Virginia Retirement System

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).***

Virginia Supplemental Retirement Plan

650275

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
Date of Birth

Mo Day Year
Date of Death

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

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.

Decedent's Name

Decedent's Social Security Number

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 aftre 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

Decedent's Name ______________________ Decedent's Social Security Number ______________________

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 ________________)
)ss.
County of ______________)

The above election was subscribed before me by ____
on this ____________ day of _____________________ , year ______________, who affirmed that such 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 56588
Jacksonville, FL 32241-6588

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

Fax: 1-888-998-8954

Decedent's Name

Decedent's Social Security Number

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 <u>before</u> 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 <u>after</u> 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.

Virginia Retirement System

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 $70^1/_2$, 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 $70^1/_2$ 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 $^1/_{47}$ 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 licences.

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 $70^1/_2$, 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 $70^1/_2$, 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 accountholder, 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 lo%, 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.

Your Rollover Options for Payments Not from a Designated Roth Account

You are not required to take a distribution from your plan when you leave employment, other than the minimum amount required when you reach age 70 ½. If you decide to take a distribution of some or all of your plan account balance, you have payout choices including a rollover to another plan or IRA.

You are receiving this notice because all or a portion of a payment you are receiving from the Commonwealth of Virginia Deferred Compensation 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.

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?
You will be taxed on a payment from the plan paid directly to you. You may delay the payment of taxes by rolling over to another plan or IRA. You will be required to start a minimum distribution when you reach age 70 ½. Payments directly to you prior to age 59 ½ may result in an additional 10% early withdrawal penalty. This penalty does apply to money you roll over or receive after youreach age 59 ½. The early withdrawal penalty does not apply to distributions from a 457(b) governmental deferred compensation plan.

If I don t roll over a plan distribution, will I have to pay the 10% additional income tax on early distributions?
If you are under age 59½, 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) paid directly to you, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments from a government 457(b) 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 made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of your first contribution
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under an approved domestic relations order (ADRO)
- 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 from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee (as defined by the IRS) and you are at least age 50 in the year of the separation

Where may I roll over the payment?
You may roll over the payment to either a traditional IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that will receive the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan. You may not roll over to a Roth IRA.

How do I do 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. 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 59½ (unless an exception applies).

What are the restrictions on the amount I can rollover?
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 70½ (or after death)
- Unforeseeable Emergency Withdrawals
- Corrective distributions of contributions that exceed tax law limitations
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

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

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 59½, 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).

Will I owe State income taxes?
This notice does not describe any State or local income tax rules (including withholding rules). If you live in a state that mandates state income tax withholding, state taxes will be withheld on payments made directly to you. Refer to the instructions accompanying your plan distribution form for more information.

SPECIAL RULES AND OPTIONS

If your payment is from a governmental section 457(b) plan:
If you are receiving a distribution from you 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 regardless of the distribution method you choose, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½. 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 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot roll over if the payment is due to an unforeseeable emergency, or an eligible automatic contribution arrangement (EACA) distribution related to automatic enrollment.

If your payment includes after-tax contributions:
After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

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, Individual Retirement Arrangements (IRAs).

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 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 as defined by the IRS , 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.

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. 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 choose 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 59½ 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 70½.

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 70½.

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.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under an approved domestic relations order (ADRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the ADRO will not be subject to the 10% additional income tax on early distributions.

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. If you live in a state that mandates state income tax withholding, state taxes will be withheld on payments made directly to you. Refer to the instructions accompanying your plan distribution form for more information.

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, 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.

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

Neither VRS, the plan sponsor, nor ING Institutional Plan Services, the plan recordkeeper, gives legal or tax advice. You may wish to consult with 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, 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**.