IBEW Local 236
Annuity Fund

LUMP SUM TERMINATION ANNUITY BENEFIT

Date Received: _________________

Name of Participant: ____ SS#:____________________________________

Date of Birth: _____________________________________ Telephone #:____

Address: ____

How do you prefer to receive your check?_____Pick Up _____Mail

If you choose to pick up your check, and have not done so by 4:30pm, the check will be mailed

Eligibility (from the Summary Plan Description (SPD))

In the event a participant who does not satisfy the requirements for a Normal Annuity, experiences a period of 52 consecutive weeks during which he/she does not work in employment calling for contributions to the Fund, he/she may elect to receive their Annuity Account in a lump sum.

Note:

1. Application must be completed in full, dated, and signed.
2. Required documentation: Birth Certificate, Marriage Certificate, Photo ID
3. This benefit is subject to a 20% Federal Tax Withholding.
4. You will receive a 1099R at year end and must report your benefit as income.
5. This benefit may be subject to State Tax when filing at year end.
6. An acceptance letter is needed for a qualified rollover distribution. One may be obtained from your financial institution.
7. Plan type = 401(a)

This distribution constitutes a direct reduction against your balance and this amount will not be eligible for any allocations at the next Valuation Date. If you were to leave this amount in the Fund, it would be eligible for an allocation, which could be either positive or negative, based upon the results of operations through the end of the period.

Choose payment method(s):

_____ I wish to have this paid directly to me. I realize that 20% will be withheld and remitted for federal withholding taxes per IRS Publication 15A. Generally, this disbursement may also be subject to an additional 10% tax at year end if the participant has not yet reached 59.5 years old or does not meet any other criteria for exemption. Please consult with your tax advisor.

_____ I wish to have this paid as an *eligible rollover distribution,* to have a check made payable to a qualified IRA or other qualified investment plan. **Qualification letter is attached.**

Custodian: ____

Account #: ____

Address: ____

City, State, Zip: ____

PLEASE ANSWER

Are you married as of the date of this application? ___________________

If you answered <u>YES</u> to the above question, your spouse must sign the statement of Spousal Consent attached.

<u>The following questions are required to be answered – if left blank, your application will not be processed.</u>

Were you previously married and are now either separated or divorced? _________ Date of Divorce: _________________________

If **YES**, does your former spouse have a claim on your account under a Separation Agreement or Judgment of Divorce? __________

If divorced: Has your Divorce Decree and Separation Agreement been approved by the Fund Attorney? _______________________

If your Divorce Decree and Separation Agreement have not been approved by the Fund Attorney, then no further processing of your application will occur until an approval from the Fund Attorney has been granted.

Total Account Balance $________________________________

Spousal Consent

I, ________________________________, am the spouse of ____. I understand that I
(*name of participant's spouse*) (*name of participant*)
may become eligible to have the plan named above, pay my spouse's retirement benefit in the Normal Annuity Benefit payable in the Married Couple Form and I agree to give up that right. I understand that by signing this agreement, I may receive less money than I may have received under the Married Couple form and/or Survivor Benefit payment and I may receive nothing after my spouse dies. I also understand that I cannot revoke this agreement once given.

I agree that my spouse can receive this withdrawal as described on the previous page from the account in the IBEW Local No. 236 Annuity Fund. I understand that my spouse cannot choose a different form of payment unless I agree to the change. I understand that I do not have to sign this agreement and I do so on a voluntary basis. I have read the information provided in the Summary Plan Description (SPD) with respect to my rights to the Married Couple Form and Survivor Benefit.

Spouse's Consent: ____ Date: ___________________________

The person whose signature is above who is known to me and has sworn to be such spouse has affirmed such signature in my presence this ___________ day of ______________ in the year _________________ as his or her free and voluntary act

____ Affix Seal Here:
Notary Signature

Participant's Assertion

I understand that, once I qualified under the rules of the Plan, I may apply for any of the benefit options offered above pertaining to the remaining balance in my Annuity Account on the date the benefit is distributed.

I hereby certify that I have received the attached notice entitled "***Special Tax Notice Regarding Plan Payments"*** document on
________________.
Today's date

I further certify that this notice is being provided to me no earlier than 90 days and no later than 30 days before the date I intend to receive an eligible rollover distribution.

I attest that the statement contained herein are true and complete. I have provided all paperwork required, including my Birth Certificate and one valid picture identification prior to processing this application.

Participant's Signature: ____ Date: ______________________________

Return completed form to: IBEW Local No. 236 Annuity Fund – 3000 Troy Schenectady Road – Schenectady, NY 12309
If you file a false application for benefits, you may forfeit your coverage under the plan

FOR OFFICE USE ONLY – REV 6/21/19	W9?________________________
Processed by:___________________________ Amount Paid_______________	Date:________________ Reviewed by:________________

Special Tax Notice Regarding Plan Payments

This notice contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by the Plan Administrator because all or part of the payment that you will soon receive from the IBEW Local 236 Annuity Plan may be eligible for rollover by you or your Plan Administrator to a Traditional IRA or another Qualified Employer Plan. A "Traditional IRA" does not include a Roth IRA, a Simple IRA or an education IRA.

If you have additional questions after reading this notice, you may contact your Plan Administrator at (518) 782-5499.

Summary

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

1. Certain payments can be made directly to a Traditional IRA or (if you choose) another Qualified Employer Plan that will accept a Direct Rollover; or
2. The payment can be paid to you.

If you choose a Direct Rollover:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment will be made directly to your traditional IRA or, if you choose, to another Qualified Employer Plan that accepts your rollover. **Your plan payment cannot be rolled over to a Roth IRA, a Simple IRA or an Education IRA because these are not traditional IRA's. **
- Your payment will be taxed later when you take it out of the Traditional IRA or the Qualified Employer Plan.

If you choose to have a Plan payment that is eligible for rollover paid to you:

- You will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as federal income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe, however if you receive the payment before age 59 ½, you also may have to pay an additional 10% tax.
- You can rollover the payment by paying it to your Traditional IRA or to another Qualified Employer Plan that accepts your rollover within 60 days after you receive the payment and the amount rolled over will not be taxed until you take it out of the Traditional IRA, or the Qualified Employer Plan.
- If you want to roll over 100% of the payment to a Traditional IRA or to another Qualified Employer Plan, then you must find other money to replace the 20% that was withheld. If you rollover only the 80% that you received, you will be taxed on the 20% that was withheld that was not rolled over.

I. Payments that cannot be rolled over

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

The following types of payments cannot be rolled over:

1. Non-Taxable Payments. In general, only the "taxable portion" of your payment can be rolled over. If you have made "after-tax" employee contributions to the Plan, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. After-tax employee contributions generally are contributions you made from your own pay that were already taxed. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax employee contribution portion.
2. Payments spread over long periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

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

3. Required Minimum Payments. Beginning when you reach age 70 ½ or when you retire (whichever is later) a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own 5% or more of your employer.
4. Hardship Distributions: A hardship distribution from a 401(K) plan may not be eligible for rollover. Your Plan Administrator should be able to tell you if your payment includes amounts which cannot be rolled over.

II. Direct Rollover

A direct Rollover is a direct payment of the amount of your Plan benefits to a Traditional IRA or another Qualified Employer Plan that will accept it. You can choose a Direct Rollover of all; or of any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any portion of your payment for which you choose a Direct Rollover until you later take it out of the Traditional IRA or Qualified Employer Plan. In addition, no income tax withholding is required for any portion of your Plan benefits for which you choose a Direct Rollover.

1. Direct Rollover to a Traditional IRA. You can open a Traditional IRA to receive the Direct Rollover. If you choose to have your payment made directly to a Traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a Direct Rollover to a Traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a Traditional IRA to receive the payment, however in choosing a Traditional IRA, you may wish to consider whether the Traditional IRA that you choose will allow you to move all or a part of your payment to another Traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on Traditional IRA's (including limits on how often you can rollover between IRA's).
2. Direct Rollover to a Plan. If you are employed by a new employer that has a Qualified Employer Plan, and you want a Direct Rollover to that plan, ask the Plan Administrator of that Plan if they will accept your rollover. A Qualified Employer Plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a Direct Rollover to a Traditional IRA.
3. Direct Rollover of a series of payments. If you receive a payment that can be rolled over to a Traditional IRA or another Qualified Employer Plan that will accept it, and it is paid in a series for less than ten years, your choice to make or not make a Direct Rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

III. Payment Paid to you:

If your payment can be rolled over under Part I (above) and the payment is made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it, unless within 60 days, you roll it over to a Traditional IRA or to another Qualified Employer Plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

1. Mandatory Withholding. If any portion of your payment can be rolled over under Part I above, and you do not elect to make a Direct Rollover, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if you can roll over a payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, you must report the full $10,000 as a payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year.
2. Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I (above) the mandatory withholding rules described above do not apply. In this case,

you may elect not to have withholding apply to that portion. To elect out of withholding, ask the Plan Administrator for the election form and related information.

3. Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I (you can still decide to rollover all or part of it to a Traditional IRA or another Qualified Employer Plan that accepts rollovers. If you decide to rollover, you must contribute the amount of the payment you received to a Traditional IRA or another Qualified 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 Qualified Employer Plan.

   You can rollover up to 100% of your payment that can be rolled over under Part I (above) including an amount equal to the 20% that was withheld. If you choose to rollover 100%, you must find other money within the 60-day period to contribute to the Traditional IRA, or to the Qualified Employer Plan, to replace the 20% that was withheld. On the other hand, if you rollover only the 80% that you received, you will be taxed on the 20% that was withheld.

   Example: The portion of your payment that can be rolled over under Part I (above) is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRA as income tax withholding. Within 60 days after receiving the $8,000, you may rollover the entire $10,000 to a Traditional IRA or a Qualified Employer Plan. To do this, you rollover the $8,000 you received from the Plan and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you remove it from the Traditional IRA or the Qualified Employer Plan. If you rollover the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld.

   If, you roll over only $8,000, the $2,000 you did not rollover is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld (however any refund is likely to be larger if you rollover the entire $10,000).

4. Additional 10% tax if you are under age 59 ½. If you receive a payment before you reach age 59 ½ and you do not roll it over, then in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(K), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an Alternate Payee under a Qualified Domestic Relations Order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.
5. Special Tax Treatment if you were born before January 1, 1936. If you receive a payment that can be rolled over under Part I and you do not roll it over to a Traditional IRA or other Qualified Employer Plan that will accept it, the payment will be taxed in the year you receive it, however if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of our entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59 ½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59 ½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the Plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.
6. Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" using 1986 tax rates. Ten-year averaging often reduces the tax you owe.
7. Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936 and if you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%

IV. Surviving Spouses, Alternate Payees, & Other Beneficiaries

In general, the rules summarized above that apply to payments to participants also apply to payments to Surviving Spouses of participants and to spouses or to former spouses who are "Alternate Payees." You are an Alternate Payee if your interest in the Plan results from a Qualified Domestic Relations Order (QDRO), which is an order issued by a court, usually in connection with a divorce or legal separation. Some of the rules summarized above also apply to a deceased participant's beneficiary who is not a spouse.

If you are a Surviving Spouse, you may choose to have a payment that can be rolled over, as described in Part I (above) paid in a Direct Rollover to a Traditional IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a Traditional IRA but you cannot roll it over to a Qualified Employer Plan. If you are an Alternate Payee, you have the same choices as the employee. Thus, you can have the payment paid as a Direct Rollover or paid to you. If you have it paid to you, you can keep it, or roll it over yourself to a Traditional IRA or to another qualified employer plan that accepts rollovers.

If you are a beneficiary (other than the Surviving Spouse) you cannot choose a Direct Rollover, and you cannot roll over the payment yourself.

If you are a Surviving Spouse, and Alternate Payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions, as described in section III (above). If you receive a payment because of the Participant's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

How to Obtain Additional Information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from Qualified Retirement Plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS website at www.irs.gov, or by calling 1(800)-TAX-FORMS.