

ELECTRICAL WORKERS PENSION FUND PART B

2002 London Road – Suite 300

Duluth, MN 55812

Telephone: (218) 728-4231 – Toll Free: (800) 570-1012 – Fax: (218) 728-4773

Notice Regarding Application for Distribution Electrical Worker Pension Fund – Plan B

Dear Participant:

Following please find an application and related forms for distribution of your Individual Account under the Electrical Workers Pension Plan Part B. Make sure you answer all questions, and sign and date the application.

When completed, please return the application and related forms to the Fund Office. You must provide a copy of your **birth certificate**. You must also submit a copy of your **marriage certificate** *and* a copy of your **spouse's birth certificate** if you are married. If you are divorced or have been divorced please provide an original certified copy of your **divorce decree(s)** including the **property settlement agreement(s)**. A photo static copy of your divorce documents is not acceptable.

It takes time to process your application. If you would like help in preparing your application or have any questions, please call the Fund Office for assistance.

We have included the following forms for your review and completion, where applicable:

1. Application for Distribution & QJSA Explanation;
2. Election to Waive QJSA & Spouse's Consent (if married);
3. Affidavit of Marital Status (if single);
4. Waiver of 30 Day Waiting Period;
5. Request for Income Tax Withholding;
6. Special Tax Notice Regarding Plan Payments

If you have any questions, please contact the Fund Office.

Sincerely,

Wilson-McShane Corporation
Fund Administrators

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APPLICATION FOR DISTRIBUTION

You can help speed up the processing of this application by:

1. Answering each question completely;
2. Printing or typing your answers to the questions in ink;
3. Attaching additional information, if necessary, to the application.

Please complete fully – Print or type answers. Sign, date, and return this form to the Fund Office.

1. Name: _____

2. Address: _____

_____ Phone _____

3. Social Security Number: _____

4. Date of Birth: _____ (*Submit copy of birth cert*)

5. Are you married? Yes No

Your spouse's name: _____

Your spouse's social security number: _____

Your spouse's date of birth: _____ (*Submit copy of birth certificate*)

Your date of marriage: _____ (*Submit a copy of marriage cert*)

6. Were you ever divorced? No Yes

(Submit original divorce decree and the settlement agreement)

Date(s) of Divorce: _____

If yes is a QDRO involved? ___ Yes ___ No

Reason for distribution:

Proposed Retirement Date ____ / ____ / ____

Last Date Worked: ____ / ____ / ____

In-Service Withdrawal on/after age 59½.

Left Covered Employment Date ____ / ____ / ____

Disability Date ____ / ____ / ____ (*Submit Social Security Award Letter*)

Death Benefit

Participant's Name _____ SSN ____ - ____ - _____

Date of Death: ____ / ____ / ____ (*Submit copy of Death Certificate*)

(Continued on Next Page)

Form of Payment Options:

If you are married on your effective date and the balance of your account is greater than \$5,000.00, your benefit is automatically payable in the form of a Qualified Joint & Survivor Benefit unless you waive that benefit and elect another form of benefit and your spouse consents thereto. In such case, you and your spouse must complete the attached Member's Election to Waive Joint & Survivor Benefit and Spouse's Consent to Waive and have it witnessed by a notary public. If you are not currently legally married, you must complete the attached Affidavit of Marital Status. Please contact the Fund Office for an estimate of benefits payable to you.

Please mark the appropriate box(es) below to make your choice.

1. Single Lump Sum Benefit

Under the Single Lump Sum Benefit form, payment is made to you in one lump sum equal to the amount you request up to your Individual Account balance in the Plan. Any remaining Individual Account balance not distributed will remain in the Plan and will be payable to you upon subsequent application for distribution, subject to eligibility requirements. Upon your death, any balance remaining in your Individual Account will be payable to your Spouse or Beneficiary under the Pre-Retirement Survivor or Death Benefit provisions of the Plan. If you choose a complete distribution of your entire Individual Account balance, no further benefits are payable upon your death. If married, the Single Lump Sum Benefit is only available if you waive the Qualified Joint & Survivor Benefit and your spouse consents to such waiver.

Amount Requested:

- Total Distribution (Entire Account Balance)
- Partial Distribution \$ _____ (Enter Gross Amount of Distribution)

Check below to indicate whether or not you elect a direct rollover of your annuity payment:

- I do not want to roll over any of my payment to an IRA or other qualified retirement plan. Pay me the requested amount of my benefits, subject to withholding 20 percent (20%) for federal income taxes as required by law.
- I want to rollover my payment directly to an IRA or other qualified retirement account that accepts rollovers. The IRA or other retirement plan is named on the following page.
- I would like to have only **part** of my payment directly rolled over.
Please rollover \$ _____ or Remaining Balance to the qualified retirement plan named on the following page and
Please pay \$ _____ or Remaining Balance of my benefit to me, subject to withholding 20 percent (20%) for federal income taxes as required by law.
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2. Recurring Monthly Payments

Under the Recurring Monthly Benefit form, monthly payments are made to you until you have withdrawn the full balance of your Individual Account. Upon your death, any balance remaining in your Individual Account will be payable to your Spouse or Beneficiary under the Pre-Retirement Survivor or Death Benefit provisions of the Plan. No further benefits are payable once you have withdrawn the full balance of your Individual Account. If married, the Recurring Monthly Benefit is only available if you waive the Qualified Joint & Survivor Benefit and your spouse consents to such waiver.

Gross Monthly Payment Amount Requested \$ _____

3. Qualified Joint & Survivor Annuity Benefit – (for married participants only)

Under the Qualified Joint & Survivor Annuity Benefit form, a monthly benefit is payable for your lifetime. Upon your death, your surviving spouse will receive a monthly benefit for the remainder of their lifetime. In the event your spouse dies before you, the amount of your benefit does not change and no further benefits are paid upon your death. If you would like an estimate of the monthly annuity amounts, please contact the Fund Office.

Participant's or Spouse Beneficiary's Signature

Date

DIRECT ROLLOVER INSTRUCTIONS

If you elected a direct rollover, you must provide all of the following information. Until you provide this information, no direct rollover can be made. Please make payment of my benefits on my behalf to:

Name of IRA Trustee or Qualified Retirement Plan

Account Number

Mailing Address:

CERTIFICATION: If you have elected a direct rollover of all or part of you benefit, please read and sign the following statement:

I certify that the recipient of a direct rollover that I have named above is an Individual Retirement Account, an Individual Retirement Annuity, or a qualified retirement plan that accepts rollovers. I understand that payment of my benefits to the trustees of the IRA or qualified retirement plan will release the Trustees of the Electrical Workers Pension Plan from any further obligations or responsibilities with respect to the benefits so paid.

Participant's or Spouse-Beneficiary's Signature

Date

ELECTRICAL WORKERS PENSION FUND PART B

PARTICIPANT WAIVER OF QUALIFIED JOINT AND SURVIVOR ANNUITY AND SPOUSE'S CONSENT TO WAIVER

_____, a Participant of the Electrical Workers Local 242 Pension Fund, and _____, a spouse, each being duly sworn, each state and allege:

- 1. They are husband and wife and were married on _____ (Date).
2. They have each been provided and read the written Explanation of the Joint and Survivor Annuity attached hereto and no annuity payment has commenced on this date.
3. The undersigned Participant hereby waives and rejects the Joint and Survivor Annuity form of payment and elects to receive the requested distribution from my account in a single lump sum immediate payment or through recurring monthly payments.
4. The undersigned spouse hereby consents to the waiver and rejections of the Joint and Survivor Annuity pension and understands that if such form of payment were not rejected, there would be a benefit payable to said spouse upon the death of the spouse who is a Plan Participant of 50% of the monthly amount the Participant could receive prior to death based on the value of his account at retirement. The Participant Spouse is aware of the different monthly amounts or lump sum as stated in the written Explanation.
5. The undersigned Participant understands this election to waive payment in the form of a Joint and Survivor Annuity may be revoked at any time prior to the date of payment by the Fund of the value of the Participant's account by filing a written revocation statement, signed before a Notary Public, with the Fund Office located at 2002 London Road, Suite 300, Duluth, Minnesota 55812.

(SIGNATURES REQUIRED BY FEDERAL LAW)

Participant's Signature: _____ Date: _____
Signature Witnessed by:

Subscribed and sworn before me this ____ day of _____, 20_____

{Seal}

Signature of Notary

SPOUSE'S CONSENT TO WAIVE

Spouse's Signature: _____ Date: _____
Signature Witnessed by:

Subscribed and sworn before me this ____ day of _____, 20_____

{Seal}

Signature of Notary

ELECTRICAL WORKERS PENSION FUND

AFFIDAVIT OF MARITAL STATUS

I, _____, A Participant of the Electrical Workers Pension Fund, being first duly sworn, deposes and states that:

1. I reside at (address)

_____.

2. I am single and unmarried and affirm that I have no living spouse.
3. It is understood this Affidavit is to induce the payment of a retirement benefit other than the Joint and Surviving Spouse form, and that the Electrical Workers Pension Fund will rely upon the representations I make under oath herein.

(SIGNATURE REQUIRED BY FEDERAL LAW)

Participant's Signature: _____ Date: _____
Signature Witnessed by:

Subscribed and sworn before me this _____ day of _____, 20_____

{Seal}

Signature of Notary

ELECTRICAL WORKERS PENSION FUND PART B

WAIVER OF 30-DAY WAITING PERIOD

A waiver of the Qualified Joint & Survivor Benefit is valid only if a written explanation (QJSA Explanation) of the effect of the Qualified Joint & Survivor Benefits have been provided to the Participant no earlier than 180 days before the Annuity Starting Date and no later than 30 days before the Annuity Starting Date.

A Participant may commence receiving benefits before 30 days have elapsed from receipt of the signed Participant's Election to Waive QJSA, provided the Participant and Spouse waive such 30-day advance waiting period and further provided that payment of benefits is not made prior to the eighth day after receipt of the QJSA Explanation.

We, _____, the Participant, and _____, Participant's Spouse, do hereby do elect to waive the 30 day advance waiting period for payment of benefits from the Plan which is required in order for a Spouse's consent to the waiver of the Joint & Survivor Benefit to be effective. We understand that the payment of benefits cannot be made prior to the eighth day after receipt of the QJSA Explanation.

Participant's Signature: _____ Date: _____
Signature Witnessed by: _____

Subscribed and sworn before me this _____ day of _____, 20_____

{Seal}

Signature of Notary

Spouse's Signature: _____ Date: _____
Signature Witnessed by: _____

Subscribed and sworn before me this _____ day of _____, 20_____

{Seal}

Signature of Notary

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PARTICIPANT’S REQUEST FOR INCOME TAX WITHHOLDING

Federal Tax Withholding: Distributions in any form other than an Annuity are subject to mandatory 20% Federal tax withholding, unless paid in a direct rollover. You may elect to have additional amounts of Federal income tax withheld. Amounts paid as an annuity are subject to 10% Federal tax withholding, unless you elect another amount or no tax withholding.

Additional Federal Tax Withholding (optional): In addition to the applicable mandatory 20% Federal tax withholding, please withhold the following amounts from distributions paid directly to me:

\$ _____ or _____ % Federal Withholding

State Tax Withholding: Unless your state requires otherwise, you may elect to have state income taxes withheld. In addition to the Federal Tax Withholding indicated above, please withhold the following amounts from distributions paid directly to me:

\$ _____ or _____ % State Withholding

Please check: **MINNESOTA** _____ **WISCONSIN** _____

NAME

ADDRESS

CITY

STATE

ZIP

TELEPHONE NUMBER

SOCIAL SECURITY NUMBER

Participant’s Signature _____

Date _____

ELECTRICAL WORKERS PENSION PLAN PART “B”

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the **Electrical Workers Pension Plan – Part “B”** (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½) unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

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. Generally, 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 (up to the amount of cash and property received

other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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);
- Hardship distributions; and
- Corrective distributions of contributions that exceed tax law limitations

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

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability;
- Payments after your death
- 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 (without regard to whether you itemize deductions for the taxable year);
- 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; and
- Payments for certain distributions relating to certain federally declared disasters

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 on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional

income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- 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 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, 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, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

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

If you roll over your payment to a Roth IRA

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or

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

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70%.

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 70%.

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 and the same tax treatment that 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). However, 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 (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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide. You may also have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the Fund Office 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, 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.