIARY) AUTHORIZATION

By signing below, I hereby consent to and authorize the distribution of my vested balance from my account according to the instructions provided above. I understand the terms and conditions relating to the payment of taxable benefits from the "Plan" as explained in the section "Special Tax Notice" and that my distribution may be subject to certain taxes and/or penalties. I also understand that a distribution processing fee of \$85 will be deducted from my account balance and that any other outstanding or applicable fees may also be collected from my account balance on a prorated basis at the time of distribution. I further understand that if additional contributions are funded after the date of distribution, they may be automatically distributed in the same manner as the initial distribution and a fee of \$35 will be assessed if the distribution amounts to less than \$200, otherwise an additional \$85 fee will be assessed. If the fee amount exceeds the additional contribution amount, then the funds will be forfeited. I understand that with the exception of In-Kind Transfer Rollovers, all assets will be sold (whether held in the plan core or in my PCRA) at Perfect401(k)'s discretion once I submit this form, and I agree to this liquidation and to any related commissions and/or fees I may incur as a result, including but not limited to: trading and sales charges against assets held in my PCRA and Short-Term Redemption fees on shares held for less than 90 days on certain mutual funds. I am furthermore aware that I have the right to defer distribution until I attain age 70.5 if my account balance is greater than \$5,000 and that the IRS recommends I take 30 days to consider my distribution options, however I elect to waive my 30-Day Election Period in order to have my distribution processed now. I understand that if I am separated from service with an outstanding loan balance, I may pay off the balance of the outstanding loan by contacting Perfect401(k) at the contact info listed below (please refer to the "Special Tax Notice" section for more information). Finally, I understand that the trustee of the "Plan" will rely on this information in making the distribution that I have requested, and I certify that the information I have provided above is true and correct to the best of my knowledge and that the Direct Rollover to the IRA or Employer Qualified Plan named above is an "Eligible Rollover Distribution" as defined in Code section 401(a)(31)(D). We highly recommend that you liquidate your PCRA, if applicable, prior to submitting this form to avoid any asset sale-related delays.

Print Name: _____

Date: _____

Marital Status:

Single

Married

Participant Signature: _____

TO SUBMIT: Sign Digitally or in Ink. Then Send This Completed Form to the Employer's HR Dept for Counter-Signature. HR will Then Submit it to Perfect401(k) for Processing. Alternatively, You May Submit it to Perfect401(k) who will Then Forward This Form to HR on Your Behalf (see pg 4).

- ❖ Send the completed form to the Employer's HR Dept., including: ID, Voided Check, ect. **(Recommended for fastest processing)**
- ❖ OR Securely Upload the completed form to Perfect401(K) from the [Participant Portal](#) or via our website: www.perfect401k.com/secure.

You may also submit a copy of your ID and voided check via email or text. Note: These are not a secure forms of transmission.

- Email our Distribution Dept. at: distributions@perfect401k.com;
- Text a picture to our Distributions Dept at: 703-774-3188.

Step 8: EMPLOYER AUTHORIZATION

Date of Termination (if applicable): _____

Date of Last Payroll Contribution: _____

Number of Current-Year Hours Worked (Necessary for Vesting):

If the above-named participant's service ended during the current plan year, please indicate the hours worked: < 500 500 - 999 1,000+

Expedited Participant Identity Verification (OPTIONAL):

To improve distribution processing time, the Authorized Plan Signer may, at their discretion, elect to certify here that either the attached ID matches that of the one on file with the employer, or that the above-named participant presented him/herself in person or by some other reasonable means deemed sufficient by the Authorized Plan Signer to verify the identity and validity of the participant's request. Such certification directs ECI to forgo further procedures that may normally be undertaken to assist the Plan Sponsor in their determination of the validity of the distribution as is Plan Sponsor's responsibility. **Please initial the box below if you'd like to provide such certification:**

_____ I can confirm the distribution request is valid and of good provenance. (Please Initial)

I certify the information given above is true and complete to the best of my knowledge. I understand the participant's funds will be distributed per the instructions directed by the participant. In addition, I authorize the withdrawal and distribution of this benefit according to the terms of the Plan Services Agreement of the "Plan". Further, by signing this form I am giving authorization to remit any federal and/or state tax withholdings and any fees incurred by the participant as a result of this distribution.

Print Name: _____ **Date:** _____

Authorized Signer Signature: _____

EMPLOYERS: Once you have completed this section, make a copy for your records and send the completed form to Everington Companies for processing.

ShareFile: www.perfect401k.com/secure

Email: distributions@perfect401k.com

Fax: (703) 774-3222;



Perfect401(k)[™] Direct Deposit Authorization Form

Check this box to pre-fill the personal information below from Step 1: *Account Owner Information* on page 5.

Legal First Name	MI	Legal Last Name	Company or Plan Name
Personal Email			Cell or Day Time Phone
			Social Security No.

ACH Authorization Release

The Participant hereby authorizes Everington Companies (i) to initiate deposit entries to/and deposit the bank account below and (ii) when appropriate, to initiate reversals of erroneous or duplicate deposit entries and debit the indicated bank account. The Participant affirms that the account listed below is a personal account and not a corporate or an organization checking or savings account. Everington Companies are authorized to (i) deposit the exact amount of funds listed on the corresponding form (Loan, Partial Distribution, In-Service Withdrawal, Hardship Withdrawal and Required Minimum Distribution) or (ii) deposit the full balance of the above named Participant's account (Lump Sum Distribution).

The Automated Clearing House (ACH) feature requires that the plan Participant bank account accept electronic debit/deposit entries from Charles Schwab Bank. We recommend that you contact your bank before submitting your first ACH transfer to ensure that you have the appropriate account setting in place. Charles Schwab Bank's company identification code is 2943149038 for your bank's reference.

Personal Bank/ Financial Institution Information

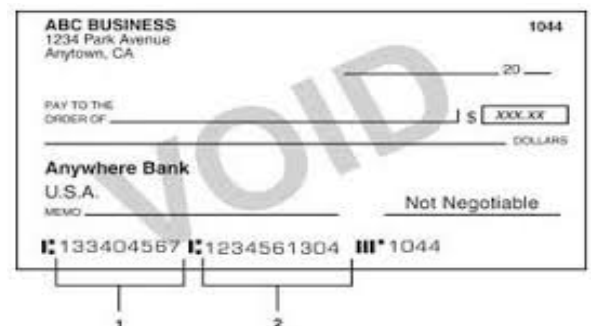
List a personal account only. Corporate/ Organization accounts will not be accepted.

Account Holder Name	Checking or Savings?
ABA Transit Routing Number (1)	Account Number (2)

Attach a Canceled or Voided Preprinted Check (REQUIRED).

Any Direct Deposit (ACH) request submitted *without* a voided check or other documentation to substantiate proof of account ownership will be considered invalid and the distribution will automatically be issued as a check without notice.

Attach Here
(or under separate cover)



Participant Authorization

By signing this agreement the participant will allow Everington Companies to initiate Electronic Fund Transfers between the applicable Plan bank account and the appropriate Participant bank account (indicated above). Electronic transfers will only occur when an authorized plan sponsor approves the distribution request.

Print Name: _____ Date: _____

Participant Signature: _____



Perfect401(k)TM Beneficiary / Alternate Payee Form

REQUIRED ONLY in the event of a QDRO, or death of the account holder.

Enter the Beneficiary / Alternate Payee information below:

Please see page the [Additional FAQ's: Beneficiaries & State Taxes](#) section on page 11 for more information.

BENEFICIARY / ALTERNATE PAYEE INFORMATION

Beneficiary First Name	MI	Beneficiary Last Name	Beneficiary Social Security No.	Beneficiary Date of Birth (mm/dd/yyyy)
Beneficiary Mailing Address			Beneficiary Cell or Day Time Phone	
City	State	Zip Code	Beneficiary Personal Email	
Distribution Share Percentage: _____ %		Relation to Account Holder: _____		
*For Death of Acct Holder Only				
I have also included the following required items:		A copy of the death certificate of the account holder		A copy of the beneficiary designation form, if avail
		A copy of a legally executed QDRO		

NOTE: If there are additional beneficiaries to the account, each beneficiary will need to complete a **separate distribution form** and have it approved by the Plan Sponsor. Please be sure that the Name, SSN & Address information contained in Step 1 pertains to the *original* account holder and all subsequent steps pertain to the beneficiary (ie: payment option, delivery method and beneficiary personal information). A copy of the death certificate & beneficiary designation form need only be provided by one of the beneficiaries.

Additional FAQ's: Beneficiaries & State Taxes

WHAT DO I NEED TO DO WITH MY OUTSTANDING 401(K) LOAN?

If you have an outstanding loan, you may repay 0-100% of the outstanding loan balance immediately upon termination of employment, whether you leave your funds invested in the Plan or take a distribution. If you have an outstanding loan and you terminate employment, you will be considered in default.

If you default, the total outstanding amount of the loan plus accrued interest will become immediately due and payable, and it will be offset against your account when you receive your distribution since loans are considered assets of the plan until distribution, unless previously repaid. Interest will continue to accrue under the terms of your promissory note from the time of default until the time of repayment or offset (distribution). If an offset occurs, either by direct rollover or direct distribution, the amount owed on the loan will also be considered a taxable distribution to you and treated as taxable income by the IRS in the year the distribution occurred (unless you have already been taxed on these amounts). Alternatively, you may repay your loan, plus accrued interest, prior to termination of employment.

Please Note: Being in default of a 401(k) loan will not affect your credit, nor be reported to any credit reporting agencies or collection services.

HOW DO I COMPLETE THE DISTRIBUTION FORM IF THE ACCOUNT HOLDER IS DECEASED?

In the event of the death of the account holder, the distribution form should be completed by the beneficiary; if there are multiple beneficiaries listed on the account, each beneficiary must complete their own distribution form and have it countersigned by the plan sponsor (employer). The Account Holder information listed under Section 1 on page 5 is ALWAYS the *original* account holder's information. The beneficiary's name and personal information should be entered under the Beneficiary Information section on page 10. The beneficiary should follow the directions for completing the rest of the form in Sections 2 - 7 to indicate how exactly they would like the distribution to be paid.

Please Note: A copy of the account holder's Death Certificate is **REQUIRED** and must be included in order for the distribution request to be considered in good order. In the case of multiple beneficiaries, only 1 beneficiary needs to provide a copy of the Death Certificate.

Please Note: A copy of the original Beneficiary Designation form completed by the account holder is **REQUIRED** if the enrollment was originally completed via hard or soft copy. The Beneficiary Information section on page 10 is for verification purposes in the event that any personal information was omitted or has changed since the beneficiary was originally named by the Account Holder at enrollment. **Only** the original account holder can name a beneficiary to the account. The plan sponsor should retain copies of all enrollment forms. If no beneficiary designation exists, then the default beneficiary is the original account holder's spouse. In the event of divorce from or death of the account holder's spouse, then a probate judge must appoint a beneficiary to the account.

HOW DO I COMPLETE THE DISTRIBUTION FORM IF I HAVE A QDRO AS A RESULT OF DIVORCE PROCEEDINGS?

In the event of divorce, a judge may order a Qualified Domestic Relations Order (QDRO) in order to legally distribute a share of the account holder's vested 401(k) account balance. To obtain a QDRO, an attorney must complete the QDRO form from the appropriate jurisdiction and submit it to the court for judgment. The QDRO will specify the exact amount and any other applicable terms of the distribution. To complete the QDRO distribution, the alternate payee (spouse) should list the *original* account holder's information under Section 1 on page 5. The alternate payee (spouse) name and personal information should be entered under the Beneficiary Information section on page 10. The alternate payee should follow the directions for completing the rest of the form in Sections 2 - 7 to indicate the Type and Method of distribution; the distribution amount **must** match the amount dictated on the QDRO. If only the spouse is requesting a distribution, the account holder need not provide a form. The account holder may only submit a distribution request if he or she is no longer employed by the plan sponsor or is eligible to receive an In-Service distribution from the Plan.

Please Note: A copy of the QDRO is **REQUIRED** and must be included in order for the distribution request to be considered in good order.

WHAT IS THE REQUIRED STATE TAX WITHHOLDING RATE ON TAXABLE DISTRIBUTIONS FOR MY STATE?

The table below shows the states that require state tax withholdings on taxable distributions and the withholding rate. This list is subject to change.

Arkansas	5% of taxable distribution	Maryland	7.75% of taxable distribution
California*	A: 6% of taxable distribution; B: 10% of federal tax withheld; C: Waive State Withholdings	Massachusetts	5.15% of taxable distribution
Connecticut	6.99% of taxable distribution	Michigan	4.25% of taxable distribution
Delaware	5% of taxable distribution	Nebraska	5% of taxable distribution
District of Columbia	8.95% of taxable distribution	North Carolina	4% of taxable distribution
Iowa	5% of taxable distribution	Oklahoma	5% of taxable distribution
Kansas	5% of taxable distribution	Oregon*	A: 8% of taxable distribution; B: Waive State Withholdings
Kentucky	5% of taxable distribution	Vermont	24% of federal tax withheld
Maine	5% of taxable distribution	Virginia	4% of taxable distribution

**California and Oregon residents may elect out of state tax withholdings.*

If California residents do not make specify a withholding amount, Option B: 10% of federal tax withheld will be used.

Special Tax Notice

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Retirement Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

Traditional Accounts

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

Roth Accounts

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

Traditional Accounts

You may roll over the payment to either a Traditional IRA (a Traditional Individual Retirement Account or Traditional individual retirement annuity) or a qualified employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Traditional IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Traditional IRA or employer plan (for example: spousal consent rules and availability of loans). Further, the amount rolled over will become subject to the tax rules that apply to the Traditional IRA or traditional account in the qualified employer plan.

Roth Accounts

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I initiate a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59-1/2 (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70-1/2 (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrolment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

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

Traditional Accounts

If you are under age 59-1/2, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

Roth Accounts

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

For both Traditional accounts and Roth Designated accounts, the 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

If you receive a payment from an IRA when you are under age 59-1/2, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

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

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59-1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

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

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59-1/2 (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59-1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your Traditional Account (pre-tax) payment to a Roth IRA

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59-1/2 (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

If you roll over to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59-1/2 (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a plan participant

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

If you are a surviving spouse.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59-1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70-1/2.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70-1/2.

If you are a surviving beneficiary other than a spouse.

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

If you are a nonresident alien

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

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

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

Unless you elect otherwise, a mandatory cash out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cash out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

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





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