

## ANNUITY DISBURSEMENT PACKET

This annuity disbursement packet includes all the appropriate forms that you need to roll-over part or all of your account; take a partial or total withdrawal; or schedule periodic installment payments.

**Request for Disbursement Instructions:** Complete the enclosed forms by printing clearly. Do not skip any section. **Take Your Time** and fill out all the appropriate forms included in their entirety. If any form is not legible, or improperly completed, your application will not be processed.

**Rollover:** If you are rolling part or all of your account into another qualified plan, the trustee/custodian must receive a copy of the Annuity Plan Introduction including the Plan Type on the following page.

**Federal and State Taxes:** Please read the **Notice of Withholding of Federal and State Income Tax** included within this packet. You should consult your tax advisor with any questions on exemptions, deductions, or tax credits that may apply. You may also contact Prudential should you have any questions regarding how to complete the Tax Sections of this application. Failure to complete the Federal and/or State Tax section(s) will result in default tax withholding applicable to the type of disbursement requested for Federal, and State tax defaults applicable to the State you reside in.

**Spousal Consent:** If you are married, the Spousal Waiver on Page 6 must be completed and signed by your spouse in the presence of a notary. The notary's signature and stamp must be valid and not expired before the Fund Office can authorize your annuity disbursement. Your spouse must provide the Fund Office with a signed copy of his/her Social Security card to validate the signature. Disregard if this document has previously been submitted to Fund Office.

**Signature:** You must sign and date Page 6 of the application regardless of your marital status. Your signature is valid for 90 days.

**Delivery of Payment:** Complete the Payment Options section of Page 4 for instructions on how you would like Prudential to disburse your account. You may request delivery by regular or overnight mail, or to have your money direct deposited by providing Electronic Funds Transfer information. Be sure to provide a copy of your voided check or a letter from your bank. You **must be** the owner of the bank account, or a joint owner on the bank account. **DO NOT SEND YOUR PERSONAL BANK STATEMENTS.** If you do not complete this section, or bank account information and ownership cannot be verified, Prudential will mail a check to the address you provide on the application using the United States Postal Service first class mail.

**Processing Time:** Processing time may vary based upon the volume of applications received. Normal processing time is approximately two to three weeks from the time the application is received until you receive the annuity disbursement requested.

**Only Original Forms will be accepted. Complete and Return original forms to:**

**Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust**  
1470 Worldwide Place  
Vandalia, OH 45377-1156

**(Emailed or Faxed applications will not be processed)**



## **Annuity Plan Introduction**

The Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust (the “Annuity Plan”) is designed to supplement your other retirement benefits. When you become a Participant in the Annuity Plan, an Individual Account is established in your name. Employer Contributions are then made on your behalf to your Individual Account. You are always 100% vested in, or entitled to, the money in your Individual Account. Your Individual Account balance includes Employer Contributions made on your behalf, adjusted by expenses of operating the Annuity Plan, net earnings, and losses, if applicable. Since your investment needs are unique, you choose how to invest the Employer Contributions made to the Annuity Plan. With some investment knowledge and the flexibility to choose among the Annuity Plan investment options you can help build the retirement nest egg you will need. It is the intention of the Trustees that this Plan qualify as a participant-directed Plan under ERISA §404(c).

Please see the Annuity Trust Summary Plan Description (SPD) for more details about the Annuity Plan. The SPD is available at [iwtrustfund.com](http://iwtrustfund.com). Contact the Annuity Trust Office at (937) 454-1744 if you have any questions about your benefits.

## **Plan Type**

The Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust is a money purchase plan under Internal Revenue Code Section 401(a).

Request for Disbursement  
IW DC of SOV Annuity Trust

Instructions

Please print using blue or black ink. This request *must* be authorized by the fund office. Please forward this completed form to the fund office. This request cannot be processed without an authorized signature from the fund office on file. Do not fax or mail to Prudential.

Questions?

Call 1-937-454-1744  
for assistance.

About  
You

Plan number

9 0 0 4 0 0

Sub plan number

0 0 0 0 0 1

Social Security number

\_\_\_\_\_

Telephone number (Please Circle One) Home or Cell

\_\_\_\_\_ area code \_\_\_\_\_

First name

MI

Last name

\_\_\_\_\_

Address with PO Box

\_\_\_\_\_

City

State

ZIP code

\_\_\_\_\_

Date of birth

month day year \_\_\_\_\_

Gender

M  F

Email address

\_\_\_\_\_

Local union number \_\_\_\_\_

I have left the industry or area and have had no employer contributions made to my individual Annuity account in the last 12 months  Yes  No

I am retired  Yes  No

I am disabled  Yes  No

If disabled, do you have a Social Security Disability Notice of Award?  Yes  No

If yes, please provide a full copy of the Notice of Award to avoid penalty for withdrawal.

Marital status:  Married - spousal signature required\*  Single  Divorced  Widowed



**Options**

Please select from the following option(s): (May be continued on next page.)

(73)

**Direct Rollover**-Please complete applicable sections below.

1. Types of money in your account.	2. What do you want to roll over?	3. What type of account are you rolling to?	4. Please choose a specific product/plan below.
<b>Tax-Deferred Account.</b> (Excludes Roth Accounts. May include one or more of the following: contributions, made by your employer, or money you've rolled over from another employer-based plan.)	<input type="checkbox"/> The entire Account. <input type="checkbox"/> A portion of the Account: \$ _____ OR _____%	<input type="checkbox"/> Another eligible employer-based plan. <input type="checkbox"/> A Traditional IRA. <input type="checkbox"/> A Roth IRA. <sup>1</sup>	<input type="checkbox"/> Prudential SmartSolution IRA <sup>2</sup> <input type="checkbox"/> Other <sup>3</sup> Financial Institution _____ _____ Address _____ _____ Account number: _____

<sup>1</sup>This type of rollover is subject to current taxes. Please complete the section called "Election for Withholding Federal Income Taxes When Rolling Non-Roth Money to a Roth IRA" below.

<sup>2</sup>Your SmartSolution IRA must be opened before the distribution can be processed. If you have not already opened an account please call our toll-free number shown at the top of page 1 of this form. The money will be directly deposited into your account.

<sup>3</sup>If the address of the institution is not given, your direct rollover check will be sent to you. You are responsible for completing the direct rollover to your financial institution in a timely manner in accordance with applicable law. If rolling over to multiple institutions, please list additional institutions or IRA (note if Traditional or Roth) on a separate page.

**Election for Withholding Federal Income Taxes When Rolling Non-Roth Money to a Roth IRA**

Only complete this section if you elected to roll non-Roth money to a Roth IRA above. If you do not complete this section, no federal income tax will be withheld if you elect to rollover non-Roth money to a Roth IRA.

A rollover of non-Roth money to a Roth IRA is generally taxable. However, this distribution is not subject to 20% mandatory federal withholding. You may elect withholding by making an election below.

- Please withhold \_\_\_\_\_% (percent) or \$\_\_\_\_\_ (amount)
- Please do not withhold federal income taxes

(Note: If you elect federal income tax withholding for this type of rollover, you will receive a second 1099-R for the withholding amount. If you are under age 59.5 and you elect withholding, the withholding amount may be subject to a 10% early distribution penalty.) Consult with your tax advisor to understand the tax implications for you.

**Options**  
(20) (continued)

Partial Single Sum-To receive \$ \_\_\_\_\_ of my account made payable to me.

(20)

Total Single Sum-To receive my total vested account balance made payable to me.

(21)

**Installment payments.**

Dollar Amount: Please issue \$ \_\_\_\_\_, \_\_\_\_\_ per payment.

OR

Number of Payments: Please issue \_\_\_\_\_ number of payments.



Payments to be made  Monthly,  Quarterly,  Semi-Annually or  Annually.

- You have the option to purchase an Annuity. You can obtain an annuity quote and request a form by calling Prudential. There is no need to complete the remainder of this form.

**Election for Withholding of Federal Income Taxes**  
(For Single Sum Payments and Installments under 120 months.)

We will automatically withhold 20% federal income tax from the taxable portion of your distribution. Only complete this section if you elected a **total, partial, or installment payments under 120 months** made payable to you and you wish to have an additional amount withheld from your distribution.

In addition to the 20%, I want \_\_\_\_\_% or \$ \_\_\_\_\_, \_\_\_\_\_ federal income tax withheld from my distribution.

**Election for Withholding of Federal Income Taxes**   
(Only for installment payments over 120 months) 

Please read the attached **Notice of Withholding of Federal and State Income Tax** before making your selection. This election applies until revoked for all installment payments over 120 months.

Prudential updates withholding tables periodically to ensure that the correct federal and state deductions are withheld from payments. These updates could result in a change to the amount of federal and state withholding deducted from your payment. You can make or change your withholding election at any time by contacting Prudential.

**ONLY COMPLETE THIS SECTION FOR INSTALLMENTS OVER 120 MONTHS!!!**

- 1. I elect **not** to have federal income tax withheld.
- 2. I elect **to have** federal income tax withheld. Please complete the information on marital status and number of exemptions below. You may also designate an additional dollar amount under Number 3 below.

Single  Married  Married withholding at a higher single rate Number of Exemptions Claimed: \_\_\_\_\_  
\* If number of exemptions is not complete, default is zero.

- 3. I elect to have an **additional flat amount** withheld each month. Indicate the additional amount to be withheld from each payment. **NOTE:** For periodic payments, you cannot enter an additional amount here without entering a marital status and number (including zero) of allowances under Number 2 above.

Additional flat dollar amount to be withheld \$ \_\_\_\_\_, \_\_\_\_\_.

You may claim one allowance for yourself. You may be able to claim your spouse and each dependent. Your most recent tax return may help you in deciding the number of exemptions to claim. You are not required to claim all of the exemptions to which you are entitled. If you expect to itemize deductions, and if they exceed the standard deduction, you may claim additional withholding exemption for certain tax credits to which you may be entitled. **You should consult your tax advisor with any questions on exemptions, deductions, or tax credits that may apply.**

**Payment Options**

Please select a payment option below. If no selection is made, a check will be sent via regular mail.

- Regular Mail
- Express Mail (The cost is \$25 per check. Prudential will deduct \$25 from your account prior to the distribution.)

**Please Note:** Express mail is not available for delivery to post office boxes.

**Electronic Funds Transfer (EFT)**  
*(Place an (X) next to your selection.)*

- Electronic Funds Transfer (EFT).  
If you would like your disbursement sent to you via EFT, please provide the information below:

Financial Institution name

\_\_\_\_\_

Account Number

\_\_\_\_\_

Financial Institution Routing/Transit/ABA Number Bank Routing Number (**Important:** The Transit Routing/ABA number is the first 9 digits in the lower left hand corner of your check. If you are unsure of how to read, please contact your bank.)

\_\_\_\_\_

**If you do not include a copy of a voided check, deposit slip, or letter from bank, YOUR disbursement will not be direct deposited! You will receive a check in the mail.**



Type of Account (please choose one):

- Checking
- Savings



**IMPORTANT: Your EFT payment may result in a check payable to you if:**

- If a voided check or letter from your bank including account name, account number, and routing number is not attached.
- All of the necessary information is not provided
- There is a discrepancy in the information provided
- This section does not apply to your disbursement request

I have carefully read this form and I hereby authorize Prudential to make this Plan payment(s) to the financial institution listed above in the form of Electronic Fund Transfer (EFT). I understand Prudential is not responsible for any losses associated with incorrect information provided (e.g. wrong banking instructions). The credit will typically be applied to your account within 2 business days of being processed.

In the event that an overpayment is credited to the financial institution account listed above, I hereby authorize and direct the financial institution designated above to debit my account and refund any overpayment to Prudential. This authorization will remain in effect until Prudential receives a written notice from me stating otherwise and until Prudential has had a reasonable chance to act upon it.

**Complete This Section If You Have A Loan From This Account.**

Place an (X) next to your selection to make loan payment arrangements.

- A.  I want to keep my loan active in as much as the loan balance in my account. I understand that the plan requires that I maintain a balance in my account or my loan will default.
- B.  Please default my loan. I understand that my account balance will be reduced by the defaulted loan amount. This amount will be reported to the IRS as taxable income for the current year. Participants under 59 ½ will be subject to an excise tax of 10% unless they are retired or disabled on both the withdrawal amount and the loan default.

If you do not indicate an option above, the outstanding loan will default.

**Election For Withholding of State Income Taxes**  
*(For Single Sum Payments and Rollovers of non-Roth money to a Roth IRA)*

**A. Mandatory State Withholding:** If you reside in a state where state income tax withholding is mandatory **AR, CA\***, DC (mandatory for total single sum distributions only), **DE, IA, KS, MA, MD** (mandatory for eligible rollover distributions only, subject to 20% mandatory federal withholding), **CT, ME, MI** (see below), **NC, NE, OK\*, OR\*, VA** or **VT\*** applicable withholding will be deducted automatically, unless an election out is applicable (see below). Note: Some states require withholding if federal income tax is withheld from the distribution.

If you are a resident of **IA**, have federal income taxes withheld, and receive one or more distributions totaling more than \$6,000 in the calendar year, **IA** income taxes are required to be deducted for the amount over \$6,000.

My resident state is **AR, DE, KS, ME, NC, NE, or VA** (for **NE** and **VA**, election out is allowed for payments from IRA's only) and I do not want state income tax withholding deducted from my distribution. (An election out of **AR, DE, KS, ME, NC, or VA** state tax is not allowed for eligible rollover distributions, subject to 20% mandatory federal withholding.) **Important note to Maine (ME) residents. If you elect out of ME withholding, you must either have elected out of federal withholding, or have no Maine State tax liability in the prior or current years.**

\*My resident state is one of the following: **CA, OK, OR, \*\*VT** and withholding is required if federal income tax is withheld, unless I elect out of state withholding. By checking this box I am electing out of state withholding. \*\*An election out is not allowed for eligible rollover distributions, subject to 20% mandatory federal withholding.

My resident state is **CT** and Prudential will withhold 6.99% on your taxable distribution. Please note that if you are not requesting a distribution of your entire account balance and if Form CT-W4P, *Withholding Certificate for Pension or Annuity Payments*, applies to you, please return Form CT-W4P as part of this distribution form. Form CT-W4P is available on the Department of Revenue Services (DRS) website, at [www.ct.gov/DRS](http://www.ct.gov/DRS).

My resident state is **MI** and withholding of 4.25% is required, unless my payments are not taxable and I opt out.

My resident state is **MI** and I would like to opt out of **MI** withholding. Note: Opting out may result in a balance due on your **MI 1040** as well as penalty and/or interest.

My resident state is **MI** and if my payments are are taxable, I wish to have **MI** state withholding based on the number of exceptions selected. I have entered the number of exemptions below:

\_\_\_\_\_ Enter the number of personal exemptions allowed on your Michigan Income Tax Return (MI-1040). The total number of exemptions you claim may not exceed the number of exemptions you are entitled to claim when you file your **MI-1040**. Withholding will be computed at the percentage determined by the state after subtracting your personal exemption allowances.

My resident state is **MI** and I am requesting \_\_\_\_\_% additional **MI** state tax withheld from my payment. This amount must be a whole percentage.

**B. Voluntary State Withholding:** Please check the appropriate box below. If state income tax withholding is not mandatory in your state, you may be allowed to request state tax withholding. If your state of residence is not listed, or if you choose a method of withholding that is not offered for your state, we cannot withhold state income tax.

I reside in one of the following voluntary withholding states: **AL, CO, DC** (voluntary for partial and systematic distributions), **GA, ID, IA** (voluntary if no federal tax withheld) **IL, IN, KY, LA, MD** (non-eligible rollover distributions only), **MA** (voluntary if no federal income tax withheld), **MIN, MO, MS** (voluntary except for early distributions), **MT, ND, NE, NJ, NM, NY, OH, PA, RI, SC, UT, VA, WI, WV** (**NE** and **VA** state withholding is voluntary for payments from IRA's only) and would like state income tax withheld. (Specify a percentage or dollar amount to be withheld.)

\_\_\_\_\_ % or \$ \_\_\_\_\_

I reside in one of the voluntary withholding states listed above and I do not want state income tax withholding deducted from my distribution.

**C. No State Withholding:** Some states do not have state income tax withholding.

My resident state is one of the following: **AK, FL, HI, NV, NH, SD, TN, TX, WA, WY** and there is no state income tax withholding.

My resident state is **AZ** and there is no state income tax withholding on non-periodic (single sum) payments.

**\*For  
Married  
Participants**

**Spousal  
Waiver**

*(We are unable  
to accept a fax  
copy notarized  
with a Raised  
Seal)*

I am the participant's spouse. I understand that I am entitled to a spousal death benefit under the Plan based on the participant's account balance at the time of his or her death. I understand that if this spousal benefit is in the form of a "qualified joint and survivor annuity" or QJSA, an explanation of the QJSA and other payment options was provided to the participant with this waiver form. I realize that the participant cannot waive this spousal benefit and obtain a distribution in the form requested or obtain a loan unless I consent. I acknowledge that the transaction requested by the participant may reduce or eliminate any benefit otherwise payable to me. I voluntarily consent to the participant's waiver and acknowledge that this will authorize the request.

X \_\_\_\_\_ Date \_\_\_\_\_

*Spouse's signature - must be witnessed by a notary public OR authorized plan representative. Spouse and Notary must sign and date the form at the same time and on the same date. The dates must match.*

\_\_\_\_\_  
Spouse's name (printed)

\_\_\_\_\_  
Last 4 of Social security number \_\_\_\_\_

\_\_\_\_\_  
Iron Worker's name (printed)

Subscribed and sworn before me on the \_\_\_\_\_ day of \_\_\_\_\_, the year \_\_\_\_\_

State of \_\_\_\_\_, County of \_\_\_\_\_

My commission expires \_\_\_\_\_

X \_\_\_\_\_ Date \_\_\_\_\_

*Notary's signature* OR

X \_\_\_\_\_ Date \_\_\_\_\_

*Authorized plan representative's signature*

(Seal/Stamp)



**SPOUSES: YOU MUST INCLUDE A COPY OF YOUR SIGNED SOCIAL SECURITY CARD. YOUR COMPLETE SIGNATURE ON THIS FORM MUST MATCH YOUR SIGNED SOCIAL SECURITY CARD. IF YOU HAVE HAD A LEGAL NAME CHANGE, YOUR SOCIAL SECURITY CARD MUST REFLECT THAT.**



**Your  
Authorization**

I understand that Prudential will rely on the information I have provided in processing my request. I understand that my request must be reviewed to confirm eligibility under applicable Internal Revenue Code requirements and plan rules and will be processed upon confirmation. I further understand that I am responsible for its accuracy in the event any dispute arises with respect to the transaction. I acknowledge that I have read the attached **Special Tax Notice Regarding Plan Payments**. I understand the tax implications regarding this disbursement, including that if I am entitled to an eligible rollover distribution, I have the right to consider whether or not to elect a direct rollover for at least 30 days after this special tax notice is provided. By signing this form, I am waiving this notice period. The taxable portion of any distribution that is eligible for "rollover" is subject to a *mandatory 20% federal income tax withholding*, unless that amount is directly rolled to an Individual Retirement Account (IRA) or to another plan in which I am a participant.

Current federal tax rules require your plan sponsor to notify you, in writing, of certain requirements you must meet to receive a cash distribution from your retirement plan. By signing the approval section below, you waive the required 30-day notice and you will receive a distribution from your retirement plan without delay, but no sooner than 8 days from your receipt of this form, **regardless of your marital status**, under the terms of your retirement plan. Also, by signing below, you affirm that you will have received a general description and explanation of the optional forms of benefits, if any, available to you and a written notice describing the general tax rules applicable to this distribution.

I have read the explanation of the Qualified Joint and Survivor Annuity ("QJSA") and other payment options that was provided and I know that I have the right to receive my benefits as a joint and survivor annuity if I am married or a life annuity if I am not married. I also know I can waive the right to annuity payments, with the consent of my spouse if I am married. I understand that if I waive those rights I can change my mind and revoke the waiver at any time before my payments begin. I have at least 30 days to decide whether or not to waive the annuity payments. By consenting to this distribution, I understand I am waiving my right to a life annuity.

If there are investment options available through your retirement account that are subject to the fund's market timing policies, you may be subject to restrictions or incur fees if you engage in excessive trading activity in those investments. You may wish to review the fund prospectus or your retirement account's market timing policy prior to submitting this transaction request. If a fee applies to the transaction, you will be able to view the details after the transaction is processed by logging on to the retirement internet site at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement).

  X    
Participant's signature

\_\_\_\_\_|\_\_\_\_\_|\_\_\_\_\_  
Date

\_\_\_\_\_  
Participant's Printed Name (First and Last)

**FOR OFFICE USE ONLY**

**Your  
Plan  
Authorization**

This section must be completed and signed by your Plan Administrator.

I certify, as plan sponsor and authorized representative of the plan, I understand that it is my responsibility to confirm vesting percentage, marital status, participant status and date of termination for terminated participants, and submit such information to Prudential. If the participant is terminated, I authorized Prudential to process any current or future disbursements to the participant named on the attached using the date of termination and vesting percentage provided. I understand that it is my responsibility to notify Prudential of any change in marital status or participant status.

Date of Termination:                (if applicable)  
                                  month    day    year

  X    
Authorized plan representative's signature

\_\_\_\_\_|\_\_\_\_\_|\_\_\_\_\_  
Date

**Penny M. Brown, Administrative Manager**

\_\_\_\_\_  
Print name and title

# Notice of Withholding of Federal and State Income Tax for Periodic Pension Payments

## Retain For Your Records

Generally, periodic pension distributions anticipated to be paid either: (1) over your lifetime or (2) over a period of 10 years or longer are not eligible for rollover. Internal Revenue Code Section 3405(a) requires federal income tax withholding from such periodic payments unless you elect not to have withholding apply. Withholding will only apply to the portion of your pension payment that is included in your income and subject to federal income tax, and will follow the rules for the withholding of tax from wages. Therefore, there will be no withholding on the return of your own nondeductible contributions to the plan.

If your payments are anticipated to be paid over a period of less than 10 years, some or all of your distribution may be eligible for rollover and subject to mandatory 20% federal withholding. Please read the Special Tax Notice regarding eligible rollover distributions.

In the event that we are unable to determine the portion of your payment that is includible in gross income, tax will be withheld on the gross amount of the payment, even though you may be receiving amounts that are not subject to withholding (because they are excludable from gross income). This withholding procedure may result in excess withholding on the payment. You may, however, provide us with the information necessary to calculate the taxable portion of each payment, or you may adjust your allowances claimed on the election notice if you want a lesser amount withheld from each payment.

The amount of federal income tax withheld will change if the periodic amount of your pension changes or if the tax rates change.

You may elect not to have withholding apply to your pension payments by checking Box 1 in the **Election for Withholding of Federal Income Taxes** section of this form (unless you are a U.S. citizen or resident alien and your payment is to be delivered outside of the United States or its possessions).

If you elect to have withholding, please check Box 2 in the **Election for Withholding of Federal Income Taxes** section of this form and supply the additional information indicated below the box. Withholding will be calculated on the basis of whether you are married or single and the number of withholding allowances which you claim.

You may also elect to have an additional flat amount withheld from each periodic payment; please check Box 3 in the **Election for Withholding of Federal Income Taxes** section of this form and enter the additional amount to withhold below the box.

After completing the form, please sign and date in the **Your Authorization** section and return it as directed in the **Instructions** section of the form. Your election choice will become effective no later than with the payment that is due at least one month after our receipt of the election. Your election will remain in effect until you change or revoke it. You may make and revoke elections not to have withholding apply as often as you wish. Additional election forms may be obtained by calling your Customer Service Representative.

If you do not return this signed and completed form, or if your election is not received prior to the processing of your initial retirement check, we will be required by law to withhold federal income tax from your pension payments as if you were a married person and entitled to three withholding allowances. As a result, no federal income tax will be withheld if the taxable portion of your periodic payment is below the threshold for the current tax year.

*Caution: If you elect not to have withholding apply to your pension payments, or if you do not have enough federal income tax withheld from your pension payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payment are not sufficient. This information is not intended as legal or tax advice. You should consult your tax advisor with any questions regarding your federal income tax withholding.*

## STATE WITHHOLDING

If you live in a state that requires withholding of state income taxes, withholding will be deducted automatically at the applicable state default rate.

*Ed. 6/2003*

**SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

**Retain for Your Records**

**This notice is provided to you by Prudential Financial, Inc., on behalf of the plan administrator (“Plan Administrator”).**

**Right to Defer Distributions from Defined Contribution Plans**

You may be eligible to receive a distribution from your employer's retirement plan now. Instead of taking a distribution now, you may elect to defer receiving a distribution until a later date -- typically as late as age 70 . (If your account balance does not exceed \$5,000 (or the amount of your plan's cashout threshold), you may not have a right to defer payment.) If you defer receiving a distribution, the plan investment options available to you thereafter (including related fees) generally will be the same as those available to active employees. However, certain plan features, such as the right to repay or take a loan from the plan, may not be available if you have terminated employment. Please refer to your summary plan description and fund fact sheets for more information about plan investment options, investment related expenses, any plan restrictions or charges applicable to terminated employees, payment options, and any other special rules that may impact your distribution decision. If you elect to receive a distribution that you roll over to another eligible retirement plan such as an IRA, the investment options offered under your current employer's plan (e.g., mutual funds, employer stock) may not be available to you or, if available, are likely to carry higher expenses if transferred to an IRA. If you elect to receive a distribution but do not roll it over to another eligible retirement plan, such action triggers taxation (possibly including a 10% penalty), results in loss of future tax-deferred earnings (if any) and may diminish the funds available to you for retirement purposes. For additional information about plan investment options (and related fees), plan restrictions or charges applicable to terminated employees who defer receiving a distribution, or if you have other questions regarding your right to defer a distribution, and the consequences of failing to defer, please contact Prudential at the number provided on your benefit statement.

**For Payments Not From a Designated Roth Account**

This notice describes the rollover rules that apply to payments from your employer's plan (the “Plan”) that are not from a designated Roth account (a type of account with special tax rules in some employer plans). A different notice is provided for payments from a designated Roth account.

**YOUR ROLLOVER OPTIONS**

This notice is provided to you because all or part of the payments that you may receive from the Plan may be eligible for rollover to an IRA or an eligible employer plan. This notice is intended to help you decide whether to do such a rollover. If you have additional questions after reading this notice, you can contact your Plan Administrator.

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 if you do not roll it over. If you are under age 59 and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59 ), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 (or if an exception applies).

**What types of retirement accounts and plans may accept my rollover?**

You may roll over the payment to either an 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 holds 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.

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

**How much may I roll over?**

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or after death;
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

If you are under age 59 , you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and 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 made after you separate from service if you will be at least age 55 in the year of theseparation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments of up to \$5,000 made to you within one year after the birth or adoption of a child;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;

- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses;
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

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

If you receive a payment from an IRA when you are under age 59, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- 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 for health insurance premiums 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).

#### **SPECIAL RULES AND OPTIONS**

##### **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 included in the payment, so you cannot take a payment of only after-tax contributions. However, 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. In addition, special rules apply when you do a rollover, as described below.

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 at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives 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 distribution of \$12,000, of

which \$2,000 is after-tax contributions and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

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

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

##### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

##### **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 payment is used to pay for health coverage or qualified long-term care insurance**

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

crew.

### **If you roll over your payment to a Roth IRA**

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

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

### **If you do a rollover to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you may be able to roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59 (or after your death or disability) and after you have had a designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

### **If you are not a Plan participant**

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

**If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you 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 59 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 (if born before July 1, 1949) or age

72 (if born after June 30, 1949).

**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 a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that 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). However, payments under the QDRO 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.

### **Other special rules**

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

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

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

If you expatriate from the U.S., you may be subject to special rules, and should consult with your personal tax advisor to determine if you are required to provide Prudential with IRS Form W-8CE.

### **FOR MORE INFORMATION**

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

You can easily print this notice using your computer's print function. However, if you would like us to provide you a printed copy, please contact us at 877-778-2100 and we will mail you one, free of charge. Note that you will need to complete the authentication process when you call so we can be sure to send you the correct version for your plan.

**Withholding Certificate for Pension or Annuity Payments**

**Purpose:** Form CT-W4P is for Connecticut resident recipients of pensions, annuities, and certain other deferred compensation, to tell payers the correct amount of Connecticut income tax to withhold. Your options depend on whether the payment is periodic or nonperiodic. Read instructions on Page 2 before completing this form.

**Instructions for Periodic Payments, such as a monthly pension payment:**

- Step 1:** (Required) Select the filing status and description of income from the chart below that best matches your situation. Enter the corresponding Withholding Code on Line 1.
- Step 2:** (Optional) To see the amount of tax that will be withheld monthly, go to [portal.ct.gov/DRS](http://portal.ct.gov/DRS), select *Forms*, below the section titled **Guidance** select *Calculators*, then select *Monthly Connecticut Withholding Calculator*.
- Step 3:** (Optional) To increase or decrease the amount that will be withheld, enter an additional amount on Line 2, or a reduction amount on Line 3.

**Instructions for Nonperiodic Payments, such as an on demand distribution:** Do **not** use the chart below. Either enter *Withholding Code* "E" on Line 1 which will result in \$0 withholding; or enter *Withholding Code* "E" on Line 1 and a dollar amount on Line 2 for a specific amount to be withheld. If neither of these options are indicated, your payer will withhold at 6.99%.

Married Filing Jointly	Withholding Code
Our expected combined annual gross income is <b>less</b> than or equal to \$24,000 <b>or</b> no withholding is necessary (i.e., withholding from other income source).	<b>E</b>
My spouse <b>has</b> income subject to withholding and our expected combined annual gross income is <b>greater</b> than \$24,000 and less than or equal to \$100,500.	<b>A</b>
My spouse <b>does not</b> have income subject to withholding and our expected combined annual gross income is <b>greater</b> than \$24,000.	<b>C</b>
My spouse <b>has</b> income subject to withholding and our expected combined annual gross income is <b>greater</b> than \$100,500.	<b>D</b>
I have significant other income and wish to avoid having too little tax withheld.	<b>D</b>

Married Filing Separately	Withholding Code
My expected annual gross income is <b>less</b> than or equal to \$12,000 <b>or</b> no withholding is necessary (i.e., withholding from other income source).	<b>E</b>
My expected annual gross income is <b>greater</b> than \$12,000.	<b>A</b>
I have significant other income and wish to avoid having too little tax withheld.	<b>D</b>
Single	Withholding Code
My expected annual gross income is <b>less</b> than or equal to \$15,000 <b>or</b> no withholding is necessary (i.e., withholding from other income source).	<b>E</b>
My expected annual gross income is <b>greater</b> than \$15,000.	<b>F</b>
I have significant other income and wish to avoid having too little tax withheld.	<b>D</b>
Head of Household	Withholding Code
My expected annual gross income is <b>less</b> than or equal to \$19,000 <b>or</b> no withholding is necessary (i.e., withholding from other income source).	<b>E</b>
My expected annual gross income is <b>greater</b> than \$19,000.	<b>B</b>
I have significant other income and wish to avoid having too little tax withheld.	<b>D</b>

Qualifying Widow(er)	Withholding Code
My expected annual gross income is <b>less</b> than or equal to \$24,000 <b>or</b> no withholding is necessary (i.e., withholding from other income source).	<b>E</b>
My expected annual gross income is <b>greater</b> than \$24,000.	<b>C</b>
I have significant other income and wish to avoid having too little tax withheld.	<b>D</b>



Submit completed form to the payer of your pension or annuity, **not** DRS.

Department of Revenue Services  
 State of Connecticut

**Withholding Certificate for Pension or Annuity Payments**

**2020 Form CT-W4P**

Complete the following applicable lines.

1. Withholding Code: See instructions above. **1.** \_\_\_\_\_
2. Additional withholding amount per payment, if any. **2.** \$ \_\_\_\_\_
3. Reduced withholding amount per payment, if any. **3.** \$ \_\_\_\_\_

First name	MI	Last name	Social Security Number
Home address (number and street, apartment number, suite number, PO Box)			Claim or identification number (if any) of your pension or annuity contract
City/town	State	ZIP code	

**Declaration:** I declare under penalty of law that I have examined this certificate and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for reporting false information is a fine of not more than \$5,000, imprisonment for not more than five years, or both.

Payee's signature	Date
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## Form CT-W4P Instructions

### Payee General Instructions

**Form CT-W4P, *Withholding Certificate for Pension or Annuity Payments***, is for Connecticut resident recipients of pension, annuities and certain other deferred compensation subject to Connecticut income tax. Form CT-W4P provides your payer with the necessary information to withhold the correct amount of Connecticut income tax from your pension or annuity payment to ensure that you will not be underwithheld or overwithheld.

Effective January 1, 2018, payers of taxable pension or annuity distributions are required to deduct and withhold income tax from such distributions. Distributions subject to withholding include taxable distributions from the following: an employer pension, and annuity, a profit sharing plan, a stock bonus, a deferred compensation plan, an individual retirement arrangement (IRA), an endowment and a life insurance contract. Taxable distributions are distributions that are subject to federal income tax.

The method of withholding depends on whether the payment is periodic, nonperiodic, or a distribution of the entire account balance. Connecticut uses the federal definition for periodic and nonperiodic payments.

**Periodic Payments:** Withholding from periodic pension and annuity payments, such as monthly pension payments, is calculated using the same method that an employer uses to determine the amount to withhold from wages.

Complete Form CT-W4P by selecting a withholding code based on the filing status you expect to report on your Connecticut income tax return and the statement that best describes your annual gross income.

For the purpose of determining your withholding code, your annual **gross income** is your total income from all sources, but you may exclude the following amounts:

- If you receive Social Security benefits, and your filing status is single or married filing separately and your federal adjusted gross income is less than \$75,000; or married filing jointly, qualifying widow(er), or head of household and your federal adjusted gross income is less than \$100,000, do **not** include the amount of your Social Security. If your federal adjusted gross income is above these limits for your filing status, then do not include 75% of your total Social Security benefits.
- If you receive payments from the Teachers' Retirement System, do **not** include 25% of the amounts received.
- If you receive pension and annuity income from a defined benefit plan, a 401(k), 403(b) or a 457 plan, do not include 14% of those amounts. See the *What's New* section in the 2019 Form CT-1040 return instructions.

Failure to give your payer a properly completed Form CT-W4P will result in 6.99% withholding from your payment(s).

**Nonperiodic Payments:** Your payer must withhold 6.99% from the taxable amount of nonperiodic payments (see *Distribution of the entire account balance*, on this page) **unless** you complete Form CT-W4P using one of the following options. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Do **not** use the chart on Page 1. Either enter:

- *Withholding Code "E"* on Line 1 which will result in \$0 withholding; or
- *Withholding Code "E"* on Line 1 and a dollar amount on Line 2 for a specific amount to be withheld.

You may not choose any other withholding code.

Form CT-W4P will remain in effect until you submit a new one. You should complete a new Form CT-W4P if your tax **status** changes, such as your filing status changes. You should furnish your payer with a new Form CT-W4P.

**Distribution of the entire account balance:** The withholding rate for lump sum distribution of the entire account balance is 6.99% without allowance for exemption, unless any portion of the lump sum distribution was previously subject to tax, or the lump sum distribution is a trustee-to-trustee transfer, or is a direct roll over in the form of a check made payable to another qualified account. You cannot claim exemption from withholding. Don't give Form CT-W4P to your payer.

### Check Your Withholding

You may be underwithheld if any of the following apply:

- You have more than one source of income;
- If your filing status is married filing jointly and you or your spouse, or both, have more than one source of income; or
- You have substantial other income such as interest, dividends or capital gains.

If you are underwithheld, you should consider adjusting your withholding or making estimated payments using **Form CT-1040ES, *Estimated Connecticut Income Tax Payment Coupon for Individuals***.

If you owe \$1,000 or more in Connecticut income tax over and above what has been withheld from your income for the prior taxable year, you may be subject to interest on the underpayment at the rate of 1% per month or fraction of a month.

To help determine if your withholding is correct, see **Informational Publication 2020(7), *Is My Connecticut Withholding Correct?***

### Payer Instructions

For any payee who does not complete Form CT-W4P, you are required to withhold at the highest marginal rate of 6.99% without allowance for exemption. You are required to keep Form CT-W4P in your files for each payee.

For additional instructions, see **Informational Publication 2019(10), *Connecticut Tax Guide for Payers of Nonpayroll Amounts***.

### Forms and Publications

Visit the DRS website at [portal.ct.gov/DRS](http://portal.ct.gov/DRS) to download and print Connecticut tax forms and publications.

### For More Information

Call DRS during business hours, Monday through Friday:

- **800-382-9463** (Connecticut calls from outside the Greater Hartford calling area only); or
- **860-297-5962** (from anywhere).

**TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860.297.4911. Taxpayers may also call 711 for relay services. A taxpayer must tell the 711 operator the number he or she wishes to call. The relay operator will dial it and then communicate using a TTY with the taxpayer.

## Important Notice to Participants

Prudential Retirement would like to take this opportunity to advise you of General Consent, Qualified Pre-retirement Survivor Annuity (QPSA), and Qualified Joint and Survivor Annuity (QJSA) rules.

### General Consent Rules

Generally, you must consent to distributions from your Plan unless the Plan permits involuntary distributions when your account balance is less than \$5,000. General information on optional forms of benefit under your Plan is available on this statement or by calling the account information number on this statement. If your Plan does not allow for annuities, the information on QJSA and QPSA does not apply to you.

### QPSA Rules

Explanation of QPSA for married participants: In the case of your death before retirement, the Plan will use no less than 50% of your vested account balance to purchase a qualified pre-retirement survivor annuity (QPSA) from an insurance company for your spouse. If you desire a different form of payment or wish to designate a beneficiary other than your spouse, you must file a waiver of the QPSA with the Plan Administrator during the election period. This waiver must be approved by your spouse in writing and be witnessed by a Notary Public or by an authorized Plan representative. Please contact the Plan Administrator concerning the available alternative forms of payment.

Election Period: The election period begins on the first day of the Plan Year during which you attain age 35, and ends on the earlier of your death or the date on which your account balance commences to be paid under the Plan. Your Plan may provide that an election is permitted prior to age 35; however, if this is the case, any such election must be reaffirmed with appropriate spousal consent during the Plan Year in which you attain age 35. You may, at any time during the election period, revoke a previous election or make a new election. If you make a new election, your spouse must consent to it as provided above.

### QJSA Rules

If QJSA is the primary form of benefit under your Plan at retirement, you should read the information in this Notice or read the information in your Plan's Summary Plan Description or the Plan's Document to obtain general information on QJSA and other optional forms of benefit available to you. You may elect a benefit other than QJSA if spousal consent requirements are satisfied.

### Explanation of Qualified Joint & Survivor Annuity

#### How will my benefits be paid to me when I retire?

They will be paid in the form of a Qualified Joint and Survivor Annuity (QJSA):

- If you are **married** at the time of your retirement, you will receive an annuity for your lifetime. After your death, your surviving spouse will receive an annuity for his or her lifetime in the amount of at least 50% of the annuity payments you received during your lifetime. You may be allowed to elect higher amounts for your surviving spouse, such as 75% or up to 100% of your monthly benefit.
- The annuity will be provided to you by purchasing an annuity contract from an insurance company with all or part of your account balance under the plan.
- If you are **unmarried** at the time of your retirement, you will receive an annuity for your lifetime.

#### May I select a different form of benefit payment other than the QJSA?

Yes, provided you request a different form of benefit payment in a manner specified for your Plan. If you are married, you must complete and return the Qualified Joint and Survivor Annuity (QJSA) Waiver Form with your spouse's written consent within the 90-day period prior to the date benefit payments will begin. If you are unmarried, you must complete and return the QJSA Waiver Form with your consent and waiver.

#### What are the optional forms of benefit payment under the Plan?

If you are married at the time of your retirement, the QJSA provides for annuity payments for your lifetime and after your death for the lifetime of your spouse, in the amount of at least 50% of the payment amount you received during your lifetime. You can choose a form of benefit payment other than the QJSA provided it is available under the Plan and you obtain your spouse's written consent (if applicable). If you are unmarried, the QJSA provides an annuity for your lifetime. Please refer to your Plan's Summary Plan Description or the Plan document for the available options under your Plan.

#### May I select a different beneficiary?

Yes, provided you request, complete and return a QJSA Waiver Form with your spouse's written consent (if married) prior to the date you elect your benefit.

#### If I select a benefit payment option other than the QJSA or choose a different beneficiary, may I change the form of benefit payment or beneficiary again?

Yes. You can cancel any prior change and restore the QJSA at any time during the period prior to the date your benefit payments will begin. Additionally, you can select another form of benefit payment or choose another beneficiary if you:

- Make the change before your benefit payments begin.
- Obtain your spouse's consent (if married) unless, at the time of your initial change in form of benefit payment or beneficiary, your spouse, if permitted by the Plan, gave general consent permitting you to make later changes to the form of benefit payment or beneficiary without having to obtain further consent.

#### What happens if I want to take a loan from the Plan?

Because your benefit must be paid in the form of a QJSA, if you take a loan from the Plan it will also be subject to QJSA. This means that if you elect to take a loan from your Plan, and you are married, you must complete and return the QJSA Waiver Form with your spouse's written consent. If you are unmarried, you must complete and return the QJSA Waiver Form with your consent and waiver. The rules that apply when the benefit is payable when you retire will also apply to the benefit payable as a loan.

#### What happens if my benefit exceeds \$5,000 on the date my benefit becomes payable (or at the time of any prior payment)?

If your benefit exceeds \$5,000 (\$3,500 for plans not adopting the increase allowed in 1996 or exceeded \$3,500 at any time of any prior payment), it cannot be paid to you until you reach normal retirement age under the Plan, or, if later, age 62, unless you consent in writing.

Otherwise, consistent with the law and your Plan document, your benefit may be paid to you immediately regardless of any election you may have made to receive it later or in a different form.

#### How much time do I have to select either a different form of benefit payment other than QJSA, or, if permitted by the Plan, to elect to have my benefit paid to me before the later of normal retirement age or age 62?

You have at least 30 days after receiving this QJSA explanation to make your decision.

#### Do I have to wait 30 days to select a different form of benefit payment other than QJSA, or, if permitted by the Plan, to elect to have my benefit paid to me before the later of normal retirement age or age 62?

No. You may request a disbursement prior to the expiration of the 30-day period, however:

- **Payment of your benefit cannot begin until at least the 8th day after you receive the QJSA Explanation regardless of your marital status.**

You can cancel your distribution election at any time within 30 days of receipt of the QJSA Explanation. If you cancel your election, Prudential will return the annuity purchase price to your Plan.

#### What happens to my spouse's QJSA benefit if he or she consents to my selection of a different form of benefit payment option other than QJSA or if I select a different beneficiary?

If your spouse consents to your selection of a different form of benefit payment, to the extent your spouse is still your beneficiary, he or she will receive a benefit based on the alternative form of benefit payment you chose. For instance, if you elect a single life annuity or a lump sum payment of your full account balance, your spouse will receive no further payment from the Plan.

If you select a different beneficiary, your spouse will receive no benefit under the Plan.



**May I receive additional information regarding the QJSA or the specific benefit payable to me or my spouse?**

Yes. You can obtain additional information such as other optional forms of distribution that may be available under your Plan by reading the information in your Plan's Summary Plan Description. **You may also write to Prudential at:** Prudential Retirement, 30 Scranton Office Park, Scranton, PA 18507-1789. If your request is made in writing, you will receive additional QJSA information within 30 days from the date of your request.

**Qualified Joint and Survivor Annuity (QJSA) and Optional Forms of Benefit**

The following is a list of common optional forms of benefit and the relative financial effect of electing each as compared to the QJSA. The basic meaning of some of the terms used to describe the options is as follows:

“Life Annuity” or “Life” is an annuity payable for the participant’s lifetime.

“X% Joint & Survivor” is an annuity payable for the participant’s lifetime plus X% of the participant’s benefit paid to the beneficiary for the beneficiary’s lifetime.

“X Year Certain” is an annuity for the lifetime or lifetimes mentioned, but with the assurance that the payments will be made to either the participant or a beneficiary for X number of years even if the person receiving the annuity dies prematurely.

“Installment Refund” is an immediate annuity in which monthly payments will continue to a beneficiary in the event the annuitant dies before Prudential has made total monthly payments at least equal to the maximum death benefit amount. Upon the death of the annuitant, the difference between the maximum death benefit amount and the total of monthly payments made previously will be paid to the beneficiary in monthly installments in the same amount that was being paid to the annuitant before the annuitant’s death, except that the last payment to the beneficiary will be a lesser amount.

The information provided below is an estimate of the amount payable under an annuity purchased from Prudential Insurance Company of America. A more precise calculation of your monthly benefit upon purchase of an annuity is available upon request. The estimates provided below are based on a benefit with a present value of \$10,000 using an interest rate of 2.23% for annuities with a life contingency. Both the participant and the spouse are assumed to be the same age for the examples provided. Differences in your age, the age of your spouse, interest rates, and other assumptions used in this chart can have a significant effect on the amount paid under the option chosen. The interest rate and other contract assumptions in effect when you purchase the annuity will determine the amount of a monthly benefit.

<b><u>Optional Form of Benefit</u></b>	<b><u>Age 65</u></b>	<b><u>Age 60</u></b>	<b><u>Age 55</u></b>
Life Annuity	\$45.13	\$38.81	\$34.12
Life and 5 Year Certain Annuity	\$44.79	\$38.67	\$34.06
Life and 10 Year Certain Annuity	\$43.73	\$38.19	\$33.87
Life and 15 Year Certain Annuity	\$41.97	\$37.32	\$33.46
Life and 20 Year Certain Annuity	\$39.48	\$36.05	\$32.81
5 Year Certain Annuity	**	**	**
10 Year Certain Annuity	**	**	**
15 Year Certain Annuity	\$57.69	\$57.69	\$57.69
20 Year Certain Annuity	\$45.56	\$45.56	\$45.56
100% Joint & Survivor Annuity	\$37.27	\$32.92	\$29.70
100% Joint & Survivor Annuity with 5 Years Certain	\$37.26	\$32.92	\$29.70
100% Joint & Survivor Annuity with 10 Year Certain	\$37.19	\$32.90	\$29.69
100% Joint & Survivor Annuity with 15 Year Certain	\$36.95	\$32.82	\$29.67
100% Joint & Survivor Annuity with 20 Year Certain	\$36.31	\$33.62	\$29.61
50% Joint & Survivor Annuity	\$40.82	\$35.62	\$31.75
50% Joint & Survivor Annuity with 5 Year Certain	\$40.68	\$35.57	\$31.73
50% Joint & Survivor Annuity with 10 Year Certain	\$40.20	\$35.35	\$31.64
50% Joint & Survivor Annuity with 15 Year Certain	\$39.30	\$34.93	\$31.45
50% Joint & Survivor Annuity with 20 Year Certain	\$37.83	\$34.20	\$31.13
Installment Refund	\$38.54	\$34.73	\$31.63

\*\* Total payout for this form of annuity will be less than the purchase price.

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