

**ELECTRICAL WORKERS LOCAL UNION 159 RETIREMENT PLAN**  
**2730 DAIRY DRIVE SUITE 101**  
**MADISON WI 53718**  
**PHONE: (608) 276-9111 // FAX: (608) 288-9103**

**PLAN # 524748-01 DISTRIBUTION ELECTION FORM**  
**INSTALLMENT PAYMENT CHANGE**

**PART I: PARTICIPANT INFORMATION (please print)**

Name: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Marital Status: ☐ Married ☐ Single ☐ Divorced ☐ Widowed

Spouse's Name: \_\_\_\_\_ Spouse's Social Security No.: \_\_\_\_\_

Spouse's Address (if different): \_\_\_\_\_

**PART II: BENEFIT ELECTION**

*Under the terms of the Plan, a participant receiving installment payments under an early or normal retirement benefit is permitted to change the frequency or amount of his or her installment payments once per year. Your installment payments will continue to be subject to federal tax withholding.*

I hereby request my regular installment payment to be **Increased** / **Decreased** (please circle one option only) under the Plan to:

\$ \_\_\_\_\_ per **Month** / **Quarter** / **Year** (please circle one option only).

**PART III: TAX WITHHOLDING ELECTION AND ROLLOVER OPTION**

**Federal Tax Withholding.** The attached *Special Tax Notice Regarding Plan Payments* describes the federal income tax withholding rules in great detail, as well as other special tax rules that may apply to your benefit. Please read the information carefully, make an election and sign and date the form.

**Installment Payments Paid Over Less Than Ten Years.** If you elect regular installment payments to be paid over a period of less than 10 years, the Plan will automatically withhold 20% for payment of federal income tax withholding. You can elect to have more than 20% withheld from your payment. Complete a Form W-4P if you want more than 20% of your installment payments withheld for payment of federal income taxes:

**Installment Payments Paid Over More Than Ten Years.** If you elect to receive your benefit in the form of an annuity or in a series of installment payments made over a period of ten years or more, you must complete a Form W4-P to determine federal tax withholding.

**Direct Rollover.** If you elect to rollover all or a portion of your account balance into an eligible retirement plan or IRA, then no amount will be withheld. This option is only available if you elected a lump sum distribution or series of installment payments paid over a period of less than ten years. I elect to have my distribution directly rolled over as follows (please select one option):

- ☐ Rollover to another qualified employer retirement plan pursuant to Code Section 401(a);
- ☐ Rollover to a Code section 403(b) plan pursuant to Code section 403(b);
- ☐ Rollover to a governmental Code section 457 plan pursuant to Code section 457;
- ☐ Rollover to my IRA pursuant to Code Section 408;
- ☐ A cash payment to me of \$\_\_\_\_\_ (of which 20% will be withheld for federal taxes) and a direct rollover of \$\_\_\_\_\_ (at least \$500) to the following IRA custodian or eligible retirement plan, qualified pursuant to Code sections 408 or 401(a);
- ☐ A Rollover to a Roth IRA (please indicate below whether or not you want to have federal income tax withheld from our Plan benefit). If you elect not to have federal income tax withheld, or if you do not have enough federal income tax withheld, you may be responsible for payment of estimated federal income tax on the taxable portion of your distribution (IRS Form 1040ES) and state income tax. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.
  - ☐ I do not want federal income taxes withheld from my rollover to my Roth IRA.
  - ☐ Withhold a total of \_\_\_\_% of this rollover for federal income tax purposes.

You should consult your tax advisor with any questions on exemptions, deductions, or tax credits that may apply.

**State Tax Withholding.** Additionally, your distribution may be subject to state income taxes. Each state differs as to whether a portion of your benefit must be withheld for payment of state income taxes and, if so, the portion that must be withheld. If you live in one of the following states, you may elect to make a state income tax withholding election: **Alabama, Colorado, Georgia, Idaho, Michigan, Missouri, Mississippi, Montana, North Dakota, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Wisconsin, and West Virginia.**

- ☐ I do not want state income taxes withheld from my benefit payments.
- ☐ Withhold a total of \_\_\_\_% of this distribution for state income tax purposes.

#### **PART IV: PARTICIPANT CERTIFICATION**

I hereby request my benefit under the Plan to be paid pursuant to my elections herein. I understand that the Plan will rely on information I have provided in processing my request. I further understand that I am responsible for its accuracy in the event any dispute arises with respect to the transaction. I acknowledge that I have read the attached **Special Tax Notice Regarding Plan Payments**. I understand the tax implications regarding this

disbursement, including that if I am entitled to an eligible rollover distribution, I have the right to consider whether or not to elect a direct rollover for at least 30 days after this special tax notice is provided. By signing this form, I am waiving this notice period. The taxable portion of any distribution that is eligible for "rollover" is subject to a *mandatory 20% Federal Income Tax Withholding*, unless that amount is directly rolled to an Individual Retirement Account (IRA) or to another Plan in which I am a participant.

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

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**(Participant's Name - PLEASE PRINT)**

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**(Date)**

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**(Signature of Participant)**

## PART V: SPOUSAL CONSENT

**\*Spouse's signature must be witnessed by a notary or a Plan representative**

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

I understand that my spouse has requested payment of retirement benefits from the Electrical Workers Local Union 159 Retirement Plan in a form other than the QJSA. I understand that the form of payment selected by my spouse is different from the benefit for me I am legally entitled to require and that I may receive no benefits following my spouse's death. With that understanding, agree that my spouse can receive retirement benefits in the form of a lump sum / installment / combination of lump sum and installments / optional annuity (**circle the form your spouse has elected and you agree to**) instead of the Qualified Joint and Survivor Annuity. (*Complete the following if the participant elected to designate or change his or her designated beneficiaries*) I also agree to my spouse's choice of \_\_\_\_\_ (*insert beneficiary name*) as the beneficiary who will receive \_\_\_\_% of the survivor benefits from the plan after my spouse dies. I understand my spouse cannot choose a different form of benefits or a different beneficiary unless I agree to the change.

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

*[Signature page to follow]*

\_\_\_\_\_  
(Spouse's Name - Please Print)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Spouse\*)

\_\_\_\_\_  
(Spouse's Address - if Different)

**Acknowledgement Before Notary Public:**

State of: \_\_\_\_\_

County of: \_\_\_\_\_

Before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ who acknowledged the execution of the above Spouse's Consent to Participant's Election, and who, having been duly sworn, stated that any representations contained therein are true and that he (or she) executed such Consent as his (or her) free and voluntary act.

Witness my hand and Notary Seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Signature: \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

My Commission expires: \_\_\_\_\_ Resident of: \_\_\_\_\_ County, \_\_\_\_\_

**Witness by Plan Representative:**

The undersigned representative of the Plan states that he (or she) witnessed the execution of the foregoing Spouse's Consent and that such spouse acknowledged the execution of the above Spouse's Consent to Participant's Election and stated that any representations contained therein are true and that he (or she) executed such Consent as his (or her) free and voluntary act.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

## **ELECTRICAL WORKERS LOCAL UNION 159 RETIREMENT PLAN**

### **Special Tax Notice Regarding Plan Payments**

#### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the Electrical Workers Local Union 159 Retirement Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to pursue such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans).

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 make a rollover, you will also have to pay a 10% additional income tax on early distributions (unless another exception described below applies). However, if you make 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 another 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 section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

##### **How do I make a rollover?**

There are two ways to make a rollover. You can either elect a direct rollover or make a 60-day rollover.

If you elect 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 make a direct rollover.

If you do not elect a direct rollover, you may still make a rollover by making a deposit 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 elect a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash received). 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 another exception applies).

### **How much may I roll over?**

If you wish to make 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 72 (or after death)
- Corrective distributions of contributions that exceed tax law limitations

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

### **If I don't make 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 made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters

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

If you receive a payment from an IRA when you are under age 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, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

## **Will I owe State income taxes?**

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

### **SPECIAL RULES AND OPTIONS**

## **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is 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 elect a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a



direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you make 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 complete distribution of your benefit that totals \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can make a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

### **If you 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 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 does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

**If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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 were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as, an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to elect 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 elect 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 make a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

### **Other special rules**

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

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

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

### **RIGHT TO DEFER**

The following provides some information regarding your right to defer retirement benefits under the Plan if you are a participant. Additional rules may apply to a beneficiary.

Instead of taking a distribution now, you may elect to defer receiving a distribution until a future date, except that distribution must commence by the April 1 following the calendar year in which you reach age 72 (70-1/2 if you were born before July 1, 1949). Because you have this right, you should consider the consequences of electing to receive your benefits now instead of waiting until later.

As a consequence of taking your retirement benefit now, you generally will have to pay income tax on the benefits you receive (and possibly a 10% penalty tax, as described above) and may lose future tax-deferred earnings. However, if you elect to take a lump sum cash payment or installment payments over a period of less than 10 years, the distribution may be eligible for special tax treatment if it is paid in a direct rollover, as discussed above.

Once you commence your retirement benefit, you cannot change your mind and defer it until a later date. You may wish to consult with a financial or tax advisor before deciding to receive a distribution of your retirement benefit.

If you defer receiving a distribution, the plan investment options available to you (including related fees) generally will be the same as those available to active employees. If you elect to receive a distribution that you roll over to another eligible retirement plan, the investment options offered under the Plan may not be available to you or, if available, may carry higher expenses.

For additional information on the consequences of taking your retirement benefit now instead of later, you should refer to your Summary Plan Description and review any provisions that may impact your distribution decision, such as the provisions describing investment options and expenses and payment options. A copy of the Summary Plan Description is available from the Plan administrator.

### FOR MORE INFORMATION

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

You may contact your Plan administrator at 1-800-422-2128.