

ELECTION FOR DISTRIBUTION OF BENEFITS TO PARTICIPANT

To the Plan Administrator of the: HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN (Name of Plan)

In accordance with the provisions of the above Plan, I hereby make the following elections regarding the distribution of my vested benefit in the Plan due to termination of my employment my attaining Normal Retirement Age. I understand my election(s) is revocable until paid. I further understand if the amount due me exceeds \$5,000, my election is invalid unless I have in effect a valid waiver election of the Qualified Joint and Survivor Annuity on Page 3, if I am married, and that as I am still working, I may receive additional contributions to my account in the Plan. This Election is for the total amount in my account as of the most recent valuation date.

- A. **Lump Sum Distribution.** I request the Plan Administrator to direct the Trustee of the Plan to pay my vested benefit in lump sum less all necessary withholding income taxes.

- B. **Direct Transfer.** I request the Trustee transfer my benefit directly to:
IRA Account Number _____ IRA Custodian _____, or
Name of Retirement Plan: _____
Address of Transferee: _____
Name of Trustee: _____

- C. **Installment Distribution.** I request the Plan Administrator to direct the Trustee of the Plan to pay my vested benefit:
 - In a series of _____ installments over a fixed period of _____ (number) years with the first installment to commence _____. During the installment payment period, the Trustee should:
 - (1) Segregate my vested benefit into a separate account and invest it in Federally insured interest bearing savings account(s) or time deposit(s), or a combination of both, or in other fixed income investments, yielding the highest available return with due regard to the installment period.
 - (2) Maintain my vested benefit as a part of the Trust Fund. I understand my vested benefit, as an investment in the Trust Fund, is subject to gain or loss in the same manner as other Trust Fund assets. Because of the investment performance of the Trust Fund, the amount the Trustee ultimately pays me could be less than the value of my account balance as of the date of the termination of my employment with my Employer, the sponsor of the Plan.

- D. Please provide me with an election form to defer distribution to Normal Retirement Age.

I also acknowledge that I have received an explanation of the tax rules regarding distribution of my vested benefit including the direct rollover option and the responsibilities of the Plan Administrator regarding such transfer.

I agree that the law allows me thirty days after the date of my receipt of the Notice and Explanation of Qualified Joint and Survivor Annuity to consider all of my alternatives under the Plan. I waive the 30-day waiting period. I understand that this is a right I am giving up and will expedite the distribution of my account and that my distribution will be processed as soon as practical but that no value of benefit is guaranteed. The value of my payment will be determined on the day my account is liquidated. I understand I may not request any specific date of liquidation. I also further understand that if my account in the Plan is entitled to further credit or debits regarding future allocation of employer contribution, gains or losses, that the Trustee will make that distribution in accordance with my election on this form. I agree to any charges on this distribution for any charges that have previously been disclosed to me.

Participant's Name (Please Print) _____ ____/____/____
Participant's Signature Date

Social Security Number: _____ - _____ - _____ Address: _____

NOTICE AND EXPLANATION OF QUALIFIED JOINT AND SURVIVOR ANNUITY

HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN

Plan Name

This notice is to advise you that under the terms of the Plan, if you are married at the time your retirement benefit under the Plan commences, such benefit will be paid in the form of a Qualified Joint and Survivor Annuity unless you elect otherwise with your spouse's consent.

A Qualified Joint and Survivor Annuity will pay you a monthly payment for your life and, if your spouse survives you, your spouse will receive 50% of the monthly payment payable during your joint lives. These payments are guaranteed for your lifetime, and if you are married, for your spouse's lifetime.

The Plan trustee will purchase a Qualified Joint and Survivor Annuity from an insurance company. The Trustee will then distribute the contract to you as evidence of your right to receive the annuity payments from the insurance company. The actual monthly payments made under this contract will depend on your age, and if you are married, your spouse's age at the time the distribution begins, and the amount of your vested benefit. Your benefit will bear the expense incurred to purchase the annuity contract.

If you are not married, your benefit will be in the form of an annuity (monthly payments) for your life unless you elect otherwise.

ELECTION

You have the right to elect not receive your retirement benefit in the form of a Qualified Joint and Survivor Annuity. Your spouse must consent to the election and his or her signature must be witnessed by a plan representative or a notary public. The election to waive the Qualified Joint and Survivor Annuity may be made at anytime during the 90-day period ending on the date your benefit is scheduled to begin.

The election form to waive the Qualified Joint and Survivor Annuity is on the reverse side of this Notice. You may revoke any election waiving the Qualified Joint and Survivor Annuity at any time during the same 90-day election period by written notice to the Plan Administrator. You do not need your spouse's consent to revoke the election.

If an election is made waiving the Qualified Joint and Survivor Annuity, your retirement benefit may be distributed under one of the optional distribution methods provided in the Plan, provided you request such payment in writing.

It is important that you and your spouse understand these terms and conditions of the Qualified Joint and Survivor Annuity. You should contact the Plan Administrator if you have any questions, or if you would like additional information. The Plan Administrator can illustrate the monthly payments which would be made as a Qualified Joint and Survivor Annuity.

If you are not married when you receive this Notice, and you do not desire your benefit to be in the form of a life annuity, you should complete the election form on the reverse side. The same requirements stated in the preceding paragraphs apply to your election. Be sure to notify the Plan Administrator if you marry before your benefit commencement date.

If you are married when you receive this Notice, but your spouse dies before your benefit commencement date, you should also inform the Plan Administrator.

(Election form is on reverse side)

QUALIFIED JOINT AND SURVIVOR ANNUITY WAIVER FORM
HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN
(Plan Name)

THIS WAIVER ELECTION AND SPOUSAL CONSENT FORM AFFECTS VALUABLE RIGHTS TO SURVIVOR BENEFITS UNDER THE PLAN AND THE COMPANY ENCOURAGES YOU AND YOUR SPOUSE TO SEEK THE ADVICE OF YOUR LAWYER.

WAIVER ELECTION

I am a Participant in the Plan. I have read the NOTICE AND EXPLANATION OF QUALIFIED JOINT AND SURVIVOR ANNUITY. I understand that: (1) if I have been married for at least one year when I retire, my benefits under the Plan will be paid to me in the form of a qualified joint and survivor annuity; (2) I have the right to waive the qualified joint and survivor annuity, provided my spouse consents to the waiver; (3) if my spouse consents, I have the right to choose a form of retirement benefit that may not provide any benefits to my spouse after I die; and (4) I may cancel any waiver at any time before payments actually begin without my spouse's consent.

I wave the qualified joint and survivor annuity and request payment of my benefit in accordance with the most recent Election of Benefits currently on file with the Plan.

Check box, if applicable:

I certify that I am not married and will notify the Plan Administrator if that status changes before benefits to me begin.

Executed this _____ day of _____, 200_____.

Signature of Participant

Name of Participant (Please Print)

SPOUSE'S CONSENT

I declare under penalty of perjury that I: (1) am the spouse of the Participant making the Waiver above; (2) am not acting under duress or undue influence; and (3) have read and understand my right to survivor benefits under the Plan as stated in the "Notice and Explanation of Qualified Joint and Survivor Annuity" on Page 2.

I understand that federal law gives me the right to receive survivor benefits from the Plan if my spouse dies after retirement. I also understand that if I consent to this Waiver Election, I will give up my right to receive the survivor benefits from the Plan which federal law would give to me automatically and I consent to this. I also understand that (1) the effect of this Waiver Election is to cause my right to my spouse's retirement benefits under the Plan to be paid in a way which may not provide me with income after my spouse's death and I consent to this; and (2) I cannot cancel my consent.

Executed this _____ day of _____, 200_____.

Signature of Participant's Spouse

Witnessed by:

Plan Representative

OR

STATE OF _____)
CITY/COUNTY OF _____) ss.

On _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same.

WITNESS my hand and official seal.

Notary Public in and for said County and State

HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN

Name of Plan

Participant's Name (Please Print): _____

Address: _____

SSN: _____ - _____ - _____

REQUEST FOR TRANSFER

This form is to be used for a Participant to request a transfer to an Individual Retirement Arrangement or a Qualified Retirement Plan.

I understand that I am entitled to receive a distribution of my vested benefits in the above retirement plan, and that this form is to elect either a direct transfer of my benefit to another tax deferred vehicle or to elect a lump sum distribution to be made directly to me.

I also understand that the distribution of my benefits will be based on the latest plan valuation of my benefits and the amount may differ due to investment results at the time the distribution is requested. Upon distribution of my benefit, I release the Plan Administrator, Trustee(s) of the Plan and the Plan Sponsor from and against any and all claims I may have or hereafter claim to have against the Plan with respect to my interest in the Plan.

I acknowledge that I have received a Notice of Distribution from the Plan Administrator.

(Choose A or B)

A. I request that the trustee deliver my distribution to the following party:

Trustee Custodian

Qualified Retirement Plan Individual Retirement Arrangement

Name: _____

Address: _____

Account #: _____ N/A

B. I request that the trustee deliver my distribution directly to me:

Participant's Signature

____/____/____
Date

Making Your Decision Easy Summary Of The Distribution Notice Written To Help You Understand Your Options

Because you have terminated your employment, you have the ability to continue to **save for your retirement** by rolling over your account to your own Individual Retirement Account (IRA) or another employer's retirement plan. This will create additional tax-deferred savings until your retirement.

The attached Notice is rather lengthy, but this page highlights key parts of the Notice in a summarized fashion. Be sure to read any relevant of the Notice to see if any items not noted below apply to your situation.

The Notice was mainly drafted by government agencies that want to be sure you have all the information you need to make the right decision. We highlight the information that most participants need to know about, but there can be exceptions that apply to you that are not highlighted in this front page Summary that only a review of the Notice can communicate.

To Do As Soon As Possible:

1. Determine if your **payment can be rolled over** to the plan you want to send it to - contact the custodian or Plan Administrator of that plan to make that determination. Understand the terms of the plan you wish to roll over to - what will be required by that plan to receive a distribution in the future - and gather any forms that may need to be completed in order for that plan to be able to receive the rollover. If you are considering a rollover, see Sections I and II of the Notice for details Learn about Roth conversions, too.
2. Be sure you understand the taxation issues that happen if you have any payment **PAID TO YOU**. You get your payment net of income taxes and if you then want to roll it over, you only have been paid the NET amount - the income taxes were withheld and sent to the taxing agencies. If you want to roll over, let your Plan Administrator handle the rollover by providing that information on your Benefit Election Form. See Section III of the Notice for more information.
3. **Non-spouse beneficiaries** may be eligible to roll over the distribution to an IRA on account of your death - something that only spouses have been able to do previously. You need to determine if your plan allows for this and be sure any non-spouse beneficiary knows about this option as well as your estate planning professional. See Section IV of the Notice for more information.
4. You have the right to **defer your distribution** if your plan does not provide for a cash out and the value of your account is more than \$5,000. However, before you decide to defer your distribution, you need to understand the consequences, if any, of deferring your distribution by keeping your assets in the plan. See Section V of the Notice for more information.
5. If you have a **loan outstanding** from the plan, you may want to consider repaying the loan, so it does not become taxable to you. See Section III of the Notice if you have a loan outstanding and communicate with the Plan Administrator about your intentions. It may be that a loan is taxable upon your termination of employment, or that the Plan Administrator will allow you to repay the loan so your full account may be rolled over. Otherwise, your loan may be offset and deemed taxable to you. Refer to your loan documentation.

We encourage you to call the plan's investment consultant to see if you may be able to get funds similar to the funds contained in your account. The investment consultant can provide you with any forms you may need to affect a rollover, but you must use the forms provided to you by the Plan Administrator in order to make your request. Be sure your signature, and that of your spouse if necessary, is properly signed and executed or that will delay the processing of your distribution.

HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN

Special Tax Notice Regarding Plan Payments

This notice explains how you can continue to defer federal income tax on your retirement savings in the HEALTH CONSULTANTS OF VIRGINIA, INC. PROFIT SHARING PLAN (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits.

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

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

If you have additional questions after reading this notice, you can contact your plan administrator at (804) 285-0100.

SUMMARY

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

(1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or

(2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.

● You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.

● The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

● You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.

● The taxable amount of your payment will be **taxed in the current year** unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 1/2, you may have to pay an **additional 10% tax**.

● You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

● If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, *you must find other money to replace the 20% of the taxable portion that was withheld*. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

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I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

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

After-tax Contributions. If you made after-tax contributions to the Plan, these contributions may be rolled into a traditional or Roth IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

a) Rollover into a Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts **CANNOT** later be rolled over to an employer plan.

b) Rollover into a Roth IRA. The rollover can be made through a direct rollover from the Plan to a Roth IRA or an amount can be distributed from the Plan and contributed (rolled over) to the Roth IRA within 60 days. In either case, the amount rolled over must be an "eligible rollover distribution" and there is included in gross income any amount that would be includible if the distribution was not rolled over (known as a conversion). In addition, for taxable years beginning before January 1, 2010, an individual can not make a qualified rollover contribution from an eligible retirement plan, other than a Roth IRA if, for the year the eligible rollover distribution is made, he or she has modified adjusted gross income ("MAGI") exceeding \$100,000 or is married and files a separate return.

c) Rollover into an Employer Plan. You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You **CANNOT** roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments *cannot* be rolled over:

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

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

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

Hardship Distributions. A hardship distribution cannot be rolled over.

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

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

If you have any questions about the nature of the accounts in your Plan, please call the Plan Administrator at (804) 285-0100. However, your benefit statement should show you the different types of funds you may have, so look to your statement before calling us.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional or Roth IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan may not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.

DIRECT ROLLOVER to a Traditional or Roth IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional or Roth IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution and if you are choosing a direct rollover to a Roth IRA, seek tax advice to understand the income tax consequences of any conversion amounts. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on traditional IRAs (including limits on how often you can roll over between IRAs). Should you rollover to a Roth IRA, any amounts subject to a conversion will be taxed in the year the rollover occurs.

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your

rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Plan Administrator of that plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional or Roth IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

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

III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

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

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

Additional 10% Tax If You Are Under Age 59 1/2. If you receive a payment before you reach age 59 1/2 and you do not roll it over, then in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

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

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

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

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

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

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

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional or Roth IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, such as a child or domestic partner, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional or Roth IRA or paid to you. You may not roll over the payment to yourself or to an eligible employer plan. The IRA accepting the transfer is treated as a non-spouse inherited IRA, under which benefits must be distributed in accordance with the applicable required minimum distribution rules. Generally, distributions from the rollover IRA must either be paid to you in full within 5 years of the employee's death or

must commence within 12 months of the employee's death over your life expectancy. The benefits cannot be rolled over again from the rollover IRA. For a Roth IRA your MAGI and filing status is used to determine eligibility for a Roth IRA rollover.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59 1/2.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, and whether or not the employee had 5 years of participation in the Plan.

V. RIGHT TO DEFER RECEIPT OF A DISTRIBUTION

You have the right to defer receipt of a distribution as may be provided for in your plan's Summary Plan Description. If the amount of your payment is \$5,000 or less, the Plan Administrator may provide in the SPD for a "cash-out" of your benefit, without your consent. Refer to your SPD for further information. Also, should you defer your distribution under the plan, your Plan Administrator may impose reasonable fees to administer your account under the plan. The investment options available to you, should you defer distribution, remain the same as prior to your separation from service even should you defer your distribution. If the plan is self-directed, a list should be attached to this Notice. These are the same options that are available to you prior to your separation from service. Should you defer distribution, your account will be handled in the same manner as prior to your separation from service. However, your former employer may no longer provide the annual expense of maintaining the plan, and it may be passed on to you. Any other provisions that may materially affect your decision to defer are contained in the SPD, a copy is attached to this Notice for your reference.

HOW TO OBTAIN ADDITIONAL INFORMATION

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