

IBEW LOCAL 613 DEFINED CONTRIBUTION PENSION PLAN BENEFICIARY/SURVIVING SPOUSE BENEFIT DISTRIBUTION FORM

EXPLANATION OF BENEFITS

As a Beneficiary in the IBEW Local 613 Defined Contribution Pension Plan (the "Plan"), you are entitled to a distribution of your Account, due to death of the Participant. Explanation of Benefits and Benefit Distribution Form includes information on when you may receive a distribution of your Account, the form of payment of your Account.

Delaying Distributions of Account:

Unless you have an Account with a balance of \$1,000 or less, you may delay the distribution of your Account until you are required to receive a distribution under the Required Minimum Distribution rules. Under the Required

Minimum Distribution rules, you must start to receive a distribution of your Account by the April 1 of the calendar year next following the later of the date you attain age 70½ or your Termination Date. If you defer the receipt of your benefits under the Plan, your benefits may remain invested in the investment options available under the Plan. Visit www.vanguard.com for the list of investment options and the related fees for those investment options. In addition, please refer to pages 3 - 7 of the Summary Plan Description for special rules that may materially affect your decision to defer your benefits.

Form of Payment of Account:

- **Lump-sum payment.** Your Account will be distributed to you in a lump-sum payment, in the form of a check or an ACH wire transfer to your checking or savings account (please attach a copy of a voided check if you want an ACH).

- **Direct Rollover.** If spouse, your Account will be paid directly to another eligible retirement plan, such as a traditional IRA, 457 plan, 403(b) plan or other qualified plan. If not spouse, your account will be paid to a traditional IRA.
- **A combination of the lump-sum payment and Direct Rollover.**

You may wish to consult a financial advisor or other tax professional before you choose a form of payment to ensure that you understand the financial and tax consequences of your election. Any election that you make may be revoked at any time before you begin to receive payments. If you want to change your election, please contact the Fund Office promptly.

- **Special Tax Notice.** See the Special Tax Notice in the next section for more information on deferring federal income tax on your retirement savings.

Time for Considering Elections:

You have the opportunity to consider the payment form for the distribution of your Account for at least 30 days, but no more than 180 days, after you receive this Explanation of Benefits and Benefit Distribution Form. You may waive this 30-day notice requirement by submitting the Benefit Distribution Form earlier to the Fund Office, however, payment of your Account may not begin until after seven days following the date you received this Explanation of Benefits and Benefit Distribution Form.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in the IBEW Local 613 Defined Contribution Pension Plan (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits.

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

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

If you have additional questions after reading this notice, you can contact your Plan Administrator at:

Fund Office
IBEW Local 613 Defined Contribution Pension Plan
c/o NEBA, Inc.
3715 Northside Parkway, Ste.2-495
Atlanta, Ga. 30327
(800)-922-1613 or (678)-705-0200

SUMMARY

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

- (1) **DIRECT ROLLOVER** - 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; or
- (2) **PAID TO YOU** - The payment can be issued to you through direct deposit (ACH wire transfer) or paper check.

The Plan does not issue installments – you must choose one of the options listed in order to achieve equal payments.

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 Roth IRA, 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.
- 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.
- 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 59½, you may have to pay an additional 10% tax for the tax year you receive the distribution.
- 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.

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

MORE INFORMATION

- I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER
- II. DIRECT ROLLOVER.....
- III. PAYMENT PAID TO YOU
- IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES.....

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

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

The following types of payments cannot be rolled over:

- **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 70½ 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.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described 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 might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional 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. 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).

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 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, 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 59½" 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 59½. If you receive a payment before you reach age 59½ 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 in which 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, (7) payments that do not exceed the amount of your deductible medical expenses, or (8) for individuals called to active duty after September 11, 2001 and before December 31, 2007, payments that are paid to an individual who is a reservist or national guardsman who was ordered or called to active duty for a period in excess of 179 days or an indefinite period and that are made during the active duty period. 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 59½, 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. 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 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ 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. 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.

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 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 non-spouse beneficiary, 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 IRA treated as an inherited IRA. If you have the payment paid to you, you may NOT roll it over yourself to a traditional IRA.

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 59½.

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 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, whether or not the employee had five years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with 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.

RETIREE HEALTH COVERAGE

Please contact the fund office about survivor options.

IBEW LOCAL 613 DEFINED CONTRIBUTION PENSION PLAN

BENEFIT DISTRIBUTION FORM

ATTACH ALL SUPPORTING DOCUMENTS AS REQUESTED:

Along with your completed Benefit Distribution Form, you will need to provide copies of:

- Your Birth Certificate

If married:

- Marriage License
- Spouse's Birth Certificate

If divorced:

- Divorce Decree
- Asset Allocation Document
- Qualified Domestic Relations Order ("QDRO") if applicable

If applying for Disability Retirement:

- Social Security Disability Award; or
- Letter from Your Physician Stating that You are Totally and Permanently Disabled from Working in the Electrical Contracting Industry

If applying for Early Retirement (age 55-61) and you have worked in the last 12 months:

- Separation/Termination Slip from Employer

If filing for Death Benefit:

- Death Certificate

NOTE: Please allow 30 days from receipt of application.
ALL APPLICATIONS ARE REVIEWED BY TRUSTEES

**IBEW LOCAL 613 DEFINED CONTRIBUTION PENSION PLAN
BENEFICIARY/SURVIVING SPOUSE BENEFIT DISTRIBUTION FORM**

BENEFIT DISTRIBUTION FORM

To request a distribution of your Account, please complete this Benefit Distribution Form and return it to:

Fund Office
IBEW Local 613 Defined Contribution Pension Plan
c/o NEBA, Inc.
3715 Northside Parkway, Ste. 2-495
Atlanta, Ga. 30328
800-922-1613 or 678-705-0200

**YOU MUST MAIL THE ORIGINAL FORM.
FAXED OR EMAILED FORMS WILL NOT BE
ACCEPTED.**

Beneficiary and Related Participant Information:

Name: _____ Social Security No.: _____

Date of Birth: _____ Retirement Date: _____

Address: _____

City/State/Zip: _____

Home Phone: _____ Work Phone: _____

E-mail Address: _____

Relationship to Participant : Spouse Other

Participant's Name: _____ Social Security No.: _____

Address: _____

City/State/Zip: _____

Date of Birth: _____

DISTRIBUTION COMMENCEMENT:

As a spouse or other Beneficiary of a deceased Participant in the Plan, I hereby request a distribution of the Participant's account to commence as soon as administratively possible on or after the following date:



**IBEW LOCAL 613 DEFINED CONTRIBUTION PENSION PLAN
BENEFICIARY/SURVIVING SPOUSE BENEFIT DISTRIBUTION FORM**

Withholding Election:

Federal income tax of 20% will be automatically withheld from your distribution. You may be liable for additional payment of federal income tax on the taxable portion of your distribution.

OPTIONAL:

- Please withhold federal income tax at the appropriate rate and withhold an additional \$_____ (insert additional amount that you wish to have withheld, if any).
- Please withhold federal income tax at the appropriate rate and withhold an additional \$_____ % (insert the percentage of each payment that you wish to have withheld, if any).

Election of Form of Payment (select one):

- Lump-sum payment (May ACH to checking/savings. Please attach voided check on last page).
- Direct Rollover of entire Account to IRA or other eligible retirement plan (**Complete Direct Rollover Section Below**)
- Combination: (enter dollar amount_____ or percentage) to be paid to me in a lump-sum payment and the balance of my Account directly rolled over to an IRA or other eligible retirement plan (**Complete Direct Rollover Section Below**)

Direct Rollover Information:

Name of Plan for another Employer _____

Plan Type (check one):

Qualified Retirement Plan

Individual Retirement Plan ("IRA")

Account Number (if any): _____

Bank/Institution Name: _____

Address: _____

City/State/Zip: _____

Contact Name: _____ Phone: _____

NOTE: Do not write in balance as balance changes daily.

NOTE: Only Spouse may rollover to an Employer Plan or IRA.
Non Spouse may choose rollover to an IRA, Lump Sum
or Combination.

Beneficiary's Certification:

I certify that all the information provided by me in this Benefit Distribution Form is true and correct. I understand that my elections cancel any previous elections I have made under the Plan. I have reviewed the Explanation of Benefits and Special Tax Notice and Annuity Worksheet and I understand my benefit choices. I understand that I have 30 days and no more than 180 days after receiving this Explanation of Benefits and Benefit Distribution Form to consider my benefit choices. If applicable, I waive the 30-day period by signing below, but the distribution will not commence earlier than seven days after the date I received this Explanation.

I also certify that any plan designated in the Direct Rollover section is a qualified employer plan or an individual retirement account, as describe in the Special Tax Notice. I understand that the Plan is not responsible for determining whether the recipient plan is an eligible retirement plan and the Plan shall not be responsible for any taxes incurred if the recipient of the direct rollover is in fact, not an eligible retirement plan.

End unless lump sum requested.

Date: _____

Beneficiary's/Surviving Spouses Signature

THIS SECTION FOR PLAN USE ONLY

Approval/Rejection of Distribution:

Approved: _____

Rejected and Reason: _____

IBEW LOCAL 613 DEFINED CONTRIBUTION PENSION PLAN

DIRECT DEPOSIT SIGN-UP FORM

SECTION 1 - Authorization		
Name: _____		
Last	First	Middle
Social Security Number:		Phone #:
I authorize Vanguard to initiate a ONE TIME ONLY Direct Deposit to my Financial Institution account indicated below.		
Type of Account:	<input type="checkbox"/> Checking	<input type="checkbox"/> Savings
Financial Institution Name:	_____	Branch: _____
Account Number:	_____	Routing Number: _____
Signature:		Date:

SECTION 2 – if direct deposit to <u>CHECKING</u> account
<p>TAPE VOIDED CHECK HERE</p> <p>PLEASE NOTE: NAME MUST BE PRINTED ON CHECK</p>

RETURN COMPLETE FORM TO:
<p>NEBA, Inc. 3715 Northside Parkway, STE. 2-495 Atlanta, GA 30327</p>

