

Your completed application, along with the Statement of Hardship and supporting documentation, must be submitted to CompuSys for processing and approval.

Mail application packet to:

IBEW Local 347 Fringe Benefit Fund
c/o CompuSys, Inc.
PO Box 26068
Salt Lake City, UT 84126-0068

OR

Fax completed applications to:

801-975-1342, Attn: M Mitchell

Do not highlight anything on your documentation as it comes through as black.

OR

Email completed forms and documents to

mmitchell@compusysut.com

OR

Drop off completed applications and documentation at the
IBEW 347 Office: 850 18th Street, Des Moines, IA 50314

**IBEW Local 347 Electrical Workers
Fringe Benefit Fund**

PO Box 26068
Salt Lake City, UT 84126-0068

CompuSys of Utah, Inc.

Toll Free (844) 347-IBEW (4239)
Fax (801)975-1342

**IBEW Local 347 Retirement and 401(k) Plan
Statement of Hardship**

I _____ am hereby providing the **IBEW** Local 347 Retirement and 401(k) Plan ("Plan") notification that I have an immediate and heavy financial need that concerns **(mark the item(s) below that applies to you):**

- payments necessary to prevent foreclosure on the mortgage on my principal residence;
- payments for burial or funeral expenses for my deceased parent , spouse, children, or dependents; or
- expenses for medical care that was previously incurred by my spouse, my dependents, or me and is deductible under Section 213 of the Internal Revenue Code, or expenses necessary for my spouse, my dependents, or me to obtain medical care that is deductible under Section 213 of the Internal Revenue Code.

I certify that I am not capable of relieving this immediate and heavy financial need from other resources that are reasonably available to me.

I hereby acknowledge, agree, and represent that all of the information provided on this Statement of Hardship is correct.

Participant's Signature

Participant's Name (Print)

Date

Return ALL forms and documents to PO Box 26068, Salt Lake City, Utah 84126-0068



Mailing Address:
 P.O. Box 9394
 Des Moines, IA 50306-9394
 FAX (866) 704-3481

Principal Life
 Insurance Company

Early Withdrawal of Benefits –
 Spousal Consent Needed

4-31329

Complete this form to withdraw part of your retirement funds while still employed.

CTD00603

Participant completes Sections 1 through 5. Spouse (if married) completes Section 6. Plan Sponsor/Employer completes Section 7.

Section 1 – Personal Information (Please print using black ink)

Plan Sponsor Name				Contract/Plan I.D. No.
Participant Name (First)	(Middle)	(Last)	Social Security Number	I.D. Number
Participant Address (Street)		(City)	(State)	(ZIP Code + 4)
Day Phone		Evening Phone		

- I am a U.S. Person. (This includes a resident alien of the United States.)
 - I am not a U.S. Person. (Note: Please complete and submit the appropriate version of IRS Form W-8 when returning this form.)
- To learn more about how a U.S. Person is defined, please refer to Internal Revenue Service Publications 515 and 519, available on their website at www.irs.gov, or you may request a copy by calling 1-800-829-3676. Your tax advisor can also provide assistance.

Section 2 – Type of Withdrawal

- Hardship*** – Withdrawal of contributions upon proof of certain financial hardship situations, as defined by the plan.
 - Voluntary** – Withdrawal of Employee Voluntary Non-Deductible or Employee Deductible contributions.
 - Rollover Withdrawal** - Withdrawal of Employee Rollover Contributions.
- *Elective Deferral earnings on contributions made to the Plan from any source may not be used for hardship withdrawals. Also, this plan requires that Elective Deferral contributions be suspended for at least six months after the receipt of the hardship withdrawal.

Section 3 – Amount of Withdrawal (See examples on Page 7.)

I would like to withdraw \$ _____ (indicate a specific dollar amount) **OR** _____% (designate a percentage from 1 to 100%).
Due to market fluctuation, the amount available for withdrawal may be less than originally requested, in which case we will process a withdrawal for the maximum amount available.

My withdrawal should be:

- Gross Distribution (check amount equals specified amount, less required taxes)
- Net of Taxes (check amount equals amount specified)

Note: The withdrawal will be treated as a gross distribution, unless otherwise elected above. The requested withdrawal amount will be prorated from all applicable contribution types and investments in the account, unless instructed otherwise on a separate sheet of paper that must accompany this withdrawal form. **All withdrawals from Guaranteed Interest are taken from the most current Guaranteed Interest Account, unless you tell us otherwise.**

If a withdrawal request is to be issued as a **Direct Rollover**, complete **Option C** under *Method for Receiving Your Funds*. A hardship withdrawal cannot be issued as a Direct Rollover.

Caution: A charge may apply to early withdrawals from the Guaranteed Interest Account. Call the Client Contact Center at 1-800-547-7754 for current rates and to determine if other contract charges may apply.

Revocability of Benefit Election:

You have elected to distribute your retirement funds according to the directions you have given on this form. Your election becomes irrevocable once the request is processed.

For Account Information 24 hours a day 1-800-547-7754
Retirement Professionals are available:
7 A.M. – 9 P.M. Central Time (Monday – Friday)

Method for Receiving Your Funds

Choose option A, B, or C below. Please send my withdrawal payment via:

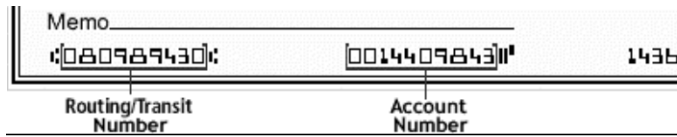
A. Direct Deposit

Financial Institution Information: Please enclose a voided check (if applicable) and complete the following information:

Financial Institution Name		Your Name as Shown on the Account (Your name must be on the account indicated)		
Financial Institution Address (street number and name, must be located in the U.S.)		City	State	Zip Code
Routing/Transit Number (9 digits)	Your Account Number (up to 21 digits)		Account Type <input type="checkbox"/> Savings <input type="checkbox"/> Checking	

How to find the Routing/Transit Number:

You can usually find the routing/transit number at the bottom left-hand corner of the checks issued to you by your financial institution. The numbers are usually nine digits long.



B. Check

Mail check to (Only complete if mailing address is different than Section 1):

Name

Mailing Address

City State Zip Code Plus 4-digit

C. Direct Rollover (No portion of a hardship withdrawal is eligible for rollover.)

I Elect My Direct Rollover To A:

- Traditional IRA
- Roth IRA

Receiving Financial Institution Information

Name of Financial Institution, Trust Account or Trustee		Account Number or Identification Number (Optional)	
Mailing Address of Financial Institution (Street or PO Box)		Name of Agent/Broker or Contact at Financial Institution (Optional)	
City of Financial Institution	State of Financial Institution	Zip code plus 4-digit	

Mailing Information

NOTE: The Principal will mail only the check(s) to you or the financial institution. If additional documents must accompany a check to a financial institution, have the check mailed to you so you can include the additional documents that are required.

Mail check(s) to:

- The financial institution listed above in Option C.
- To me at the address provided in Section 1.
- Other – To me at the address shown below:

Name Name of Agent/Broker or Contact at Financial Institution (Optional)

Mailing Address

City State Zip code plus 4-digit

Section 4 – Income Tax Withholding – Federal and State

Principal Life Insurance Company (Principal Life) is required to withhold 20% for federal taxes on the taxable portion of withdrawals that are eligible for rollover* but paid in cash from a qualified retirement plan. You may also need to pay a 10%** additional income tax on this withdrawal unless you're older than 59½, disabled, or age 55 or older when separated from service.

***No portion of a hardship withdrawal is eligible for rollover. Principal Life will withhold 10% for federal taxes on this amount. You may elect to have more than 10% or no taxes withheld for this portion of the withdrawal. You must complete IRS form W-4P if you elect not to have taxes withheld.**

Yes No Do you want Principal Life to withhold the 10% additional income tax?

State income tax withholding may apply to your cash withdrawal. The address and state you use on this form will be used as your state of residence to determine whether state taxes apply unless you tell us otherwise. Additional state-specific forms may be needed for states that don't require withholding. Contact your state income tax authority for more information.

Section 5 – Participant's Signature

I'm: Married Single Legally Separated (attach copy of court order)

NOTE: If Single or Legally Separated box is checked, spousal consent is not necessary.

Legal Requirement* This is an important decision. Before signing, be sure you understand what retirement benefits you'll receive and what benefits you'll no longer be eligible to receive.

I reviewed the information in Sections 8, 9 and 10 of this form and I understand my benefit options.

I understand my benefits under the plan may be payable to me in the form of a Qualified Joint and Survivor Annuity (QJSA), as described in Section 8. If so, I have the right to waive this form of payment and elect to receive my benefits in another form of payment. I further understand I may revoke any waiver in effect before I receive any benefits under the plan.

By electing this withdrawal, I understand benefits due me or my survivors will be reduced by this withdrawal. I understand the tax consequences of this election and have consulted a tax advisor, if necessary. I certify the information I provide on this form is accurate and complete. **This election cancels any prior election I made under this plan.**

Federal tax law requires a payment cannot be made sooner than 30 days, nor later than 180 days after I receive the Early Withdrawal of Benefits form. My signature below, however, is an affirmative election for the distribution option chosen on this election form and reduces the 30-day waiting period to 7 days, as allowed by law. **I understand if 180 days has passed since I received the Early Withdrawal of Benefits form, I should request another copy to restart the time limit described above.**

If using Direct Deposit - I understand that my signature below will also provide the following authorizations:

I authorize Principal Life to initiate credit entries to my checking or savings account at the financial institution named within the *Method for Receiving Your Funds* section, and if necessary, to initiate debit entries and adjustments to correct any credit entries made in error. I authorize the financial institution to credit and/or debit entries to my checking or savings account. This authorization applies to any payments that hereafter become due and payable to me under the provisions of the plan(s) identified by the Social Security Number identified within this withdrawal form.

The authorization is to remain in full force until I notify Principal Life in writing at its Home Office that the agreement is no longer effective. This election will update any Direct Deposit authorization agreement on file.

I certify that I received this Early Withdrawal of Benefits form on the date that I signed it, unless I enter a different date in the following box.

Date I received the Early Withdrawal of Benefits form: _____ / _____ / _____

CERTIFICATION: UNDER THE PENALTIES OF PERJURY, I certify with my signature below that the information provided in each completed section of this form is/are true, correct, and complete.

Participant Signature

X

Date

_____ / _____ / _____

* The information and signatures in these sections are required by Internal Revenue Code § 417, 402(f), 411(a)(11).

Your balance, and thus the amount of your final payout, changes daily due to a number of factors, including the current market value of your investments.

Redemption fees may apply on certain transactions. For further information on redemption fees, please login to your account at principal.com.

Section 6 – Spouse’s Signature

Legal Requirement*: This is an important decision. Before signing, be sure you understand what retirement benefits you’ll receive and what benefits you’ll no longer be eligible to receive.

I, _____ (name of the spouse of the plan participant), am the spouse of _____ (name of plan participant).

I understand I have the right to have benefits paid in the form of a QJSA benefit (see Sections 8 and 9 for explanation and examples).
I agree to give up this right.

I understand by signing this agreement, I may receive less money than I would have received under the QJSA form of payment and I may receive a reduced amount when my spouse dies, depending on the form and beneficiary my spouse chooses.

I understand I don't have to sign this agreement. I'm signing this agreement voluntarily. If I don't sign, the plan may require that my spouse and I receive payments from the plan in the QJSA form of benefit withdrawal (see Sections 8 and 9).

Federal tax law requires a payment cannot be made sooner than 30 days, nor later than 180 days after my spouse receives this *Early Withdrawal of Benefit Form*. However, my signature below will serve as consent to the plan participant's decision relating to the waiver of the 30-day waiting period to 7 days.

Mark this box if applicable: My consent is required for any change to the benefit chosen on this election form.

Mark this box if applicable:	<input type="checkbox"/> My consent is only for the form of benefit chosen on this election form.	Spouse Signature X	Type or Print Name	Date
				/ /

Plan Representative Signature: The spouse appeared before me and signed this consent.	Plan Representative Signature X	Type or Print Name	Date
			/ /

Notary Public: The person signing as spouse appeared before me and signed the above consent.

Sworn to and subscribed before me this _____ day of _____, 20____, in _____, in the State of _____, County of _____.

Notary Signature
X

Notary expires on ____/____/____.

Type or print name of Notary	<input type="checkbox"/> The person who signed as spouse is personally known to me, or <input type="checkbox"/> The person who signed as spouse produced identification.	Type of Identification:
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If your state has specific notary acknowledgment requirements then the notary will need to include any additional acknowledgement and attach it to this withdrawal form.

If spouse cannot be located:	Plan Representative: It has been established to my satisfaction the spouse cannot be located	Plan Representative Signature X	Date
			/ /

* The information and signatures in these sections are required by the Internal Revenue Code § 417, 402(f), 411(a)(11).

Section 7 – Plan Sponsor (to be completed by your Employer)

I certify the above information is true and correct. I authorize Principal Life to make a disbursement to this participant according to the terms of our plan.

Note: Hardship withdrawals cannot be in excess of the amount needed to satisfy the immediate and heavy financial need. In addition, the employee should obtain all distributions, other than hardship distributions, and all nontaxable loans currently available under all employer maintained plans prior to obtaining a hardship withdrawal.

Note: The law requires you to give participants a written description of their benefit choices. Section 9 of this form satisfies this requirement. Payments must commence within a 30 to 180 day period of when a participant receives this form. However, an affirmative election by a participant (and spousal consent, if required) can reduce the 30-day waiting period to 7 days. Section 5 of this form satisfies this requirement. The law also requires you to give participants a written description of rollover rules if the distribution is eligible to be rolled over. Section 10 satisfies this requirement.

Note: If payment is made to the trustee, any withholding and reporting are the responsibility of the Trustee.

Note: Select “Other” box (below) as the Issue/Mail Check To: option if withdrawal is to be issued as a Direct Rollover. Participant must supply address and account information in Section 3 (refer to *Method for Receiving Your Funds*)).

Issue Payment To: <input type="checkbox"/> Participant <input type="checkbox"/> Trustee <input type="checkbox"/> Other	Payment Delivery Method To: <input type="checkbox"/> Participant <input type="checkbox"/> Plan Sponsor <input type="checkbox"/> Trustee <input type="checkbox"/> Other <input type="checkbox"/> Direct Deposit	Printed Plan Sponsor Name X	Date
Plan Sponsor Signature X			Date
State <input type="checkbox"/> Yes <input type="checkbox"/> No Does participant have deferrals in the plan that has already been taxed by the participant’s state of residence?			
Taxation <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, have all elective deferrals accumulated in this participant’s account been taxed by the participant’s state of residence? If no, what is the amount that has been taxed by the participant’s state of residence? \$ _____			

Section 8 – Important Information About Payment of Benefits

You and your spouse (if you're married) should read this section carefully before deciding how you want to receive benefit payments.

Guaranteed Income for You and Your Spouse: Under the terms of your retirement plan, if you're married, your regular form of benefit will typically be a Survivorship Annuity, (possibly with Installment Refund feature) with your spouse as the contingent annuitant. The Employee Retirement Income Security Act (ERISA) made the Qualified Joint and Survivor Annuity (QJSA) form of payment mandatory for all married plan participants in order to protect your spouse’s rights to benefits.

This form of benefit guarantees you or your spouse a regular income as long as either of you are alive. If you die, your spouse receives a percentage – at least 50% – of your regular income for life. If the Installment Refund feature applies and both you and your spouse die before receiving the amount used to purchase your annuity, regular income continues to your beneficiary until total payments equal the annuity purchase price.

You also have the right to keep your money in the retirement plan until age 62 or your normal retirement age, whichever comes later. If your plan allows, you may elect to defer payments until April 1 of the year after you reach age 70½ and retire (doesn't apply if you're at least a 5 percent owner in the company sponsoring the plan). If you choose to take a withdrawal now, it will reduce the money available to you during retirement.

Consequences of Not Deferring Payments: At the time you become eligible to receive a distribution from a retirement plan you have several decisions to make. You may need to decide:

- Whether to take retirement funds from the plan now or leave the funds in the plan and take at a later date;
- In what form to receive your retirement funds (if you are given a choice) and you elect a distribution;

- Whether to roll over distributed amounts to another plan or IRA to keep the retirement funds tax-deferred;
- If you elect a rollover, to what investment options will you direct the retirement funds?

(Note: Hardship withdrawals may not be rolled over to another plan or IRA.)

These decisions can impact the amount of retirement funds you are ultimately able to accumulate as well as the amount and timing of the tax liability associated with the receipt of these funds.

Some things to consider –

In general, if you do not elect an annuity option which provide lifetime income, or such option is not available through your employer’s retirement plan, the earlier you start receiving payments and the larger the payments, the lower the probability that your retirement funds will last throughout your lifetime.

If you take your retirement funds now, you give up the possibility of future tax deferred accumulation in the retirement plan. If you do not roll it over to another plan or IRA, you give up the advantage of tax-deferred growth.

If you take your retirement funds now and do not roll funds over into another plan or IRA, you will be subject to current income taxation on the amounts includible in gross income.

If you have not reached age 59½ when you take retirement funds, you do not roll funds over into another plan or IRA, you may be subject to an additional 10% penalty tax. Delaying distribution until a later time may avoid this tax.

If you have not reached age 59½ and have terminated employment during or after the year you reached age 55, the retirement funds you receive from the plan would not be subject to the additional 10% penalty tax. If, however, you roll amounts to an IRA and then take distributions from the IRA, you would

again be subject to the 10% penalty tax while under age 59½ unless another exception applies.

You should be aware that some currently available investment options in the plan may not be generally available outside the plan.

You should refer to the Summary Plan Descriptions for this and any other employer plans under which you are covered for information which might materially affect your decision to defer payments.

The fees and expenses associated with investment options can reduce the amount of retirement funds you can otherwise accumulate. The fees and expenses (including administrative or investment related fees) outside the plan may be different from fees and expenses that apply to the account held for you under your employer's plan.

If you elect to roll over funds to another qualified plan or IRA, you should compare the expenses and fees in the underlying investment options of the qualified plan or IRA with those you are currently subject to under your employer's retirement plan. The underlying investment options available to you under your employer's plan are detailed on your benefit statement, and can

be accessed online at *principal.com*. These underlying investment options have expense charges. For these expense ratios, see your prospectus or other investment material at *principal.com*. Your plan sponsor may be paying for a portion of plan expenses. Contact your plan sponsor for details. You may find your plan contact information in your Summary Plan Description. The Principal may receive payments from investment option providers in connection with the investments offered under the plan. The Principal takes these payments into consideration when determining plan administrative services fees for the retirement plan.

While this communication may be used to promote or market a transaction or an idea that is discussed in the publication, it is intended to provide general information about the subject matter covered and is provided with the understanding that The Principal is not rendering legal, accounting, or tax advice. It is not a marketed opinion and may not be used to avoid penalties under the Internal Revenue Code. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax or accounting obligations and requirements.

Section 9 – Description of Payment Option

Cash Withdrawal: You choose your withdrawal amount. Federal and state (if applicable) taxes will be withheld as required by the Internal Revenue Service.

Direct Rollover*: You choose your rollover amount and select an Individual Retirement Account/Annuity (IRA) or another eligible retirement plan to receive the funds. No state or federal taxes will be withheld from this distribution.

***No portion of a hardship withdrawal is eligible for rollover.**

Check Information: If withdrawal is being used to request a Direct Rollover to an IRA or another eligible retirement plan with another financial institution, you must provide the check issuing instructions that have been provided by the receiving financial institution. This information must be included in Section 3 of this form under Direct Rollover.

Annuity Payments: Annuity payments can be made in various forms. Federal and state (if applicable) taxes will be withheld according to annuity tables. If you elect to receive an annuity as your form of benefit payment, the vested account balance will be used to purchase an annuity contract from an insurance company.

Installments: Installment payments may be available in various forms. Payments received for at least 10 or more years are considered periodic payments and not eligible for rollover. Payments received for less than 10 years are considered non-periodic payments and are subject to standard federal and state [if required] withholding.

Section 9 – Description of Payment Option (continued)

The following chart describes various distribution options. All options may not be available under your retirement plan. Refer to your Summary Plan Description for details regarding the options available for your plan. Note: This chart is for illustrative purposes only. It is not intended to project exact monthly benefits for you and your spouse. All amounts are calculated assuming no commissions payable. Income could vary depending on state of residence at time of purchase to reflect premium tax.

*Based on a \$25,000 withdrawal, contingent annuitant is four years younger than plan participant, and annuity purchase rates effective on the date this illustration was prepared. If you would like additional information on these payment options call, 1-800-547-7754.

Distribution Option	Description	Estimated Monthly Income*					
		Starting at Age 65		Starting at Age 55		Starting at Age 45	
		You	Your Spouse (after death of participant)	You	Your Spouse (after death of participant)	You	Your Spouse (after death of participant)
50% Survivorship Annuity (Other survivorship percentages may be available)	The participant receives regular income for life. After the participant's death, the contingent annuitant (typically the spouse - but another annuitant can be designated if the spouse approves) receives 50% of the participant's regular income for their life.	\$147.60	\$73.80	\$128.71	\$64.36	\$117.70	\$58.85
Single Life Annuity	The participant receives regular income for life. Payments stop when the participant dies. A spouse or other survivor will receive no future income.	\$160.63	\$ 0.00	\$135.49	\$ 0.00	\$121.99	\$ 0.00
Cash Distribution \$25,000	The participant and spouse agree to take a lump sum cash distribution now and receive no future income.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Section 10 – Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the plan may be eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to any payments from the plan that are not from a designated Roth account (a type of account with special rules in some employer plans). If you also receive a payment from a designated Roth account in the plan, please refer to pages 5-8 with respect to that payment.

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 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (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 59½ (or if an exception applies).

Where may I roll over the payment?

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 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 rollover by making a deposit within 60 days into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the plan is required to withhold 20% of the payment for federal income 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 59½ (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 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations

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- 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.
- 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).

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out 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 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you are at least age 50 in the year of the separation.
- 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 active 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.

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

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service

- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe state income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

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 generally 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 amounts 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 a 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 the 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

The IRS may grant a waiver to the 60-day rollover requirement during an examination of your income tax return. For your eligibility, the contribution should be made to the plan within 30 days or as soon as practicable after the reason or reasons it was delayed no longer prevent you from making the contribution. Also, the IRS must not have previously denied a waiver of your related contribution. The IRS provides the following reasons for missing the 60-day deadline:

- An error was committed by the financial institution receiving the contribution or making the distribution to which the contribution relates
- The distribution, having been made in the form of a check, was misplaced and never cashed
- The distribution was deposited into and remained in an account that you mistakenly thought was an eligible retirement plan
- Your principal residence was severely damaged
- A member of your family died
- You or a member of your family was seriously ill
- You were incarcerated
- Restrictions on the use of the contribution were not properly disclosed to you

- A postal error occurred
- The distribution was made on account of a levy under Internal Revenue Code section 6331 and the proceeds of the levy have been returned to you
- The party making the distribution to which the rollover relates delayed providing information that the receiving plan or IRA required to complete the rollover despite your reasonable efforts to obtain the information.

If applicable, you may provide a written self-certification to a plan administrator that your contribution satisfies the conditions noted above. A model self-certification is provided within Revenue Procedure 2016-47 at www.irs.gov. You should keep a copy of the certification in your files if requested during an audit. Self-certification is not a waiver by the IRS of the 60-day rollover requirement; however you may report the contribution as a valid rollover unless you are later informed otherwise by the IRS,

You may also apply for a waiver of the 60-day rollover deadline by filing 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 59½, 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 the employer stock after it was acquired by the plan. If you do a rollover of 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.

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out 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 benefits may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan. If, however, a loan offset occurs due to your termination of employment or plan termination, you have until the due date of your Federal individual income tax return (including extensions) for the year in which the plan offsets the loan to complete a rollover as long as it is also allowed by the plan receiving the 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 your payment is from a governmental section 457(b) plan

If the plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you receive a distribution before January 1, 1986" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the plan is a governmental plan, you retired as a public safety officer, 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 59½ (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 can 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 59½ (or after your death or disability) and after you have had a designated Roth account in the plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the 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 distributing 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.

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IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the 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, 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, mandatory cash out 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. A mandatory cash out is a payment from the 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 such lower amount stated in the plan) 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, see IRS Publication 3, *Armed Forces' Tax Guide*.

FOR MORE INFORMATION

You may wish to consult with the plan administrator 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:

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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, or on the web at www.irs.gov, or by calling 1-800-TAX-FORM.