



Beneficiary Claim

NJ STATE EMPLOYEES DEFERRED COMPENSATION PLAN

Instructions

Please be sure to mail form to address listed below in this section.)

If you are a beneficiary of a deceased retirement plan participant, you should use this form to direct Prudential to either (1) keep your share in the plan in a new account under your name (2) distribute your share of the participant's account (3) if you are a spousal beneficiary, roll over your share to an IRA or to your own eligible employer plan (provided that it accepts rollovers) or (4) if you are a non-spousal beneficiary, roll over your share to an inherited IRA. Please note that if you choose the first option, you generally must begin withdrawing funds from your account by a certain date or a substantial federal income tax penalty may be imposed. Please consult your tax advisor.

Please print using blue or black ink. Keep a copy of this form for your records and send the completed form along with an original certified death certificate with a raised seal (required) to the following address.

Prudential Retirement
30 Scranton Office Park
Scranton, PA 18507-1789

Questions?

Call 1-866-NJSEDCP (1-866-657-3327) for assistance.
If you are hearing impaired and have a teletype (TTY) line, call 1-877-760-5166.

Participant (Decedent) Data

Plan number

0 0 6 1 4 9

Please provide your division/department name

(Please print entire division/department name)

First name

MI

Last name

Social Security number

Gender

____-____-_____

Male

Female

Date of birth

Date of death

____/____/____
month day year

____/____/____
month day year

Was the participant still employed by an employer contributing to the plan at the date of death? Yes No

Beneficiary Information

First name

MI

Last name

Address

City

State

ZIP code

_____ - _____

Social Security number

Telephone number (Best time to call _____ am)

____-____-_____

____-____-____
area code

Date of birth

____/____/____
month day year

Gender

Relationship to Participant

Male Female

I have enclosed an original certified death certificate with a raised seal (required).

Payment Options

(Choose only one.)

1. Transfer my portion of the above mentioned account to a separate account under my name and Social Security number.

If this plan allows and you wish to take a partial distribution, please enter the amount. 20% federal income tax will automatically be withheld from the taxable portion of your distribution:

\$, , . From the non-Roth balance

\$, , . From the Roth balance, if applicable

Note: If you choose this option, a beneficiary account will be established for you. Federal tax law requires you to begin withdrawing funds at a certain time from your account. (See enclosed Required Minimum Distribution: An Important Notice to Beneficiaries.) Please complete the Required Minimum Distribution section of this form. For future distributions, you may call our toll-free number for your options available under the plan e.g., periodic payments.

2. Total amount in a single sum to me. 20% federal income tax will automatically be withheld from the taxable portion of your distribution.
3. **Spousal Beneficiary Direct Rollover** to an Individual Retirement Account or eligible employer plan that accepts rollovers. This election is only available if you are the **spouse** of the participant. Please complete the Direct Rollover Instructions section of this form. No federal income tax will be withheld unless you elect to roll non-Roth money to a Roth IRA.
4. **Non-spouse Beneficiary Direct Rollover** to an **Inherited** Individual Retirement Account. This is the only rollover option available if you are the **non-spouse** beneficiary of the original participant or the successor beneficiary of a deceased spousal beneficiary. -Please complete the Direct Rollover Instructions section of this form. No federal income tax will be withheld unless you elect to roll non-Roth money to a Roth IRA and elect to have tax withheld. Please note that if the original participant died prior to his/her required beginning date for minimum distributions and you elected to have the entire balance depleted by the end of the year that includes the fifth anniversary of his/her death, you may not elect a rollover in the final year.

(Note: It is your responsibility to confirm that the receiving plan accepts rollovers, including after-tax amounts and/or Roth amounts, if applicable.)

If you elect to roll non-Roth money to a Roth IRA in this section, you must complete the section called "Election for Withholding Federal Income Taxes when Rolling Eligible Rollover Distributions to a Roth IRA" below.

Note: If your disbursement consists of Roth and Non-Roth money, a separate check will be issued for each portion consistent with IRS rules.

Direct Rollover Instructions

(Only complete this section if you have selected the Direct Rollover option.)

If you are a non-spousal beneficiary, please refer to the explanation in the Payment Options section.

Direct Rollover-Please complete applicable sections below.

1. Types of money in your account.	2. What do you want to roll over?	3. What type of account are you rolling to?	4. Please choose a specific product/plan below.
<p>Tax-Deferred and After-Tax Account. (Excludes Roth Accounts. May include one or more of the following contributions (pre-tax, after-tax, or both), made by your employer, or money rolled over from another employer-based plan.)</p>	<p><input type="checkbox"/> The entire Account.</p> <p><input type="checkbox"/> A portion of the Account: \$ _____ OR _____ % Percentage of after-tax contributions (if any) to be rolled _____ % (If no percentage is indicated, after-tax contributions will be included in the direct rollover. It is your responsibility to confirm that the receiving plan accepts rollovers, including after-tax, if applicable.)</p>	<p><input type="checkbox"/> Another qualified employer-based plan. (Spouse only)</p> <p><input type="checkbox"/> A Traditional IRA.</p> <p><input type="checkbox"/> A Roth IRA.¹</p> <p>Note: Any rollover election for a non-spouse beneficiary must be characterized as an Inherited IRA.</p>	<p><input type="checkbox"/> Prudential SmartSolution IRA²</p> <p><input type="checkbox"/> Other³</p> <p>Financial Institution _____</p> <p>Address _____</p> <p>Account number: _____</p>
<p>Roth Account.</p>	<p><input type="checkbox"/> The entire Account.</p> <p><input type="checkbox"/> A portion of the Account: \$ _____ OR _____ % Percentage of Roth after-tax contributions to be rolled _____ % (If no percentage is indicated, all Roth contributions will be included in the direct rollover. It is your responsibility to confirm that the receiving plan accepts Roth rollovers.)</p>	<p><input type="checkbox"/> Another qualified employer-based plan that accepts Roth rollovers. (Spouse only)</p> <p><input type="checkbox"/> A Roth IRA.</p> <p>Note: Any rollover election for a non-spouse beneficiary must be characterized as an Inherited IRA.</p>	<p><input type="checkbox"/> Prudential SmartSolution IRA²</p> <p><input type="checkbox"/> Other³</p> <p>Financial Institution _____</p> <p>Address _____</p> <p>Account number: _____</p>

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

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

³While your new financial institution's address is required for verification purposes, please be advised that all distribution checks will be sent to your address of record. You are responsible for completing the direct rollover to your financial institution in a timely manner in accordance with applicable law. If rolling over to multiple institutions, please list additional institutions or IRA (note if Traditional or Roth) on a separate page.

**Electing
Your
Required
Minimum
Distribution**

Section I (Please select one of the two options in Section I.):

1. I am a **non-spousal** beneficiary. Please check off the appropriate box below.
- A. I elect to receive annual minimum distribution payments over my life expectancy beginning no later than December 31 of the year following the year of the participant's death. **Please complete Sections II and III to establish your payment schedule.**
- B. I elect to receive my entire benefit by December 31 of the year that includes the 5th anniversary of the participant's death. This option is only available if the participant died prior to attaining his/her required beginning date and this election is allowed by the plan. **Please note that you may not elect to rollover in the final year. If no action is taken by the indicated deadline, Prudential will automatically issue the balance to you with default taxes.**
2. I am a **spousal** beneficiary. Please check off the appropriate box below.
- A. The participant's death occurred prior to the participant's attaining the Required Beginning Date (See enclosed Required Minimum Distribution: An Important Notice to Beneficiaries) therefore I do not have to begin receiving RMD payments at this time. Prudential will send me an RMD election form in the year the participant would have turned 70 ½ for my completion.
- B. The participant's death occurred after the participant attained the Required Beginning Date (See enclosed Required Minimum Distribution: An Important Notice to Beneficiaries). I must begin receiving distributions from this beneficiary account by December 31 of the year following the year of the participant's death. **Please check off BOX 1 below.**
1. I will begin Required Minimum Distributions now. **Please complete Sections II and III.**

Section II (Only complete Section II if you selected 1-A or 2-B-1 above.):

A disbursement equal to the RMD will be sent to you annually upon receipt of this properly completed form unless you elect otherwise.

Please process the RMD payment each year on approximately the 20th of _____ (please indicate month).

If you want to receive a payment this year and your properly completed request is received by Prudential on or before the 15th day of the selected month, your distribution will be processed on the 20th day of that month. If the request is received after the 15th day, your distribution may be processed on the 20th day of the following month. If the 20th day falls on a holiday or weekend, processing will occur on the next business day. Please note that the actual payment day is an approximation and check processing may take up to three days before mailing.

Section III (Only complete Section III if you selected 1-A or 2-B-1 above.)

Federal tax laws require us to withhold income taxes from the taxable portion of a qualified retirement plan distribution. Some states also require withholding from the taxable portion of your distribution if federal income tax is withheld. RMD's are not eligible for rollover and are subject to 10% federal tax withholding unless you elect otherwise. You can elect to have no federal taxes withheld by checking the box below. **If you elect out of withholding, you are still responsible for payment of any taxes due, and you may incur penalties if your withholding and/or estimated tax payments are not sufficient.** If you do not check one of the options below, 10% federal income tax withholding will be automatically deducted from your payment. You can change your withholding election at any time by calling the toll free number on this form.

1. I elect to have federal income tax withheld at 10% from the taxable amount of my distribution.
2. I elect **not** to have federal income tax withheld from my distribution.
3. I elect **to have** federal income tax withheld at either the following percentage or dollar amount. The federal withholding calculated from your election below must be at least 10% of the taxable distribution amount.

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

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

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

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

(Note: If you elect federal income tax withholding for this type of rollover, you will receive a second 1099-R for the withholding amount.) Consult with your tax advisor to understand the tax implications for you.

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

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

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

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

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

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

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

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

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

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

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

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

_____ % or \$ _____

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

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

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

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

Electronic Funds Transfer (EFT)

(Complete this section only if you choose to have your payments sent by EFT)

If you would like your disbursement sent to you via Electronic Funds Transfer (EFT), please check the following box and complete the information below. You must also attach a voided check verifying your account number and routing number. If all of the necessary information is not provided or if this section does not apply to your disbursement request, a check may be made payable to you.

I would like my payment(s) sent by EFT.

Financial Institution name

Account number

Please verify the entire account number with your financial institution to ensure acceptance of payments.

Type of Account: Checking Savings

Financial Institution Routing/Transit/ABA Number

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

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

Express Mail

(check box if applicable)

I wish to have my disbursement check sent by express mail. Therefore, please deduct \$25.00 per check from my account prior to the distribution. **Please Note:** Express mail is *not* available for delivery to post office boxes.

Beneficiary Authorization

I hereby certify that I am the beneficiary under the identified Plan. I attest that I have read the Payment Options available to me and the attached **Special Tax Notice Regarding Plan Payments**.

If the first option is chosen, the election authorizes Prudential to establish an account in the Plan under my name and Social Security number. It further instructs Prudential to transfer the appropriate assets from the participant's account to an account established under my name within the Plan. The same options that would normally be available to the participant would become available to me, with the exception of contributing to the plan and requesting loans. I realize that if I choose this option, I may request a disbursement at a future date.

I further understand that if I choose the first option, I must begin withdrawing funds from my account by a certain date or a substantial federal income tax penalty may be imposed.

For the purpose of processing and payment of claims in an efficient and prompt manner, I authorize Prudential to consolidate and disclose completed claims forms and documents to appropriate associates for each and every one of Prudential Financial, Inc.'s affiliates or business units for which a claim for payment or distribution is made.

 X _____ Date _____

Beneficiary's signature

Required Minimum Distribution: An Important Notice to Beneficiaries

Please read this notice carefully and follow the instructions below.

What is a minimum required distribution (RMD)?	Generally, a minimum required distribution (RMD) is a distribution from a retirement plan required when the participant attains the later of age 70 ½ or retirement. The Internal Revenue Service (IRS) establishes guidelines regarding the minimum amount that must be distributed every year and when RMD payments must begin.
Who must take an RMD?	Generally, any retirement plan participant with an account balance as of Dec. 31, who has attained age 70 ½, and retired from the employer maintaining the plan must take an RMD each year until the account balance is depleted.
When is the required beginning date of the participant?	Generally, the required beginning date is April 1 of the calendar year following the later of: <ul style="list-style-type: none">• The year the participant attains age 70 ½, or• The year the individual retires. If the participant was a 5% owner of the company, his/her required beginning date is April 1 of the year following the year the participant attained age 70 ½.
How do these RMD rules affect beneficiaries?	Beneficiaries must receive an RMD according to IRS rules. There are different rules for spousal beneficiaries and non-spousal beneficiaries.
What are my options if I am the spousal beneficiary of the account and the account owner is deceased?	If the participant died prior to attainment of his/her required beginning date: <ol style="list-style-type: none">1. You may choose to begin to receive RMD payments no later than December 31 of the year the participant would have attained age 70 ½.2. You may choose to roll over the account into your own IRA or eligible employer plan where you are the plan participant. RMD payments will begin under the terms of the IRA or plan based on your life expectancy.3. You may choose to withdraw the entire amount as a lump sum distribution. If the participant died after attainment of his/her required beginning date: <ol style="list-style-type: none">1. You may choose to continue to receive RMD payments, with the first payment beginning no later than December 31 of the year following the participant's death.2. You may choose to rollover to your own IRA or eligible employer plan. However, the RMD payment for the applicable year(s) must be paid prior to the rollover. RMD payments will begin again under the terms of the IRA or plan based on your life expectancy.3. You may choose to withdraw the entire amount as a lump sum distribution. Note: The options vary depending upon the plan. Please contact the Plan Administrator or Prudential regarding options available to you.

<p>What are my options if I am a non-spousal beneficiary and the plan does not allow rollovers to an inherited IRA?</p>	<p>If you are a non-spousal beneficiary, payments to you must begin by December 31 of the year following the year of the participant's death, paid over your life expectancy, or the entire account must be distributed by December 31 of the year that contains the 5th anniversary of the participant's death (if allowed by the plan). The second option is available only if the participant died prior to his/her required beginning date.</p>
<p>What are my options if I am a non-spousal beneficiary and the plan allows rollovers to an inherited IRA?</p>	<p>If the participant died prior to attainment of his/her required beginning date:</p> <ol style="list-style-type: none"> 1. You may choose to begin to receive RMD payments no later than December 31 of the year following the participant's death. 2. You may choose to roll over the account into an "inherited" IRA. RMD payments must begin no later than required under the plan. 3. You may choose to withdraw the entire amount as a lump sum distribution. <p>If the participant died after attainment of his/her required beginning date:</p> <ol style="list-style-type: none"> 1. You may choose to continue to receive those payments, beginning with the first one no later than December 31 of the year following the participant's death. 2. You may choose to rollover to an "inherited" IRA. However, the RMD payment for the applicable year(s) must be paid prior to the rollover. 3. You may choose to withdraw the entire amount as a lump sum distribution. <p>Note: The options vary depending upon the plan. Please contact the Plan Administrator or Prudential regarding options available to you.</p>
<p>What are my options if there is more than one beneficiary of this account?</p>	<p>The determination of the beneficiaries must be made by September 30 of the year following death. Then, each beneficiary must establish a separate beneficiary account on or before December 31 in the year following the year of the participant's death in order to receive RMD payments over your life expectancy. If separate accounts are not established payments will be made over the life expectancy of the oldest beneficiary.</p>
<p>What if I must receive an RMD but fail to do so?</p>	<p>Failure to take a minimum required distribution results in a 50 percent excise tax payable by you on the difference between the appropriate RMD amount and the actual amount distributed.</p>
<p>If this account is an IRA or 403(b) account, may I aggregate this account with like accounts for RMD purposes?</p>	<p>Yes, if this account is an IRA or 403(b) account you may take the minimum required distribution for this account from another IRA or 403(b) that you hold as a beneficiary from the same decedent.</p>

How do I request an RMD?	To request an RMD, please: <ol style="list-style-type: none"> 1. Complete the enclosed "Death Claim" form; and 2. Return the completed form to <p style="text-align: center;">Prudential Retirement 30 Scranton Office Park Scranton, PA 18507-1789</p> or by fax to 1-866-439-8602.
If I am a spouse beneficiary how would I roll over this account into my own account?	To request an total distribution rollover, please: <ol style="list-style-type: none"> 1. Complete the enclosed "Death Claim" Form. 2. Return the completed form and return to Prudential Retirement at the address provided above or by fax to 1-866-439-8602.
What will happen if I do not return the "Death Claim" form and must receive an RMD?	Depending on the plan rules, the RMD payment may be sent to you automatically in December. If you do not automatically receive an RMD payment or do not request a payment, you may be subject to IRS penalties.
May I roll over my RMD payment into an Individual Retirement Account (IRA) or another eligible employer plan?	No, by law, RMD payments may not be rolled over into an IRA or another eligible employer plan.
Are RMD payments subject to federal income tax withholding?	Yes, RMD payments are subject to federal income tax withholding at a rate of 10% unless you elect <u>not</u> to have federal income tax withheld on the "Death Claim" form.
What tax reports will I receive regarding the RMD?	A Form 1099R reporting this distribution to the IRS will be issued to you in January for the total amount paid in the previous calendar year.

The information contained in this notice is general and should not be considered legal or tax advice.

If you have general questions or require additional information or instructions, please call 1-877-778-2100, Monday through Friday, 8:00 a.m. to 9:00 p.m. eastern to speak with a Prudential Participant Service Representative.

For advice on how these rules apply to your specific situation, we suggest you contact your own legal or tax advisor.

Applies to Section 457(b) Governmental Plans Only

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

Retain For Your Records

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

Right to Defer Distributions from Defined Contribution Plans

You may be eligible to receive a distribution from your employer's retirement plan now. Instead of taking a distribution now, you may elect to defer receiving a distribution until a later date -- typically as late as age 70½. (If your account balance does not exceed \$5,000 (or the amount of your plan's cashout threshold), you may not have a right to defer payment.) If you defer receiving a distribution, the plan investment options available to you thereafter (including related fees) generally will be the same as those available to active employees. However, certain plan features, such as the right to repay or take a loan from the plan, may not be available if you have terminated employment. Please refer to your summary plan description and fund fact sheets for more information about plan investment options, investment related expenses, any plan restrictions or charges applicable to terminated employees, payment options, and any other special rules that may impact your distribution decision. If you elect to receive a distribution that you roll over to another eligible retirement plan such as an IRA, the investment options offered under your current employer's plan (e.g., mutual funds, separate accounts) may not be available to you or, if available, are likely to carry higher expenses if transferred to an IRA. If you elect to receive a distribution but do not roll it over to another eligible retirement plan, such action triggers taxation (possibly including a 10% penalty), results in loss of future tax-deferred earnings (if any), and may diminish the funds available to you for retirement purposes. For additional information about plan investment options (and related fees), plan restrictions or charges applicable to terminated employees who defer receiving a distribution, or if you have other questions regarding your right to defer a distribution, and the consequences of failing to defer, please contact Prudential at the number provided on your benefit statement.

For Payments Not From a Designated Roth Account

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

YOUR ROLLOVER OPTIONS

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

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. In addition, distributions from this Plan are generally not subject to the 10% additional income tax that applies to pre-59½ distributions from other types of plans. However, any distribution from this Plan that is attributable to an amount you roll over to the Plan from another type of eligible employer plan or IRA amount is subject to the 10% additional income tax if it is distributed to you before you reach age 59½ (unless an exception applies, see "What are the exceptions to the 10% additional income tax that applies to early distributions" below).

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 do a rollover?

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

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. 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.

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 ½ (or after death)
- Unforeseeable emergency distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

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

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies.

What are the exceptions to the 10% additional income tax that applies to early distributions?

In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions applicable to Section 401 and 403 employer plans for early distributions from a plan, which are as follows:

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

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 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 have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

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

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

If you roll over your payment to a Roth IRA

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

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

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

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed, (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the special rules for public safety officers do not apply.

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

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

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

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

If your payments for the year are less than \$200 (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, or the amount of your Plan's cashout threshold (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

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

FOR MORE INFORMATION

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

Applies to Section 457(b) Governmental Plans Only

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

Retain For Your Records

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

Right to Defer Distributions from Defined Contribution Plans

You may be eligible to receive a distribution from your employer's retirement plan now. Instead of taking a distribution now, you may elect to defer receiving a distribution until a later date -- typically as late as age 70½. (If your account balance does not exceed \$5,000 (or the amount of your plan's cashout threshold), you may not have a right to defer payment.) If you defer receiving a distribution, the plan investment options available to you thereafter (including related fees) generally will be the same as those available to active employees. However, certain plan features, such as the right to repay or take a loan from the plan, may not be available if you have terminated employment. Please refer to your summary plan description and fund fact sheets for more information about plan investment options, investment related expenses, any plan restrictions or charges applicable to terminated employees, payment options, and any other special rules that may impact your distribution decision. If you elect to receive a distribution that you roll over to another eligible retirement plan such as an IRA, the investment options offered under your current employer's plan (e.g., mutual funds, separate accounts) may not be available to you or, if available, are likely to carry higher expenses if transferred to an IRA. If you elect to receive a distribution but do not roll it over to another eligible retirement plan, such action triggers taxation (possibly including a 10% penalty), results in loss of future tax-deferred earnings (if any), and may diminish the funds available to you for retirement purposes. For additional information about plan investment options (and related fees), plan restrictions or charges applicable to terminated employees who defer receiving a distribution, or if you have other questions regarding your right to defer a distribution, and the consequences of failing to defer, please contact Prudential at the number provided on your benefit statement.

For Payments From a Designated Roth Account

This notice describes the rollover rules that apply to payments from your employer's plan (the "Plan") that are from a designated Roth account. A different notice is provided for payments not from a designated Roth account.

YOUR ROLLOVER OPTIONS

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

Rules that apply to most payments from a designated Roth account 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?

After-tax contributions included in the payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or designated Roth account in an employer plan, you will be taxed on the earnings in the payment. In addition, distributions from this Plan are generally not subject to the 10% additional income tax that applies to pre-59½ distributions from other types of plans. However, the taxable amount of any distribution from this Plan that is attributable to an amount you rolled over to the Plan from another type of eligible employer plan is subject to the 10% additional income tax if it is distributed to you before you reach age 59½ (unless an exception applies, see "What are the exceptions to the 10% additional income tax that applies to early distributions" below). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in 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 Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

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

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over (and if you are under age 59½, including the 10% additional income tax on early distributions attributable to any amount you had rolled over to the Plan from a designated Roth account in another type of eligible employer plan, unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received). This means that, in order to rollover the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Unforeseeable emergency distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

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

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the Roth IRA on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution.

What are the exceptions to the 10% additional income tax that applies to early distributions?

In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA are the same as the exceptions applicable to Section 401 and 403 employer plans for early distributions from a plan, which are as follows:

- 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
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses

- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

However, there are a few differences for payments from a Roth 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 a Roth 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 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 have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions if the amount is attributable to an amount rolled over from another type of eligible employer plan, unless an exception applies), unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

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

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

If you 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, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. However, the special rules for public safety officers do not apply.

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 a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

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

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

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required

to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

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

If your payments for the year are less than \$200 (only 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 from a designated Roth account in the Plan will be directly rolled over to a Roth IRA chosen by the Plan Administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000, or the amount of your Plan's cashout threshold (not including any amounts held under the Plan as a result of a prior rollover made to the Plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

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

FOR MORE INFORMATION

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