



DEATH BENEFIT CLAIM

Please read ALL the instructions, then complete the entire form. If you have questions or need assistance completing this form, please contact a Participant Service Representative at 1-VRS-DC-PLAN1 (1-877-327-5261).

ORP of the Commonwealth of Virginia for Public School Superintendents

650274

Information Concerning the Decedent

Must be completed

Last Name First Name MI

Social Security Number

State of Legal Domicile at Time of Death

Mo Day Year

Mo Day Year

Note: A certified copy of the death certificate is required for processing of this death benefit.

Date of Birth

Date of Death

Claimant's Taxpayer Identification Number

Must be completed

Enter an appropriate taxpayer identification number ("TIN") in the box below. For individuals, including minors, this is their social security number. For other entities, such as most trusts and estates, it is their employer identification number ("EIN"). Ask your attorney for guidance.

The TIN/EIN must match the TIN/EIN you specify on the W-9 form.

TIN/EIN

Information Concerning the Claimant

Must be completed

Last Name First Name MI

Address — Number and Street

Mo Day Year

Date of Birth

City State Zip Code

Home Phone

Work Phone

IF BENEFICIARY IS A MINOR, complete the following:

Minor's Last Name Minor's First Name MI

Address — Number and Street

Mo Day Year

Date of Birth

City State Zip Code

The claimant is claiming the death benefits payable as the beneficiary and in the following capacity (i.e., self, personal representative of estate, guardian or conservator of minor beneficiary's estate, trustee of trust beneficiary, custodian of minor beneficiary under the Uniform Transfers to Minors Act*, successor under small estate affidavit*, etc.):

*not applicable in all states

If you specified "self" above, please specify your relationship to the decedent (i.e., spouse, child, sister, brother, mother, father, friend, etc.):

I certify that I am not a resident of any state other than the state shown in the home address I furnished above.

If you specified an address outside of the U.S. above, please answer the following questions: Are you a U.S. citizen? Yes No

If the answer to the above question is no, please complete and attach an IRS Form W-8BEN to elect a reduced rate of withholding.



Type of Election**Must be completed**

Please select the effective date and payment method you wish for your death distribution payments. The payment method chosen may be changed in writing up to 30 days before the payout is scheduled to begin.

Once payments have started, the Plan does not allow you to change your payout method.

The effective date is the date the funds will be withdrawn from your account. If the effective date falls on a weekend or holiday, it will be processed on the following business day. **Checks and electronic transfers will be forwarded within 2 business days after the effective date.**

Note: The effective date must be at least 61 days from the participant's date of death.

- A. **Full withdrawal**
- B. **Partial withdrawal followed by payments of a specified amount, or payments of a specified period, or an annuity**

Phase 1: Partial withdrawal amount \$ _____

Phase 2: **Payments of a specified amount (fixed dollar): complete C**

Payments of a specified period (fixed period): complete D

Annuity: complete the Annuity Options section

- C. **Payments of a specified amount until account is exhausted**

Specified dollar amount \$ _____

Frequency: Monthly Quarterly Semi-Annually Annually

- D. **Payments of a specified period**

Specified time period of _____ **years**

Frequency: Monthly Quarterly Semi-Annually Annually

Installments will begin as soon as administratively possible and are processed on the 1st and 15th of each month.

Please confirm **which date** you would like your payment processed: 1st 15th

- E. **DIRECT ROLLOVER** — Note: The rollover check will be made payable to the financial institutions for the benefit of the beneficiary. **Provide company information below.**

MAILING ADDRESS:

Company or Trustee's Name

Address — Number and Street

City

State

Zip Code

ACCOUNT INFORMATION:

Account Number

Name on Account

Amount of Rollover

Income Tax Withholding**Must be completed**

If you are electing both a partial distribution and periodic payment, your VA-4 or other state withholding form and W-4 or other state withholding form and W-4 will apply to both elections.

FEDERAL — I have completed and attached: Federal income tax withholding Form W-4

STATE — I have completed and attached: Virginia Form VA-4
 Other State income tax withholding form (required for mandatory states)

Important note: If no withholding allowance certificate documents are submitted with this form, then withholding will take place according to the guideline of single plus zero allowances. This applies to both Federal and State tax withholding.

Annuity Options**Complete if applicable**

I have reviewed the materials related to the annuity option offered by the Plan and have attached the appropriate annuity election forms.

Required Signatures**Must be completed**

IMPORTANT NOTE: Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

You must obtain either the signature of a notary or the signature of two witnesses.

Statement of Notary**SEAL**

State of _____) The above election was subscribed before me by _____
)ss. on this _____ day of _____, year _____, who affirmed that such
County of _____) election represents his/her free and voluntary act.
Notary Public _____ My commission expires _____

Statement of Witnesses

The claimant whose signature we have witnessed is known to us and signed this form in our presence.

Witness Signature

Date

Witness Signature

Date

My signature acknowledges that I have read, understand and agree to all pages of this form including the Information section. I affirm that all informations that I have provided is true and correct. **I confirm that I have attached a certified coy of the death certificate.**

CLAIMANT SIGNATURE

DATE

(include title if you are acting in a representative capacity)

YOU MUST READ ALL PAGES OF THIS FORM BEFORE SIGNING.

Claimant forward to:

ING Plan Administration
Attn: Virginia Retirement System
P.O. Box 5159
Boston, MA 02206-5159

Phone: 1-VRS-DC-PLAN1
(1-877-327-5261)

Fax: 1-888-998-8954

Information

INCOMPLETE OR INACCURATE INFORMATION — In the event any section of this form is incomplete or inaccurate, ING may not process the transaction requested on this form and may require that you complete a new form or provide additional information before the distribution can be processed.

CHANGES TO THIS REQUEST — If you need to cross out any information, you **MUST** initial the change to validate the change or the request may be returned for verification.

INSTRUCTIONS — Please be sure that you remembered to:

1. Contact a ING representative for assistance in completing this form.
2. Provide all requested information concerning the decedent.
3. Provide all requested information concerning the claimant and **attach a certified copy of the decedent's death certificate.**
4. Provide an appropriate tax identification number ("TIN") for the beneficiary on the claim form and on the attached Form W-9. If the beneficiary is an individual, provide the individual's social security number. If the beneficiary is a trust or estate, generally an employer identification number ("EIN") must be provided. In cases of a trust beneficiary, a social security number may be appropriate if the grantor is living and is also the trustee. Failure to provide an appropriate TIN/EIN may result in backup withholding equal to 31% of the payment. See the attached Form W-9 for more information.
5. Select a transaction option (i.e., lump sum distribution or periodic payment option). Read section entitled Determining How and When Payments Must be Made to Certain Beneficiaries.
6. Have your signature notarized or sign this form in the presence of two witnesses. If you are acting in a representative capacity, include your title.
7. Complete the Income Tax Withholding section.
8. Attach Letters Probate or Letters of Administration if you are a personal representative of an estate beneficiary (also see Estate Beneficiaries section). Attach your Letters of Guardianship or Letters of Conservatorship if you are the guardian of a minor beneficiary's estate or a conservator for the minor (also see Minor Beneficiary section).

DETERMINING HOW AND WHEN PAYMENTS MUST BE MADE TO CERTAIN BENEFICIARIES —**A. If the participant died before reaching the required beginning date (the later of age 70^{1/2} or retirement) and the beneficiary is:**

1. **The participant's spouse** — You may elect to delay taking distributions until the later of (a) December 31 of the calendar year the participant would have attained age 70^{1/2} or (b) December 31 of the calendar year following the calendar year of the participant death. Distributions must be made over a period not exceeding your life or life expectancy.
2. **A non-spouse individual** — The required death distribution commencement date is December 31 of the calendar year immediately following the calendar year in which the participant's death occurs. The account shall be in compliance with Section 401(a)(9) of the Internal Revenue Code and over a period not extending beyond the life expectancy of the Beneficiary.
3. **A non-individual (estates, trusts and corporations)** — Distribution of the participant's entire interest under the Plan is required to be made by December 31 of the calendar year containing the fifth anniversary of the participant's death.

B. If the participant died after reaching the required beginning date (the later of age 70^{1/2} or retirement):

The Internal Revenue Code requires payments to be made "at least as rapidly as under the method in effect on the day of the participant's death." The meaning of that term depends on whether the participant was receiving individual account withdrawals prior to death.

In the case of individual account withdrawals, how and when payments may continue to be made to the beneficiary depends on how the participant's minimum distribution was being calculated prior to the participant's death. If the minimum distribution was, for example, being calculated over the joint life expectancies of the participant and his/her spouse with annual recalculation of life expectancies, then payments may continue to be made over the spouse's remaining life expectancy only, or over a shorter period, if desired. The applicable rules in this area are quite complicated and beneficiaries should contact their legal counsel or tax professionals for advice on how and when distributions must be taken to avoid adverse tax consequences.

Note: The IRS may impose a penalty tax on amounts which were not distributed as and when required under the Internal Revenue Code. We do not assume any responsibility or liability for ensuring that distributions are made timely.

MINOR BENEFICIARIES — Payments can be made to a guardian of a minor's estate or a conservator who has been appointed as such for the minor by judicial order. A copy of the court order must be submitted to the Plan Administrator/Trustee and forwarded to us with this completed claim form and decedent's death certificate. If a guardian for a minor's estate or conservator has not been appointed by an appropriate court, only certain states allow the funds to be transferred to a custodian for the minor who is an adult member of the minor's family under the Uniform Transfers to Minors Act. In general, transfers under this law may not be made if a state has not adopted it, or the proceeds exceed \$10,000.00. Payments cannot be made to a person solely because he/she is the parent of the minor or has custody of the minor unless a state law in the minor's state of residence specifically authorizes such payment or a proper court order authorizing payment has been obtained or the Plan Administrator/Trustee's Plan Document allows for such payment. If ING is unable to make a payment because a guardian for the minor's estate or conservator has not been appointed by judicial order, or a state law where the minor resides or the Plan Administrator/Trustee's Plan Document does not authorize payment to a custodian or other person, the proceeds must remain in the account until the minor reaches the age of majority. However, the rules specified above still apply and claimants should obtain and submit appropriate documentation to the Plan Administrator/Trustee for forwarding to us on a timely basis to avoid IRS penalty taxes. Contact your attorney for advice in obtaining appropriate documentation to claim the benefits.

ESTATE BENEFICIARIES — Payments can be made to a personal representative appointed by an appropriate judicial order. Personal representatives must provide an employer identification number ("EIN") for the decedent's estate. An EIN is obtained by filing form SS-4 with the Social Security Administration. If a personal representative has not been appointed by an appropriate court because the value of the estate is small, only certain states allow the successors of the decedent to submit an affidavit or the summary proceeding court order to the holder of property, thus allowing them to receive payment. In such cases, only one affidavit containing the notarized signatures of all successors or the summary proceeding court order should be submitted to us. If appropriate documentation is not submitted, we may be unable to make payment. However, the rules specified above still apply and claimants should obtain and submit appropriate documentation to us on a timely basis to avoid IRS penalty taxes. Contact your attorney for advice in obtaining appropriate documentation to claim the benefits.

INCOME TAX WITHHOLDING APPLICABLE TO PAYMENTS DELIVERED OUTSIDE OF THE US — If you are a beneficiary and a non-resident alien, and your payment is to be delivered outside the US or its possessions, you should attach IRS Form W-8BEN. In general, your payment will be subject to Federal income tax withholding at the rate of 30%. However, if you wish to elect a reduced rate of withholding because your country of citizenship has entered into a tax treaty with the US, you may do so on Form W-8BEN.

If you are a beneficiary and you are either a U.S. citizen living abroad or a resident alien, and you choose to have your payment made outside the U.S., you may not make an election not to have Federal income tax withheld. Federal income tax must be withheld at the rate of 10%. To obtain the above forms, call 1-800-TAX-FORM.

Contact your tax professional for more information.

WAIVERS OR CONSENTS OF INHERITANCE AND ESTATE TAXES — Certain states require payors to obtain waivers or consents from a state's Department of Revenue or Taxation before a payment can be made to the beneficiary.

DEATH BENEFIT CLAIM GUIDE

Commonwealth of Virginia Defined Contribution Plans — Governmental 457(b) Plan

This Guide will assist you in completing the Death Benefit Claim Request form (the “Form”) for Internal Revenue Code (“Code”) section Governmental 457(b) plan. You should read all pages of this Guide before you begin to complete the Form. The Guide will assist you in completing each section of the Form and give you the information you need to make informed decisions regarding your claim. If you need further clarification about the information discussed in this Guide, call a Participant Services Representative at 1-VRS-DC-PLAN1 (1-877-327-5261).

You are strongly urged to consult with an accountant and/or tax advisor in the preparation of the Form. While our representatives are able to explain your options to you, they cannot tell you which payment and tax-withholding method is best for you. Your local representative or any Participant Services Representative will not provide tax or legal advice. Additionally, neither this Guide nor the Form provides tax or legal advice relevant to your claim.

Please note that ING (the Service Provider) cannot release the claim until the Authorized Plan Administrator/Trustee confirms that you are a named beneficiary under the Plan and are otherwise entitled to assert a claim.

Waivers or Consents of Inheritance and Estate Taxes — Certain states require the Service Provider to obtain waivers or consents from the state’s Department of Revenue or Taxation before the Claimant is able to assert a claim. If the decedent lived in a state that requires this waiver, you **MUST** attach the waiver to the Form at the time the Form is submitted to the Service Provider. The states that currently require consent or waiver are as follows: Connecticut, Hawaii, Indiana, Kentucky, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New York, Oklahoma, Oregon, Puerto Rico, Rhode Island, Tennessee, Wisconsin. If the decedent’s state of residence does not appear in this list, it is the Claimant’s responsibility to ensure that the decedent’s state of residence does not require any form of waiver or consent.

Additionally, certain states require that the Service Provider provide notice to the state that a distribution will be made to a claimant. If the decedent’s state of residence requires a notice of distribution, the Service Provider will so notify the appropriate state department.

The Form — The Form is divided into several sections, with each section requiring you to provide specific information.

The sections on the Form are:

- Decedent’s Information
- Claimant’s Information
- Minor’s Representative Information
- Tax Identification Number
- Type of Claim
- Direct Rollover
- Claim Delivery
- Federal and State Income Tax Withholding
- Required Signatures

Note: If there is more than one account or plan number, you must complete a separate Form for each account or plan number.

Incomplete or Inaccurate Information — In the event that any section of the Form is incomplete or inaccurate, the Service Provider may not be able to process the claim requested on the Form. You may be required to complete a new Form or provide additional or proper information before your claim will be processed.

Changes to Your Request — If you make a change to the Form as you are completing it, you must cross out any previously elected choice(s) and initial all changes. If you do not initial all changes, the Form may be returned to you for verification.

Self-Directed Brokerage (“SDB”) Account Notice — If the decedent had a SDB account, the Service Provider will contact the self-directed brokerage provider to transfer the funds to the core investments (non-self-directed brokerage investments) before the Service Provider can process the claim. These monies will be invested in the plan default fund.

The Form

Note: Please use black or blue ink when completing the Form.

Decedent’s Information

Last Name, First Name, MI — The decedent’s full name is required in order to properly identify the account.

City, State, and Country of Legal Domicile at time of death — This information is required in order for the claim to be properly filed and tax reported.

Was Decedent a U.S. Citizen? — Federal and state income tax reporting is based on citizenship status.

Social Security Number — The decedent’s Social Security Number is required to properly identify the account and report any applicable withholding information to the Internal Revenue Service.

Date of Birth — The decedent’s date of birth is required to properly process the claim.

Date of Death — The decedent’s date of death is required to properly process the claim.

Claimant’s Information: Last Name, First Name, MI — The full name of the Claimant is required in order to properly process the claim.

Address: Number & Street, City, State, Zip Code — This information is required in order to properly process the claim.

Home Phone, Work Phone — This information will allow the Service Provider to contact the Claimant if necessary regarding the claim.

Specify Claimant's Relationship to the Decedent — The Claimant's relationship to the decedent is required in order to properly process the claim.

Is Claimant a U.S. Citizen? — Federal and state income tax reporting is based on citizenship status.

Date of Birth — The Claimant's date of birth is required to properly process the claim.

Is Claimant a Minor? — If the answer to this question is yes, complete the next section on the Form regarding the minor's representative information.

Minor's Representative Information — This section must be completed if the Claimant is a minor. All correspondence and claims will be addressed to the minor's representative for the benefit of the Claimant.

Tax Identification Number — Provide a complete and correct tax identification number for the Claimant on the Form. If the Claimant is an individual, provide the individual's social security number. If the Claimant is a trust or estate, generally a tax identification number (TIN) must be provided. In cases of a trust Claimant, a social security number may be appropriate if the grantor is living and is also the trustee.

Type of Claim

If the decedent died before reaching the required beginning date (the later of age 70½ or retirement) and is a(n):

Individual Claimant — If the Claimant is an individual, such as the Participant's spouse or child, minimum required distributions for years after the year of the Participant's death are generally based on a distribution period that can be determined using the Beneficiary's single life expectancy. This rule applies whether or not the death occurred before the Participant's required beginning date.

If the surviving spouse is the sole Claimant, and the Participant died before the year in which he or she attained age 70½, or such other date as may be prescribed in the Code, distributions to the spouse need not begin until the year in which the Participant would have attained age 70½, or such other date as prescribed in the Code.

If the Claimant is an individual other than the spouse, the distribution period is based on the Claimant's age (as of his or her birthday in the year following the year of the participant's death), reduced by one for each elapsed year since the year following the Participant's death. Distributions must commence by December 31 of the year following the year of the Participant's death.

An individual Claimant may also elect the 5-year rule described below.

Non-Individual Claimant — If the Participant died on or after the required beginning date and the Claimant is not an individual, required minimum distributions are based upon the Participant's age (as of his or her birthday in the year of death), reduced by one for each elapsed year since the year of death.

If the Participant died before the required beginning date, the entire account must be distributed by the end of the fifth year following the year of the Participant's death. A distribution is not required to be made before the fifth year following the Participant's death.

Minor Claimant — Payments may be made to a guardian of a minor's estate or a conservator who has been appointed as such for the minor by final judicial order. A copy of the court order must be submitted to the Plan Administrator/Trustee and forwarded to the Service Provider with the completed Form.

Under the Uniform Transfers to Minors Act, if a guardian or conservator has not been appointed by an appropriate court, certain states allow funds to be transferred to a custodian for the minor who is an adult member of the minor's family. In general, transfers under this law may not be made if a state has not adopted it, or the proceeds exceed a specified dollar amount under the state's statutory law. Payments cannot be made to a person solely because he/she is the parent of the minor or has custody of the minor unless a state law in the minor's state of residence specifically authorizes such payment, a proper court order authorizing payment has been obtained or the Plan Document allows for such payment. The following is a list of states that have adopted a version of the Uniform Transfers to Minors Act:

Alabama	Illinois	Montana	Rhode Island
Alaska	Indiana	Nebraska	South Dakota
Arizona	Iowa	Nevada	Tennessee
Arkansas	Kansas	New Hampshire	Texas
California	Kentucky	New Jersey	U.S. Virgin Islands
Colorado	Louisiana	New Mexico	Utah
Connecticut	Maine	New York	Virginia
Delaware	Maryland	North Carolina	Washington
District of Columbia	Massachusetts	North Dakota	West Virginia
Florida	Michigan	Ohio	Wisconsin
Georgia	Minnesota	Oklahoma	Wyoming
Hawaii	Mississippi	Oregon	
Idaho	Missouri	Pennsylvania	

It is the Claimant's responsibility to determine whether and to what extent the Uniform Transfers to Minors Act has been adopted in his or her state of residence.

If the Service Provider is unable to make payment because a guardian or conservator has not been appointed by final judicial order, or a state law where the minor resides, the proceeds must remain in the decedent's account until the minor reaches the age of majority.

Estate Claimants — Payments may be made to a personal representative appointed by an appropriate final judicial order. Personal representatives must provide a tax identification number (TIN) for the decedent's estate. A TIN is obtained by filing Form SS-4 with the Social Security Administration. If a personal representative has not been appointed by an appropriate court because the value of the estate is small, certain states will allow certain successors of the decedent to submit a small estate affidavit allowing them to receive payment. In such cases, only one affidavit containing the notarized signatures of all successors should be submitted to the Service Provider. If appropriate documentation is not submitted, the Service Provider may be unable to make payment. However, the rules specified above still apply and Claimants should obtain and submit appropriate documentation to the Service Provider on a timely basis to avoid penalties and taxes.

Leave Funds in the Account — If the Claimant is the decedent's surviving spouse and sole beneficiary and the decedent died prior to reaching age 70½, the Claimant can elect to leave the funds in the Plan until distributions are required to begin. Distributions must begin from the account by the later of (a) December 31 of the calendar year in which the decedent would have attained age 70½ or (b) December 31 of the calendar year following the calendar year of the decedent's death. Distributions must be made over a period not exceeding the Claimant's life or life expectancy.

All existing monies will remain in the same investment option(s) in effect on the date of the decedent's death. The Claimant will have the option of transferring the monies to other investment options by visiting the Web site at www.varetire.org or by calling a Participant Service Representative at 1-VRS-DC-PLAN1 (1-877-327-5261). However, some investment options may not be available for transfer. The Claimant may not make any additional deposits to this account.

The account will remain in the decedent's name until such time as the Claimant initiates a distribution from the account.

Full Distribution of My Share — Check this box if the Claimant wants a full distribution of his or her share of the account. The full vested value of each investment option will be distributed based on the instructions on the Form. The Service Provider will liquidate the funds pro-rata from all available investment options with a balance.

Periodic Payment of My Share — The Claimant must select a frequency, pay date and either specific dollar amount or specific number of years. The payment start date is the date the funds will be distributed from the account. Installments will begin as soon as administratively possible and are processed on the 1st and 15th of each month. The Claimant must also select the frequency of payment — monthly, quarterly, semi-annually, or annually. Allow approximately 5 – 10 business days from the payment start date to receive the distribution. It is solely the responsibility of the Claimant to ensure that the payment option elected satisfies the minimum distribution requirements.

The Periodic Payment Options are as follows:

1. *Payment of an Amount Certain* — Designate the dollar amount the Claimant wishes to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). The payments will continue until the account balance is depleted. The number of payments the Claimant receives will vary depending on the performance of the investments. The payments must be structured so that the account balance will be approximately depleted over a time period not to exceed the Claimant's life expectancy.
2. *Payment of a Period Certain (Years)* — The Claimant will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which the Claimant elected to receive payments, the periodic basis that the Claimant chooses, and the performance of the investment options.

The payment amount will be calculated by dividing the current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to of the account balance. The second payment will be $\frac{1}{47}$ of your balance, the third will be and so on.

The payment is recalculated each time a payment is distributed; therefore, the amount of each payment will never be the same. The payment amount will depend on the account value, which may fluctuate depending upon the chosen investment's performance. The balance will be depleted by the end of the term selected. The payment plan must be structured so that it will approximately deplete the account over a time period not to exceed the Claimant's life expectancy.

Fixed Annuity of My Share — An annuity is a payment option that can guarantee the Claimant a retirement income for life or a limited, defined period. The Claimant will receive payments on a regular basis. Payments made under a fixed annuity option will not change for as long as the annuity period continues. To request an annuity quote, review the annuity options that follow and call the Service Provider. The insurance company issuing the annuity makes annuity payments and will deduct the applicable tax withholding. Once an annuity option is selected, the Claimant may not select a different claim method or change to another fixed annuity option. To elect this method, the minimum annuity purchase amount is \$2,000.00, and each payment must be at least \$50.00. If the Claimant chooses a fixed annuity payment option, the Claimant will need to choose a Fixed Annuity Option.

Purchase Date — The purchase date is the date the funds are withdrawn from the existing account and placed into a fixed annuity. The purchase date may vary depending on the underlying investment options. If the purchase date is not a business day, the purchase date will default to the next business day. The selected purchase date must be prior to the payment start date. The interest rate applied will be the annuity rate in effect on the actual purchase date. If a purchase date is not selected, the purchase date will automatically be the date a properly completed Form is received by the Service Provider. The purchase date cannot be more than 12 months from the date the Claimant completes the Form.

Payment Start Date — The payment start date is the date the first check is to be received. The Claimant's first electronic transfer or check may be delayed 5–10 business days as the annuity account is established. The payment start date for fixed annuities cannot be more than 90 days after the purchase date.

The Claimant is responsible for ensuring that the Fixed Annuity Option as elected meets the minimum distribution requirements, if applicable.

The Fixed Annuity Options are as follows:

1. *Income of an Amount Certain* — The Claimant must indicate a specific amount to be paid on a monthly, quarterly, semi-annually, or annual basis. The amount chosen must be received over a period not greater than 20 years. If the Claimant dies before the entire annuitized balance is distributed, the Claimant's beneficiary will receive all remaining annuity payments, if any. The number of payments are not guaranteed.
2. *Payment of a Period Certain (Years)* — The Claimant will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which the Claimant elected to receive payments, the periodic basis that the Claimant chooses, and the performance of the investment options. Payment amounts are not guaranteed.
3. *Fixed Life Annuity with Guaranteed Period* — The Claimant will be paid monthly annuity payments for the guaranteed annuity payment period you select (5,10,15, or 20 years) or for their lifetime, whichever is longer. Upon the Claimant's death, all payments remaining payable under the guaranteed period will be paid to the Claimant's beneficiary, if any. If the Claimant chooses this option, the Claimant must attach a copy of his or her birth certificate or driver's license.
4. *Fixed Life Annuity: Life Only, No Death Benefit* — The Claimant will be paid monthly annuity payments during his or her lifetime. Upon the Claimant's death, all benefit payments cease. If the Claimant chooses this option, the Claimant must attach a copy of his or her birth certificate or driver's license.
5. *Joint Life* — The Claimant will receive monthly annuity payments for his or her lifetime. Upon the death of the annuitant, the surviving co-annuitant will receive a pre-elected percentage (100% or 50%) of the original payment amount for his or her lifetime. For example, if the Claimant elects a joint and 50% annuity, the surviving annuitant will continue to receive fixed monthly payments equaling one half of the amount received while both annuitants were living. The Claimant must attach a copy of both annuitants' birth certificates or driver's licenses.

Additional Fixed Annuity Options may be available under your Plan.

Direct Rollover

Direct Rollover to an Eligible Plan or IRA — The Claimant must determine whether the plan or IRA accepts eligible rollover distributions.

Beginning in the later of the year that the Claimant attains age 70½, the Claimant may not roll over that portion of a distribution equal to his or her required minimum distribution amount. In the event that the participant had not received but was required to receive his or her required minimum distribution prior to his or her death, the required minimum distribution will be paid out before the rollover will be processed. If the Claimant elects a distribution in the form of an annuity, as of January 1 of the calendar year in which he or she attains age 70½, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover.

If the Claimant is requesting a direct rollover, an eligible rollover distribution is paid from the Plan directly to the eligible Code section 401(a), 401(k), 403(b) or governmental 457(b) plan or to a Traditional IRA.

Indicate the dollar amount the Claimant wants to roll over (minimum \$200.00) and provide the company name, account number, mailing address, city, state, zip code and a phone number for the direct rollover. In the event of an inconsistency between information contained on the Form and any other information provided with the Form, the information on the Form will be used. Once the Service Provider has processed a direct rollover, it cannot be returned.

If the Claimant chooses this type of claim, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

Claim Delivery

The delivery of the claim may depend on the type of claim elected on the Form. Certain delivery options are not available on all types of claims. Below is a description of each delivery option.

Check — The Claimant can receive the claim by check regardless of the distribution method selected on the Form.

Express Delivery — Express delivery is available for full distributions only. The amount of the claim 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 or addresses within Colorado. Delivery is not guaranteed to all areas.

Automated Clearing House (ACH) (Automatic bank deposit) — Check this box if the Claimant wants his or her check to be electronically deposited into their checking or savings account. The Claimant may not designate a business account or an IRA. For direct rollovers to an IRA, contact the local representative for the appropriate form. You can only select ACH if the Claimant selected a periodic payment or a fixed annuity. Complete the bank name, account number, ABA routing number, bank mailing address, city, state, zip code, and attach avoided check to the Form where indicated.

ACH is a form of electronic funds transfer by which the Service Provider can transfer your payments directly to the Claimant's financial institution. Allow at least 15 days from the date the Service Provider receives the Claimant's properly completed Form to begin using ACH for the Claimant's payments. Upon receipt of a properly completed Form, the Service Provider will notify the financial institution of the ACH request with the account information provided. The pre-notification process takes approximately 10 days. During the pre-notification process, the financial institution will confirm with the Service Provider that the account and routing information submitted is correct and that it will accept the ACH transfer. After this confirmation is received, the payments will be transferred to the Claimant's financial institution within 2 days of the first payment date. If the payments are withdrawn from investments

that are subject to time delays upon withdrawal, the deposit to their financial institution may be delayed accordingly. In the event of a change to the periodic payments, the electronic funds transfer may be subject to a delay, and a check will be sent to the Claimant's last known address on file with Service Provider.

If the Claimant's financial institution rejects the pre-notification, the Claimant will be notified and the checks will be mailed to the Claimant until the Claimant submits an Electronic Funds Transfer (ACH) form. As a result, it is important that the Claimant continues to notify the Service Provider in writing of any changes to their mailing address.

By choosing an ACH credit to Claimant's bank account, the Claimant is authorizing the Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to the Claimant's checking or savings account. The Claimant is also authorizing their financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. The Service Provider will make payments in accordance with the directions the Claimant has specified on the Form until such time that the Claimant notifies the Service Provider in writing that they wish to cancel the ACH agreement. The Claimant must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of their subsequent payments.

The Service Provider reserves the right to terminate the ACH transfers for any reason and will notify the Claimant in the event of such termination by sending notice to their last known address on file with the Service Provider.

It is the Claimant's obligation to notify the Service Provider of any address or other changes affecting their electronic fund transfers during their lifetime. The Claimant is solely responsible for any consequences and/or liabilities that may arise out of their failure to provide such notification.

By selecting an ACH method of delivery, the Claimant acknowledges that the Service Provider is not liable for payments made by the Service Provider in accordance with a properly completed Form. By selecting this method of distribution delivery, the Claimant is authorizing and directing their financial institution not to hold any overpayments made by the Service Provider on their behalf, or on behalf of their estate or any current or future joint account holder, if applicable.

Federal and State Income Tax Withholding

Federal — Direct rollovers are available for spousal Claimants only. No federal income tax will be withheld from direct rollovers. 20% mandatory federal income tax withholding will apply to all distributions that are eligible for rollover, but are not rolled over.

For distributions not eligible for rollover, the distribution is subject to federal income tax withholding unless the Claimant elects not to have withholding apply. If the Claimant elects not to have federal income tax withholding apply to his or her claim or if he or she does not have enough federal income tax withheld from the claim, the Claimant may be responsible for payment of estimated tax. The Claimant may incur penalties under the estimated tax rules if his or her withholding and estimated tax payments are not sufficient. Check the appropriate box on the Form.

For non-spousal Claimants, federal income tax will be withheld at the rate of 10%, unless the Service Provider is directed otherwise. Check the appropriate box on the Form.

State — For all Claimants, if the Claimant lives in a state that mandates state income tax withholding, it will be withheld. If the Claimant wishes to have additional state income tax withheld or if the claimant lives in a state that does not mandate state income tax withholding, the Claimant may elect to have an additional amount. Check the appropriate box on the Form.

Income Tax Withholding Applicable to Payments Delivered Outside the U.S.

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

If the Claimant is a non-resident alien, the Claimant must attach IRS Form W-8BEN. In general, the withholding rate applicable to the claim is 30% unless a reduced rate applies because the Claimant's country of citizenship has entered into a tax treaty with the U.S. and the treaty for a reduced withholding rate or an exemption from withholding. To obtain IRS Form W-8BEN, call 1-800-TAX-FORM. Contact your tax professional for more information.

Required Signatures

The Claimant must sign the Form. Read the disclosure on the Form in this section before signing. Once they sign the Form, the Claimant attests to receiving, reading, understanding and agreeing to all provisions of the Form, the Special Tax Notice and this Guide.

The authorized ING Representative's signature is also required. The claim will not be processed without these signatures. Once the Claimant has completed the Form, forward it to the address indicated on the last page of the Form under the Required Signatures section.

Important Note

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. For the most up to date version of this Guide, please visit the Web site at www.varetire.org by selecting the Defined Contribution Plans tab, or call a Participant Service Representative at 1-VRS-DC-PLAN1 (1-877-327-5261).*

*Access to phone representatives or the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS FROM GOVERNMENTAL 457(b) 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.

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 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(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457(b) plan). The Plan is a 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, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distributions 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 or Roth 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 SIMPLE IRA or a Coverdell Education Savings Account because these are not traditional IRAs.
- 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.
- 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.

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

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to 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.

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

- a. **Rollover into a Traditional IRA.** You can roll over your after-tax 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 after-tax portion. If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.
- b. **Rollover into an Employer Plan.** You can roll over after-tax contributions from an employer plan that is qualified under Code section 401 (a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate account for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457(b) plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you can 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. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.
- c. **Rollover into a Roth IRA.** Conversion of Non-Roth Amounts by Means of a Rollover into a Roth IRA — You may be eligible to roll over non-Roth amounts into a Roth IRA and thereby make a Roth “conversion.” You may not make such a conversion if you are not otherwise eligible to make a Roth conversion within a Roth IRA, which generally means you are not eligible if:* (1) your modified adjusted gross income for the year the distribution is made from the Plan exceeds \$100,000 or (2) you are married and lived with your spouse at some time during the taxable year and you filed a separate tax return. Any required minimum distribution you receive from an IRA or eligible retirement plan is disregarded for purposes of determining whether you are eligible to make a conversion to a Roth IRA. The amount of the conversion, minus any return of your tax basis, is taxable as ordinary income in the year the conversion occurs (the year the rollover distribution occurs).* The 10% penalty tax on early withdrawals does not apply to the conversion amount, but unless an exception applies, any withdrawal of conversion amounts from your Roth IRA within the five calendar year holding period beginning on the first day of the taxable year in which your first Roth IRA contributions were made would be subject to the 10% penalty tax on early distributions.

* The conversion eligibility rules currently are set to expire in 2010, at which point Roth conversions will be allowed without regard to income limits. For a conversion that occurs in 2010, you may be allowed to spread the tax impact over a two-year period.

* Once you have made a conversion to a Roth IRA, you cannot roll over the Roth IRA into another qualified plan (even if that plan has a Roth contribution feature).

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 ½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you.

Unforeseeable Emergency Distributions. A distribution on account of an unforeseeable emergency cannot be rolled over.

Distributions of Excess Contributions. A distribution that is made 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 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 to a Roth IRA. Conversion of Non-Roth Amounts by Means of a Rollover into a Roth IRA — You may be eligible to roll over non-Roth amounts into a Roth IRA and thereby make a Roth “conversion.” You may not make such a conversion if you are not otherwise eligible to make a Roth conversion within a Roth IRA, which generally means you are not eligible if: * (1) your modified adjusted gross income for the year the distribution is made from the Plan exceeds \$100,000 or (2) you are married and lived with your spouse at some time during the taxable year and you filed a separate tax return. Any required minimum distribution you receive from an IRA or eligible retirement plan is disregarded for purposes of determining whether you are eligible to make a conversion to a Roth IRA. The amount of the conversion, minus any return of your tax basis, is taxable as ordinary income in the year the conversion occurs (the year the rollover distribution occurs). * The 10% penalty tax on early withdrawals does not apply to the conversion amount, but unless an exception applies, any withdrawal of conversion amounts from your Roth IRA within the five calendar year holding period beginning on the first day of the taxable year in which your first Roth IRA contributions were made would be subject to the 10% penalty tax on early distributions.

* The conversion eligibility rules currently are set to expire in 2010, at which point Roth conversions will be allowed without regard to income limits. For a conversion that occurs in 2010, you may be allowed to spread the tax impact over a two-year period.

* Once you have made a conversion to a Roth IRA, you cannot roll over the Roth IRA into another qualified plan (even if that plan has a Roth contribution feature).

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. See the sections below entitled, “Additional 10% Tax May Apply to Certain Distributions.”

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: 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 May Apply to Certain Distributions. Distributions from this Plan are generally not subject to the additional 10% tax that applies to pre-age-59 1/2 distributions from other types of plans. However, any distribution from the Plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

Exceptions to the additional 10% tax generally include (1) 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), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (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, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457(b) plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457(b) plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

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 or Roth 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 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.

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.