

FOR: _____ (please print your name)

Date: _____

NOTICE OF RIGHTS UPON TERMINATION OF EMPLOYMENT

As a Terminated Participant in the _____ (Plan Name) the "Plan"), you have accumulated benefits that will be paid to you under the provisions of the Plan. Your vested account balance as of _____ is \$_____.* This balance represents your net vested account balance based on your completed Years-of-Service with your Employer. You will receive your benefits in the form you elect as soon as administratively possible.

TAX CONSIDERATIONS

The amount you receive will be subject to income tax (and, if you are under age 59-1/2, a ten percent (10%) excise tax), unless you elect to roll your benefit into an eligible retirement plan such as a traditional individual retirement account ("IRA") or eligible employer plan.

The distributions you receive from the Plan are subject to Federal income tax withholding unless you elect to directly 'roll over' your distribution into a qualifying account. For any distributions that are not directly 'rolled over' to a qualifying account, the mandatory 20% withholding will apply. Withholding will only apply to the portion of your distribution that is included in your income subject to Federal income tax. See the enclosed 'Special Tax Notice Regarding Plan Payments' for a complete explanation of the tax implications with respect to your retirement plan distribution.

You may elect whether or not to have withholding apply to your distribution in excess of the mandatory 20% by completing the Election Concerning Withholding and returning it to the Plan Administrator. If you do not return it within thirty (30) days, receipt of your payments may be delayed.

If you have any questions concerning your rights and options regarding your retirement benefits, the Plan Administrator will arrange to have them answered for you.

To receive your benefit, you must complete the attached Application for Payment of Benefits, Income Tax Withholding Election for Individuals Receiving Distributions (Form W4-P), and Waiver of 30-Day Time Period. **Please return these completed forms to your previous Employer's Plan Administrator.**

* Actual distributable account balance may vary based upon the net asset value of the investments on the date of sale.

NOTE: All forms received for processing must be completed correctly and in their entirety. Forms that are improperly completed will be returned and therefore will be subject to a possible delay in processing. Please contact your Plan Administrator for further instructions on the proper completion of these forms.

APPLICATION FOR PAYMENT OF BENEFITS
(Plan Name)

Date: _____

As a Participant in the above Plan, and after reading the 'Special Tax Notice Regarding Plan Payments', I, the undersigned Participant, hereby request payment of my benefit as provided below: (Please print or type.)

1. Name: _____ **Social Security No.:** _____
Address: _____ **Date of Birth:** _____
_____ **Date of Hire:** _____
_____ **Date of Termination:** _____

2. Reason for payment

- Termination of employment, including retirement. Death* Disability
 Qualified Domestic Relations Order
 Attainment of age 70-1/2 (required minimum distribution). Other: _____

3. Date for payment

- As soon as administratively feasible and allowed by the terms of the Plan.
 Defer payment until _____ (date not later than April 1 following the calendar year in which you attain age 70-1/2.)

4. Form of payment

- Lump Sum/ Direct Rollover – a direct rollover of my entire vested account balance to the traditional IRA or to the retirement plan of another eligible employer as designated in item 5 below.
 Lump Sum.** - a non-rollover distribution paid directly to me (Automatic for distributions under \$5,000, unless otherwise elected)
 Attainment of age 70-1/2 (required minimum distribution)
 Normal Form under the Plan. Monthly annuity beginning at Normal Retirement Age. Type of Annuity elected:

 Other (please describe) _____

Payments may not be set up over a period exceeding the life expectancy of you and your Beneficiary. If your Spouse is not your Beneficiary, special minimum distribution rules must be satisfied.

*** If this application is a request for death benefits, one-half of the Participant's Vested Account Balance must be paid to the Surviving Spouse, in the form of a life annuity, within a reasonable period following death of the Participant (unless previously elected otherwise). The remaining half of the Vested Account Balance may be paid in the form and time of payment in which the Surviving Spouse elects. Please elect the form of benefit, for the remaining one-half, and the timing of such payment(s), as well as any additional Beneficiaries for this one-half below.**

Form of Payment: _____ Date of Payment: _____
Beneficiary: _____ Birth Date: _____
Address: _____ Social Security No.: _____
_____ Relationship: _____
_____ Percentage: _____

**** In choosing a Lump Sum distribution of your Plan Benefit, you waive your claim to the Normal Form of Benefit payable under the terms of the Plan. In addition, married Plan Benefit recipients who so waive must obtain written spousal consent. Please complete the Spouse's Consent To Waive on the following page, if applicable.**

5. Direct Rollover (Transfer) or Rollover Paid to Me

I choose to have my benefit paid in a direct rollover (transfer) to:

My IRA. _____ % of Distribution or \$ _____

Name of IRA Account: _____

Account Number: _____

Name of Institution: _____

Address of Institution: _____

Another Employer's Qualified Retirement Plan. _____ % of Distribution or \$ _____

Name of Plan: _____

Account Number: _____

Name of Employer: _____

Address of Employer: _____

NOTE: It is your obligation to insure that the Employer Plan named above will accept the transfer of your benefit payment. Also, only taxable monies may be rolled into another Plan or a traditional IRA. Any non-taxable monies (after-tax) will be distributed to you.

I choose to have my benefit paid directly to me. _____ % of Distribution or \$ _____

NOTE: If you choose a direct rollover of your benefit, generally you should direct it to only one eligible retirement plan or IRA.

Signature of Recipient: _____ Date Signed: _____

Spouse's Consent To Waive

I hereby consent to the foregoing election by my spouse, to waive the Normal Form of benefit payable under the terms of the Plan, and to pay the benefit under the Plan in a lump sum. I understand and acknowledge that this benefit has been explained to me.

Spouse's Name: _____

Spouse's Signature: _____ Date: _____

Witness' Signature: _____

INCOME TAX WITHHOLDING ELECTION FOR INDIVIDUALS RECEIVING DISTRIBUTIONS

Even if you elect not to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your distribution. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate. Check box A if you do not want any federal income tax withheld from your distribution (note: this is applicable for 'Rollover' distributions as well). Check box B or C if you want federal income tax withheld from your distribution.

Name of Recipient: _____ Social Security Number: _____

Address: _____

Signature of Recipient: _____ Date Signed: _____

TOTAL DISTRIBUTIONS

- A. I do not want to have federal income tax withheld from my distribution.*
- B. Please withhold only the mandatory 20% federal income tax from my distribution.
- C. I want to have additional federal income tax withheld from my distribution, over the mandatory 20%.
 - 1. Please withhold an additional amount determined from the Withholding table below.
 - 2. Please withhold the following additional amount from my payment:
 _____% or \$_____

*** May only be elected if the distribution is less than \$200 which is exempt from the mandatory 20% federal income tax withholding.**

Withholding Table

<u>Distribution</u>	<u>Withholding Amount</u>
Up to \$20,000	5% of the Qualified Total Distribution
Over \$20,000 but not over \$40,000	\$1,000 + 13-1/2% of amount over \$20,000
Over \$40,000 but not over \$135,000	\$3,700 + 16 2/5 % of amount over \$40,000
Over \$135,000 but not over \$205,000	\$19,280 + 22-1/2% of amount over \$135,000
Over \$205,000 but not over \$280,000	\$35,030 + 27% of amount over \$205,000
Over \$280,000 but not over \$330,000	\$55,280 + 32% of amount over \$280,000
Over \$330,000	\$71,280 + 37% of amount over \$330,000

**WAIVER OF 30-DAY TIME PERIOD
FOR CONSENTING TO DISTRIBUTION
UNDER CODE SECTION 411(a)(11)**

(For Safe-Harbor Profit-Sharing or 401(k) Plans. A Waiver is also permitted under any other Qualified Plan when the Participant's Account Balance is under \$5,000.)

The attached "Special Tax Notice Regarding Plan Payments" explains, among other things, your right to choose to have your plan benefits directly rolled over either to a traditional IRA or another qualified plan, or to have your benefits paid directly to you. If you choose to have your benefits paid directly to you, 20% of the payment will automatically be withheld and sent to the IRS as income tax withholding. You have a right to consider your decision of whether or not to elect a direct rollover for at least 30 days from the date you receive the attached NOTICE. You can waive the 30-day period by filling in the enclosed APPLICATION FOR PAYMENT OF BENEFITS form, indicating on the form whether you want your benefits directly rolled over to another employer qualified plan or IRA, or paid directly to you, and submitting the signed form to the plan administrator along with this signed Waiver Form. The submission of your completed application before the end of the 30-day waiting period will constitute a waiver of the period and your election may be implemented in less than 30 days from the time you received this NOTICE. **REMEMBER, you have the right to consider your decision for a full 30 days from the time you receive the attached NOTICE before making an election about your benefits.**

I received the "Special Tax Notice Regarding Plan Payments" on _____ (date) and have made an affirmative election on the "Application for Payment of Benefits" Form to either make or not make a direct rollover of my benefits to a traditional IRA or another employer qualified plan. I hereby waive my right to a 30-day period in which to consider the decision of whether or not to elect a direct rollover.

Date

Signature of Participant or Beneficiary

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in your Employer's Retirement Plan (the "Plan") and contains important information you may need before you decide how to receive your benefits from your retirement plan.

This notice is provided to you by your "Plan Administrator" because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator at the Employer's principal business address.

SUMMARY

A payment from the Plan that is eligible for "rollover" can be taken in two ways. You may have all or a portion of your payment either 1) PAID IN A "DIRECT ROLLOVER", or 2) the payment can be PAID TO YOU. A rollover is a payment of your Plan benefits to a traditional individual retirement arrangement (IRA) that you currently maintain or a newly established IRA or to another eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"). This choice will affect the tax you owe.

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 a traditional IRA, or if you choose, to another eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- 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 your Plan benefits that is otherwise eligible for rollover benefits 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 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 59-1/2, you may also have to pay an additional 10% tax.

- You can roll over all or part of the payment by paying it into your traditional IRA or to another eligible employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or 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% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and 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 the Plan Administrator.

MORE INFORMATION

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 another eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payments cannot be rolled over:

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 accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments cannot be rolled over:

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of the series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy); or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies); or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70-1/2, or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.

Hardship Distributions. A hardship distribution cannot be rolled over.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part IV below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

The Plan Administrator of this Plan 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 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 above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to a traditional IRA or another eligible employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you take it out of the IRA or the 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.

Direct Rollover to a traditional IRA. You can open a traditional IRA to receive the direct rollover. (The term "IRA", as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to a traditional IRA, contact a traditional 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 IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590 Individual Retirement Arrangements, for more information on 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 administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Direct Rollover of a Series of Payments. If you receive eligible rollover distributions that are paid in a series for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are Under Age 59 1/2" and "Special Tax Treatment if You Were Born before January 1, 1936."

III. TREATMENT OF DISTRIBUTIONS ATTRIBUTABLE TO QUALIFIED PLAN LOANS

Under certain conditions, plan loans will be considered distributions. Generally, when participants terminate service and their accrued benefit is offset by an unpaid loan balance, the taxable portion of the unpaid loan balance (the taxable offset amount) is an

eligible rollover distribution. Thus, an amount equal to the taxable offset amount may be rolled over by the participant to a traditional IRA or other qualified plan within 60 days of the original distribution. The 20% withholding will apply to the taxable offset amount up to the sum of any cash or property received by the participant (any taxable portion of the unpaid loan balance not rolled over).

Example #1: A participant has an account balance of \$10,000 (does not include any after-tax participant contributions) of which \$3,000 is invested in the form of a plan loan. If this participant terminates service and requests an immediate lump sum distribution and elects not to directly rollover the proceeds, the participant will receive a payment of \$5,000 (\$7,000, less \$2,000 for tax withholding).

Example #2: The facts are the same as Example #1, except that the participant elects to complete a direct rollover of his/her entire distribution. The amount rolled over will be \$7,000. No withholding is required because the participant does not receive any cash or property. However, the participant will be responsible for taxes and applicable penalties due on any taxable portion of the unpaid loan balance that is not rolled over within 60 days.

IV. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I), and the payment is made to you, 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 the payment to you is an eligible rollover distribution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as federal income tax withholding. For example, if your eligible rollover distribution is \$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, unless you make a rollover within 60 days of receipt of the payment, you must report the full \$10,000 as a taxable 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. There will be no income tax withholding if your payments for the year are less than \$200.

Voluntary Withholding. If any portion of your payment is not an eligible rollover distribution, but is taxable, 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.

60-day Rollover Option. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to a traditional IRA or another eligible employer plan that accepts rollovers. If you decide to roll over, you must make the rollover 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 the eligible rollover distribution, including an amount equal to the 20% 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% that you received, you will be taxed on the 20% that was withheld.

Example: Your eligible rollover distribution 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 IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or employer plan. To do this, you roll over 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 take it out of the IRA or employer plan. If you roll over the entire \$10,000, when you file your income tax return, you may get a refund of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 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 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Additional 10% Tax If You Are Under Age 59-1/2. If you receive a payment before you reach age 59-1/2, and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with

your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies), or (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.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless one of the exceptions applies.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities" below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59 1/2 or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59 1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

Employer Stock or Securities. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above (or would qualify except that you do not yet have 5 years of participation in the Plan), or 2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000, but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock

determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as ten-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

V. 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. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse or an alternate payee, you may choose to have an eligible rollover distribution paid in a direct rollover as described in Part I above to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or an eligible 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 eligible 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, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Section II above, even if you are younger than 59-1/2.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock as described in Section III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had five 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 the 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 or by calling 1-800-TAX-FORM or on the IRS's Internet Web Site at www.irs.gov.