



Distribution Request for 403(b) - TSA/TSCA

i • Use a separate form to request a distribution from each product or contract.
(Note: Multiple RiverSource Investments mutual funds held under the same registration are treated as one product.)

Client ID

Part 1 Owner and Product Information

Owner Name Phone Number

Designate the product and account number(s) from which you are requesting the distribution

Select one RiverSource Life Annuity RiverSource® Investments Premier SPS Advantage* Premier Active Portfolios® Account

Account Number(s)

*SPS Advantage: There must be sufficient cash in the account to cover the distribution request. Cash must be in the Strategic Portfolio Services (SPS) account for five (5) business days before it can be released. Please see the "Instructions" for information about liquidating SPS Mutual Funds.

Part 2 Employer Information

i If you are currently retired, unemployed, or working for an employer who does not sponsor a 403(b) program, your 403(b) account is deemed associated with your most recent employer who sponsored the 403(b) arrangement.

w When indicating that a client has severed from employment, please complete Part 2 and Part 5. The severance from employment date is required in Part 5.

Name of Employer (Required) Phone Number

Contact Name Title

Mailing Address (Required)

City State ZIP code

Part 3 Transaction Information

Select One

Total Distribution (Surrender/Redemption/Rollover or Transfer)

Partial Distribution (Surrender/Redemption/Rollover or Transfer) \$ or %

Annuities only If you are invested in multiple subaccounts within the annuity, and you are requesting a partial distribution from your annuity contract, we will withdraw money from all of your accounts in the same proportion as the value in each account correlates to your total contract value, unless you request otherwise in the space below (not available for accounts with the SecureSourceSM rider):

Subaccount Name	Amount	or	% of Distribution
<input type="text"/>	\$ <input type="text"/>		<input type="text"/>
<input type="text"/>	\$ <input type="text"/>		<input type="text"/>

Transaction Information continued on next page..

• Sign on page 6
[See Form 200702-inst for instructions](#)

Transaction Information continued

Systematic Distribution

Select One

Payment Amount \$

Earnings Only (not available on Index 500 annuities)

Payment Frequency Monthly Quarterly Weekly Annually

Payment Start Date (MMDDYYYY) Payment End Date (MMDDYYYY)

(If no payment start date is specified, arrangement will be effective on first business day after date received in the corporate office.)

Check here if this systematic distribution is a series of substantially equal periodic payments ("SEPP"), intended to allow you to avoid the 10% premature penalty tax. Form 3996 must be submitted with this request if the distribution is to be coded "Premature with Exception."



Payments will continue until either the end date specified above is reached, or until the fund in your accounts drops below the requested systematic payment. If no end date is selected, payments will continue as long as there are sufficient dollars in the account to cover the payment amount requested. Payments will resume if the value of your account equals or exceeds the payment amount requested.

Annuitizations - Immediate Annuity and Annuitization Request (Form 33390) also required.

Cancel/Offset TSA loan - Qualifying event must be met before request can be processed. Please complete Part 5.

Part 4 Payment and Delivery Information

If no instructions are provided, we will send the distribution to your address of record. To have your distribution delivered directly to your bank account, you will need to complete the Bank Information section of this Part and/or provide a voided check.

Select One

Send to my address of record

Regular Mail

Express Mail (fee required; see Charge Fee Options below)

Deposit into my existing Ameriprise Financial® non-qualified account(s)

Account Number Amount or % of Distribution

\$

\$

\$

Send to alternate payee or address (Complete name and address in space below)

Name

Address

City

State

ZIP code

Deposit into my bank account (Complete bank information below)

Bank Information (direct deposit and wires only)

Direct deposit (no fee required)

Wire to bank account (fee required; see Charge Fee Options below)

Bank Account Type

Checking (attach void or canceled check below)

Savings (complete all Bank information below)



- Attach a voided check or bank letter providing the bank transit number and your bank account number
- **Do not use a Deposit Slip**

Bank Routing Transit Number (9 digits)

Bank Account Number

Bank Name

Address

City

State

ZIP code

Payment and Delivery Information continued on next page..

Payment and Delivery Information continued

Charge Fee Options (express mail and wires only)

Deduct fee from distribution account identified in Part 1 (May delay processing a full surrender by one day)

Deduct fee from other *Ameriprise Financial* account

Deduct fee from credit card

Credit Card Type

American Express

Visa

Mastercard

Discover

Credit Card Number

Expiration Date (MMYY)

Card Holder Name

Billing Address

City

State

ZIP code

Part 5 Qualifying Event (Required)

In order to receive distributions (surrenders, redemptions and rollovers) from your 403(b) Plan you must have met one of the qualifying events listed below

Select One

Required Minimum Distribution

- Must be at least 70½ years of age in the current calendar year
- Withholding is optional; Complete Election of federal income tax in Part 9

Severance from Employment

Date of Severance (MMDDYYYY) (Required)

- **20% minimum mandatory withholding (unless funds are being directly rolled over)**
- Were you or will you be age 55 or older in the calendar year you severed employment?
 Yes No

Normal distribution age 59½

- **20% minimum mandatory withholding (unless funds are directly rolled over)**

Return of Excess Contributions

Date of excess (MMDDYYYY)

Type: Salary Deferral Annual Additions

- Withholding is optional
- Complete Election of federal income tax in Part 9

Financial Hardship (Read and Complete Part 8)

- Withholding is optional
- Complete Election of federal income tax in Part 9

Disability

- Attach a completed Statement of Disability Form 200458
- **20% minimum mandatory withholding (unless funds are directly rolled over)**

Pre-1989 contract value (only available from Annuities)

- **20% minimum mandatory withholding (unless funds are directly rolled over)**

Part 6 Direct Rollover, Roth Conversion and Internal Transfer Instructions

Internal Transfer to 403(b) TSA/TSCA

Full

Partial

\$

Select One Type of Transfer

Existing Account

New TSA/TSCA Account (attach application)

Direct Rollover, Roth Conversion and Internal Transfer Instructions continued on next page..

Direct Rollover, Roth Conversion and Internal Transfer Instructions continued

Direct Rollover or Conversion (Part 5 must be completed)

Full Partial \$ _____

IRA Rollover Roth Conversion (Generally, this transaction is taxable)

Select One Type of Rollover

To Existing or New IRA, Roth IRA or Eligible Retirement Plan at Ameriprise Financial Services, Inc.

Existing Product (complete table below) New Product (select Plan Type and Product Type and attach application)

Plan Type: Trad IRA Rollover IRA SEP IRA Custodial 401(a)* Roth IRA

Product Type: Annuity Mutual fund Certificates Brokerage/Premier (SMA/SPS/Active Portfolios Account)

Other: _____

Account Number	Amount	or	% of Distribution
_____	\$ _____		_____
_____	\$ _____		_____
_____	\$ _____		_____

*(Requires letter of acceptance from plan trustee.)

Annuities only If you are invested in multiple subaccounts within the annuity, and you are requesting a partial distribution from your annuity contract, we will withdraw money from all of your accounts in the same proportion as the value in each account correlates to your total contract value, unless you request otherwise in the space below (not available for accounts with the *SecureSource* rider):

Subaccount Name	Amount	or	% of Distribution
_____	\$ _____		_____
_____	\$ _____		_____
_____	\$ _____		_____

Transfer Mutual Funds "In-Kind" To

Brokerage or SPS IRA _____ 021 Mutual Fund IRA _____ 002

Intra Account Annuity Rollover or Conversion

(i.e., keeping the same account number but changing it to an IRA or Roth IRA) - I wish the direct rollover or conversion to be accomplished without surrendering the current tax-sheltered annuity contract and purchasing a new IRA or Roth IRA annuity contract. I understand that this can only be done if 100% of the contract value is rolled over or converted and the provisions of my account allow such rollovers. This transaction is not allowed for Fund B, EBA and CRA Select annuity products.

IRA Rollover Roth Conversion (Generally, this transaction is taxable)

Process an Intra Account Annuity Rollover or Conversion after the Required Minimum Distribution (RMD) has been made in the amount of \$ _____ (Complete Part 4 Payment and Delivery Information)

Part 7 TSCA Exchanges, Transfers and Rollovers

- IRA or Eligible Retirement Plan at another institution (for TSAs use Form 30482)***
- TSCA Contract Exchange or Plan to Plan Transfer to another institution (for TSAs use Form 30482)****
- Conversion to a Roth IRA at another institution (for TSAs use Form 30482)***

Full Partial \$ _____

Account Number of Successor Custodian* _____ Phone Number _____


Make check payable to _____

Mail check to (Company Address) _____

City _____ State _____ ZIP code _____

TSCA Exchanges, Transfers and Rollovers continued on next page..

TSCA Exchanges, Transfers and Rollovers continued

-  * A letter of acceptance with an authorized signature from the plan administrator, trustee or successor custodian/issuer of the plan/IRA to which you intend to rollover this distribution is required before Ameriprise Financial Services, Inc. will release the funds. Please be aware that we may not be able to fulfill the request until the receiving institution has provided us with the proper information (e.g., a letter of acceptance, delivery instructions, etc.).
- ** In the case of a 403(b) Exchange or Transfer, the Company named in Part 7 further agrees that the necessary information sharing agreements will be in place with the Employer identified in Part 7 no later than January 1, 2009 or other date if provided under applicable regulatory guidance. If such agreement cannot be reached by the applicable date, the Company agrees to take necessary action to ensure the tax qualified status of the 403(b) plan limited to the applicable 403(b) Exchange or Transfer.

Part 8 Financial Hardship Distributions

You must complete this section if you are a participant requesting a hardship distribution. Hardship distributions are limited to the value of the account as of December 31, 1988, plus any salary reduction contributions (but not earnings or employer contributions) made after December 31, 1988. A financial hardship withdrawal request must be made on account of your immediate and heavy financial need and must be necessary to satisfy such need. This request will not be processed without adequate proof. **Hardship distributions are only permitted for the expenses provided below. Please check the appropriate box and submit the required documentation for a financial hardship withdrawal to be processed:**

- Uninsured medical or dental expenses for yourself, your spouse, your children, your dependents or your primary beneficiary.**
Copies of bills or pre-determination of cost showing the amount payable to doctors, hospitals, etc., after taking into account any reimbursement from your insurance company. For the insurance information, include a copy of the Explanation of Benefits form from the insurance company.
- Costs directly related to the purchase of your primary residence, excluding mortgage payments.**
A Copy of the signed purchase contract or agreement of sale and an estimate of closing costs. The amount of the hardship withdrawal cannot exceed the total of the down payment and the closing costs, grossed up for incurred tax liability.
- Post-secondary education for the next 12 months for yourself, your spouse, your children, your dependents or your primary beneficiary.**
A bill or letter from the school showing the amount due for up to the next 12 months for tuition, related educational fees, and room and board. Your name and/or your dependent's name must appear on the bill. You may request a hardship withdrawal for an entire year of estimated tuition in advance if you receive a written estimate of the costs. The estimate must be on the school's letterhead and be signed by an official representative of the school. Scholarships, school loans, and grants must be applied to reduce the amount of all bills being submitted for this withdrawal.
- Prevention of eviction from your principal residence or foreclosure on the mortgage of that residence.**
A letter from your mortgage company or landlord, a copy of an eviction or mortgage foreclosure notice, or other adequate documentation showing the amount of rent or mortgage payment required to prevent eviction or foreclosure. Your name and address must be on the documentation you are submitting.
- Payment for burial or funeral expenses for your spouse, your children, your dependents, your parents or your primary beneficiary.**
A copy of the bill from the funeral home, crematorium or cemetery that includes the name of the deceased person and the total amount due. If the deceased person does not appear on the above bill, include a copy of the death certificate.
- Expenses for the repair of damage to the employee's principal residence that would qualify as deductible casualty expenses, such as losses caused by fire or storms.**
A copy of receipts for repairs or materials to repair your principal residence, insurance claim form showing amount not reimbursed through insurance coverage and **IRS Form 4684** completed with the expenses for the repair of damage to your principal residence (the form should not include expenses for the repair or replacement of any other personal property).

Part 9 Income Tax Withholding

Distributions eligible for rollover are subject to mandatory 20% minimum federal income tax withholding unless directly rolled over to another eligible retirement plan (including an IRA) or directly converted to a Roth IRA.

Distributions not eligible for rollover: 10% federal income tax will be withheld from the total amount distributed unless withholding is waived or a different rate of withholding is elected below (e.g., for a distribution of \$10,000, withholding results in a net distribution of \$9,000 even though part of the distribution may be non-taxable. **ALL OTHER DISTRIBUTIONS REQUIRE 20% MANDATORY WITHHOLDING**

- Do not withhold Withhold 10% Withhold > 10%

If you elect not to have federal income tax withheld you are still liable for federal income and/or applicable state tax on the taxable portion of your withdrawal, and if you choose not to have tax withheld, or not enough tax is withheld, you may be responsible for payment of estimated tax. You may also be subject to tax penalties if your payment of estimated tax and withholding are not adequate.

Direct Conversion to Roth IRA: A direct conversion from a TSA/TSCA to a Roth IRA results in income tax being due on the taxable portion of the transaction. You should consult with a tax advisor prior to requesting this transaction. There will be no withholding on this request unless you elect withholding above. **Any amount withheld may result in a 10% IRS premature penalty tax.** Consult with a tax advisor if you elect to withhold.

Annuities Only - Depending on the withholding provisions of the state in which you live, when we withhold federal income taxes from your annuity distribution, we may also withhold for state income taxes.

See Special Tax Notice Regarding 403(b) Payments attached.

Part 10 Signatures and Acknowledgements

Carefully read the acknowledgements and certifications in this section. After reading and agreeing to this information, you must sign your name and date the request to complete your request.

- I understand that surrender charges and/or termination fees may apply to this distribution request. (Please refer to the product prospectus or contract for details regarding surrender charges and refer to the Tax-Sheltered Custodial Agreement for details on any applicable termination fees).
- I understand and agree that this distribution may be a taxable event.
- If this is a **Hardship Distribution**, I certify that the amount I have requested does not exceed the value of the plan as of December 31, 1988, plus any salary reduction contributions (but not earnings or employer contributions) made after December 31, 1988.
- If this is a **Hardship Distribution**, I understand and agree that salary reduction contributions to all plans of my employer must be suspended for at least six (6) months after the financial hardship distribution.
- If this is a **Hardship Distribution**, I understand that I can not request another financial hardship distribution for at least (6) months after this financial hardship distribution.
- If this is a **Hardship Distribution**, I certify that I have obtained all distributions, other than hardship distributions, and all non-taxable loans currently available under all plans from my employer.
- For **Hardship Distributions** and **Excess Contribution Removal**, I understand that my employer may be notified of the distribution for purposes of complying with the Internal Revenue Code and regulations thereunder.
- If I am requesting a distribution that is not intended to be a **Required Minimum Distribution**, but I am required to receive Minimum Distributions each year, I certify that I have taken out sufficient distributions from this or other 403(b) arrangements necessary to satisfy this year's **Required Minimum Distribution, thereby making this distribution eligible for rollover and subject to mandatory withholding.**
- If you have a variable annuity with the *SecureSource* rider and are invested in the aggressive or moderately aggressive Portfolio Navigator model taking this withdrawal will move the contract value into the moderate model portfolio. Once you take a withdrawal, you may invest in the conservative, moderately conservative or moderate models without affecting your guaranteed benefit values. If you take this withdrawal and later choose to move to one of the more aggressive model portfolios, your guaranteed benefit values will be reset based on the lesser of your contract values or your guarantees at that time.
- I certify that I am aware of the rules and requirements regarding 403(b) account transfers and exchanges and have had the opportunity to consult with my personal tax advisor regarding this transaction. Between the signature date below and January 1, 2009, I am responsible for the tax qualified status of this transfer. I further acknowledge that I may need to request that my employer enter into an information sharing agreement or other necessary documentation with Ameriprise Financial in order to maintain the tax qualified status of my 403(b) account.
- I have read the **Special Tax Notice Regarding 403(b) Payments** and assume full responsibility for this transaction. I understand and agree that I will be liable for any applicable federal and state income taxes, and any applicable penalties.
- I was advised to consult with a tax advisor regarding the tax laws governing distributions and the tax consequences of this transaction, and I have done so to the extent I believe necessary.
- **Waiver of 30-day time period. I have read the Special Tax Notice Regarding 403(b) Payments and understand that I have the right to consider the decision of whether or not to consent to a distribution and/or to elect a direct rollover for at least 30 days. I further understand that if I submit a completed Distribution form before the 30-day period expires, I will have waived these rights and processing of my distribution request will begin upon receipt.**

I have read, understand and agree to each of the items above, and I certify that all of the information that I have provided regarding this distribution request is true and accurate, to the best of my knowledge.

Owner Name

Owner Signature

Date (MMDDYYYY)

X

Requested transaction has been approved and acknowledged by

Employer/Third Party Administrator Name (if applicable)

Employer/Third Party Administrator Signature (if applicable)

Date (MMDDYYYY)

X

Part 11 To Be Completed by Financial Advisor or Area Office

Date Mailed to Client (MMDDYYYY)

Date Received from Client (MMDDYYYY)

Date Mailed to Corporate Office (MMDDYYYY)

Prepared by

Recommending Advisor Information

Is this transaction based on a recommendation by an Ameriprise Financial Advisor?

Yes

No



If yes, provide the Recommending Advisor ID# and Name below.

Name

Advisor ID

Corporate Office Use Only

For Corporate Office Use

Approved

Date Stamped (MMDDYYYY)

SPECIAL TAX NOTICE REGARDING 403(b) PAYMENTS - RETAIN WITH YOUR RECORDS

This notice explains how you can continue to defer federal income tax on your retirement savings in the 403(b) Tax Sheltered Arrangement (the "TSA") you maintain with RiverSource Life Insurance Company/Ameriprise Trust Company and contains important information you will need before you decide how to receive your TSA benefits.

This notice is provided to you by RiverSource Life Insurance Company/Ameriprise Trust Company (your "Payor") because all or part of the payment that you will soon receive from the TSA may be eligible for rollover by you or your Payor to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Payor 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 TSA. 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 Payor at 70100 Ameriprise Financial Center, Minneapolis, MN 55474.

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

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

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a 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 TSA.

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

- You will receive only 80% of the taxable amount of the payment, because the Payor is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½ you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the TSA 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 Payor.

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 TSA 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 TSA cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Payor should be able to tell you what portion of your payment is an eligible rollover distribution.

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

- a. Rollover into a Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Payor should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.
If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable the non-taxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

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

The following types of payments cannot be rolled over:

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

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

Required Minimum Payments. Beginning when you reach age 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.

Hardship Distributions. A hardship distribution cannot be rolled over.

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

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Payor of this TSA if distribution of your loan qualifies for rollover treatment. The Payor of this TSA should be able to tell you if your payment includes amounts which cannot be rolled over.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your TSA 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 TSA benefits for which you choose a DIRECT ROLLOVER. **[This TSA 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 or payor 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 or payor 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 TSA. See the section below entitled "Additional 10% Tax if You Are under Age 59½ "

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 Payor 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 Payor 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 TSA. 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 Payor 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 TSA, 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 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) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

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

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the TSA 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 beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself. 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.

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 Payor and a professional tax advisor before you take a payment of your benefits from your TSA. 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 irs.gov or by calling (800) TAX FORMS

