PLAN 3
Request for Payment of Defined Contribution Funds
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THE FOLLOWING FORMS ARE INCLUDED IN THIS BOOK:

- Member Plan 3 Request for Payment of Defined Contribution Funds
- Beneficiary or Alternate Payee Plan 3 Request for Payment of Defined Contribution Funds
- Plan 3 Direct Deposit Authorization

For assistance regarding your Defined Contribution distribution contact:

<table>
<thead>
<tr>
<th>By Telephone</th>
<th>On the Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICMA Retirement Corporation</td>
<td><a href="http://www.icmarc.org/plan3">www.icmarc.org/plan3</a></td>
</tr>
<tr>
<td>888-711-8773</td>
<td></td>
</tr>
<tr>
<td>5:30 a.m. - 6:00 p.m. PT weekdays</td>
<td></td>
</tr>
</tbody>
</table>

For assistance regarding your Defined Benefit contact:

<table>
<thead>
<tr>
<th>By Telephone</th>
<th>On the Web</th>
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<tr>
<td>Department of Retirement Systems (DRS)</td>
<td><a href="http://www.drs.wa.gov">www.drs.wa.gov</a></td>
</tr>
<tr>
<td>800-547-6657</td>
<td></td>
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<tr>
<td>(360) 664-7000 (Olympia area)</td>
<td></td>
</tr>
<tr>
<td>8:00 a.m. - 5:00 p.m. PT weekdays</td>
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This booklet provides instructions and forms to request payment from the Plan 3 Defined Contribution Account only. To receive information regarding your Defined Benefit, please contact DRS at the number shown.

SUMMARY DESCRIPTION
This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.
THIS PAGE INTENTIONALLY LEFT BLANK
Plan 3 has a dual benefit structure. Your contributions finance a defined contribution component, and employer contributions finance a defined benefit component. This booklet describes your options for taking payment of funds from your Plan 3 defined contribution account and provides a summary of federal tax laws that may affect such payments. For tax advice, you should consult an accountant, qualified financial advisor or the Internal Revenue Service (IRS).

You do not need to withdraw your contributions simply because you separate from employment. Your defined contribution funds are part of your retirement benefit, and they will continue to receive earnings according to the performance of your chosen investments until they are withdrawn.

When can I take payment of defined contribution funds?

As a member of Plan 3, you are entitled to take payment or roll over the balance of your defined contribution account when you leave Plan 3 employment. Taking payment of your defined contribution funds does not affect your eligibility for the defined benefit. Refer to your Plan 3 Member Handbook for details.

How do I initiate payment or a rollover of my defined contributions?

The following must occur:

- Complete the Member Plan 3 Request for Payment of Defined Contribution Funds form contained in this packet on page 5 and 6. Beneficiaries and alternate payees will complete the form on page 9 and 10. Mail the form to the address indicated on the form.
- The Department of Retirement Systems (DRS) receives notice from your employer that you are no longer employed, or, in the case of a beneficiary request, receives a certified death certificate.

To ensure that the most current information is submitted, do not send forms earlier than 60 days before your separation from service.

What are my payment options from the Plan 3 defined contribution account?

- Lump-sum or partial cash distribution
- Roll over into an eligible employer plan, such as a qualified plan or an Individual Retirement Account
- Scheduled installment payments
- Annuities

Can I request a loan or in-service withdrawal?

No. Loans and in-service withdrawals are not permitted.

If I have after-tax contributions in my Plan 3 account, can I choose to receive only my after-tax contributions?

No. You must take payment of a portion of your pre-tax and after-tax dollars. A withdrawal of only after-tax dollars is not permitted.

Once I mail the form, how long will it take to process the request?

Self-Directed Investment Program

If you are requesting a payment from the Self-Directed Investment Program, the process can take as few as three business days once your request is received, subject to being in good order as follows:

- DRS has received a separation date from your employer.
- You have waived the IRS-required 30-day review period by selecting this option on the form.
- You have completed the forms and your signature has been notarized. Incomplete forms will cause a delay in processing.

Member account assets are redeemed and valued from member accounts on a daily basis. For lump sum payments and rollover requests received by 1:00 p.m. Pacific Time on any business day, shares are redeemable that night as long as the documentation is in good order as described above. If there are after-tax sources in the Plan 3 account, an additional 1-2 business days are required for processing. Requests received after 1 p.m. Pacific Time are posted the next business day. ICMA Retirement Corporation (ICMA-RC), DRS’ contracted Plan 3 record keeper, executes direct deposits and mails checks on the next business day. Direct deposits will take an additional business day to be credited to your bank account.

Scheduled installment payments are paid monthly on the 15th day of the month, or the next business day if the 15th is not a business day.
WSIB Investment Program
If you are requesting a payment from the WSIB Investment Program, the process can take 60 to 90 days due to the monthly valuation process. The timing is also subject to being in good order as follows:

- DRS has received a separation date from your employer.
- You have completed the forms and your signature has been notarized. Incomplete forms will cause a delay in processing.

Requests received by 1 p.m. Pacific Time on the third-to-last business day of the month will be posted from your account on the second-to-last business day of the next month if the request received is in good order as described above. The assets are redeemed and valued monthly. Short-term earnings are applied. ICMA-RC executes direct deposits and mails checks on the second business day of the next month following redemption of shares. For further details regarding the monthly valuation process and the timeline, please refer to the Plan 3 Investment Guide. Direct deposits will take an additional business day to be credited to your bank account.

If you are just beginning to consider a request for payment, you may want to transfer some of your contributions to the Self-Directed Investment Program for quicker access in the future.

If I request funds from the account, will federal tax be withheld?

The IRS requires 20 percent be withheld from any tax-deferred funds paid to you that are eligible to be rolled over to another retirement account. Partial and lump-sum payments are subject to the 20 percent withholding. Fixed periodic payments scheduled for less than 10 years are also eligible rollover distributions subject to 20 percent withholding tax.

The following types of payments are not eligible for direct rollover and are not subject to the mandatory 20 percent federal income tax withholding:

- Payments made over long periods of time – you cannot roll over a payment if it is part of a series of equal or almost equal payments that are made over:
  - Your life expectancy (or joint life expectancy with beneficiary), or
  - A period of ten years or more.
- Required minimum distributions beginning when you reach 70½ or retire, whichever is later.

If you receive a payment before you reach age 59½, and you do not roll over your defined contribution funds, you may have to pay an additional tax equal to 10 percent of the taxable portion of the payment. Please refer to page 16 for additional information regarding the 10 percent IRS penalty tax. You can transfer all of the tax-deferred contributions and earnings to an Individual Retirement Account or an eligible employer plan. The taxed portion of your account may also be rolled over, or you may choose to have it sent to you. Please refer to page 15 regarding the distribution of already-taxed payments. Direct rollovers to another eligible retirement plan are not subject to 20 percent withholding tax.

Can I purchase an annuity from the Plan 3 defined contribution account?

Yes. You can purchase an annuity that will guarantee an income throughout your life, or throughout your life and a beneficiary’s life, or for a certain number of years. An annuity purchase is not a taxable event. Annuity payments are reportable income in the year that they are received. Lifetime annuities are not subject to 20 percent withholding. Please refer to the Annuity Guide or contact ICMA-RC for more information and to arrange for the purchase of an annuity. The Annuity Guide provides the processing timeline and details regarding the application procedure for an annuity.

If I leave public employment, is there a minimum amount that I must withdraw from my account?

No. If you leave public employment before you reach age 70½, you are not required to withdraw any funds from your Plan 3 account. If you leave your funds in the account, they will continue to increase or decrease based on market conditions.

Beginning April 1 of the year following the year you reach age 70½ or retire (whichever is later), you are required to withdraw a minimum amount from your account annually. This portion of your benefit cannot be rolled over. The minimum is based on your account value and the life expectancies of you and your beneficiary.

If you fail to comply with the minimum withdrawal requirement, you will be subject to a 50 percent excise tax on the difference between the minimum required distribution and the amount actually paid to you.
**Which Form Should I Complete?**

| Member | • Member Plan 3 Request for Payment of Defined Contribution Funds  
|        | • Plan 3 Direct Deposit Authorization, required for installment payments  
<table>
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<th>• Withholding Certificate (W-4P), if applicable</th>
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</table>
| Beneficiary* | • Beneficiary or Alternate Payee Request for Payment of Defined Contribution Funds  
|    | • Plan 3 Direct Deposit Authorization, if applicable  
|    | • Withholding Certificate (W-4P), if applicable  
|    | In addition to the forms above, please also submit:  
|    | • Certified Death Certificate  
|    | • Full Copy of Trust Document (only if a trust is named as beneficiary) |
| Alternate Payee* | • Beneficiary or Alternate Payee Request for Payment of Defined Contribution Funds  
|      | • Plan 3 Direct Deposit Authorization, required for installment payments  
|      | • Withholding Certificate (W-4P), if applicable |

* Please call ICMA-RC at 888-711-8773 before submitting a Beneficiary or Alternate Payee Request for Payment of Defined Contribution Funds.

**Special Note:** To avoid processing delays, ensure that your signature is witnessed by a Notary Public. There are no exceptions to the notarized signature requirement.

Prior to completing the forms, be sure to read the information about general withholding and taxes on pages 15-17. After completing the applicable forms, be sure to retain copies for your personal record.

**All original forms should be mailed or faxed to:**

ICMA Retirement Corporation  
P.O. Box 96220  
Washington, DC  20090-6220  
Fax: 202-682-6439
Section b: Payment options (if choosing 1, 2 or 3, please read the “already-taxed payments” section on page 15.)

1. **Lump Sum Cash Distribution** – I choose to receive my payment as follows:
   - Amount Requested: □ 100% of balance □ Partial payment of $______________ □ RMD Payment only
   - Payable by check to me.
   - Payment deposited to my account at a financial organization* (Complete a Plan 3 Direct Deposit Authorization form)
     * It will take an additional one to two business days to be credited to your bank account.

2. **Direct Rollover** (Complete Section C also)
   - I choose to roll over all of the tax-deferred contributions and previously taxed contributions and earnings as designated in Section C.
   - I choose to roll over all of the tax-deferred contributions as designated in Section C. Please send the taxed portion of my account, if any, directly to me.
   - I choose to roll over $______________ of the tax-deferred contributions and previously taxed funds and earnings as designated in Section C. The remaining funds should be left in my account unless marked under another option on this form.

3. **Installment Payments**
   a. I choose to receive scheduled payments as follows:
      - Payable by check to me.
      - Payment deposited to my account at a financial organization. (Complete a Plan 3 Direct Deposit Authorization form.)
   b. Select the installment payment interval:
      - Monthly (WSIB and Self-Directed Investment Programs)
      - Quarterly – every three months (Self-Directed Investment Program only)
      - Semi-annually – every six months (Self-Directed Investment Program only)
      - Annually (Self-Directed Investment Program only)
   c. Select one payment type below to determine the amount and duration of your payments:
      - Payments of $______________ until account is exhausted. (Minimum payment is $100.)
      - Payments projected to exhaust your account in ______ years. (Minimum payment is $100.)*
      - Equal payments over my life expectancy.*
      - Payments over combined life expectancy.* Beneficiary’s Birth Date _____/_____/_____
        * Please read instructions on page 7 before selecting this option.

4. **Annuity Purchase** – If you select this option, your investment program funds will be used to purchase an annuity that pays a benefit for your lifetime or the lifetimes of you and your beneficiary. Contact ICMA-RC at 888-711-8773 to determine the cost and conditions of an annuity.

**PLEASE COMPLETE THE REVERSE SIDE OR YOUR REQUEST WILL BE DELAYED.**
Section C: Agreement to Accept Direct Rollover (Complete only if you selected option 2 in Section B)

If you choose to roll over any of your contributions, the accepting agent must complete and sign this section. DRS retirement accounts are 401(a) accounts. The institution named below agrees to accept transfer of the tax-deferred and previously taxed funds described in Section B on a trustee-to-trustee basis. The institution agrees to account separately for the tax-deferred and after-tax funds, plus earnings thereafter. It is the member’s intention that this transfer shall not constitute actual or constructive receipt for income tax purposes.

Please check the type of account:  □ Traditional IRA  □ Roth IRA  □ Eligible Pension Plan

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<tr>
<th>Institution Name</th>
<th>Account Number</th>
<th>Daytime Phone Number</th>
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<tr>
<td>Mailing Address (Street or P.O. Box)</td>
<td>City</td>
<td>State</td>
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Accepting Agent’s Signature:  Date:

Section D: Waiver of 30-Day Notice Period

Your signature on this document creates an irrevocable agreement between you and DRS. The IRS requires that you be given 30 days to review the options described in Section B. You may waive this right by checking the box below. If you do not waive the 30-day review, DRS must delay processing your payment for 30 days. This is not applicable to the WSIB Investment Program since the payout time frame is 60 - 90 days.

□ I waive my right to 30 days for reviewing the withdrawal options.

Section E: Authorization for Payment of Defined Contribution Funds

I have separated from all employment with any employer participating under the retirement system associated with this withdrawal, and I am not on a leave of absence. Furthermore, I acknowledge that I have read the publication, Plan 3 Request for Payment of Defined Contribution Funds.

Request for Taxpayer Identification Number and Certification (Form W-9 Substitute)

Under penalties of perjury, I certify that:

- The number shown on this form is my correct Social Security number, and
- I am a U.S. citizen or a U.S. resident alien.

State of __________________________________________  County of __________________________________________

Signed and attested to before me on: _____ _____ / _____ _____ / _____ _____ _____ (mm/dd/yyyy)

____________________________________________________________  Member Printed Name

____________________________________________________________  Member Signature

____________________________________________________________  Name of Notary Public and Title

____________________________________________________________  Notary Public Signature

My appointment expires on ______________________________

This form requests that you provide your Social Security number. Internal Revenue Code Sections 6041 (A), and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security number.

- The disclosure of your Social Security number to DRS is mandatory.
- DRS will use your Social Security number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
- DRS will not disclose your Social Security number to any party unless required by law.

YOUR REQUEST WILL NOT BE PROCESSED WITHOUT A NOTARY PUBLIC SIGNATURE AND SEAL.

Seal*  or  Stamp

*Please use the inked stamp if faxing since the seal will not appear.
Instructions for Plan 3 Request for Payment Form

Step 1 Please select your retirement system (PERS, SERS or TRS) and indicate if you are requesting payment from the WSIB Investment Program, Self-Directed Investment Program or both.

Section A: Member Information
Steps 2-8 Provide your name, Social Security number, and contact information.
Step 9 Provide the date you separated from employment (stopped working).
Step 10 Provide your date of birth.

Section B: Payment Options
Option 1 Lump Sum Cash Distribution – You may choose to take a lump sum cash payment. By selecting this option, you indicate you understand there is mandatory IRS tax withholding on all tax-deferred contributions and earnings. Please indicate if you would like to receive payment by check or direct deposit. If you select direct deposit, you must complete a Plan 3 Direct Deposit Authorization form.

Option 2 Direct Rollover – You may choose to roll over 100% of eligible funds or a portion of the eligible funds. If you select this option, you must also complete Section C. Please do not submit forms from your new provider. This may delay processing.

Option 3 Installment Payments – You may choose to receive installment payments. If your installment payment plan lasts 10 years or less, and is not for your life expectancy, DRS is required to withhold 20 percent under IRS rules. If you elect an installment schedule that is estimated to deplete your account over a specified timeframe (e.g. life expectancy, joint life expectancy, specified number of years), you should note that the actual number of payments you receive will vary depending on the actual performance of the investments in your account. Payments may not last as long as originally projected when the estimate is calculated (or may last longer). See pages 15-17 of this booklet for a summary of federal tax obligations. If you elect an installment schedule that is estimated to deplete your account over a specified timeframe (e.g. life expectancy, joint life expectancy, specified number of years), you should note that the actual number of payments you receive will vary depending on the actual performance of the investments in your account. If you select to have payment made by direct deposit, you must complete a Plan 3 Direct Deposit Authorization form. If your money is invested in the WSIB Investment Program, installment payments may only be made on a monthly basis. Indicate the amount or length of time you wish to receive your payments.

Option 4 Annuity Purchase – You may choose to purchase an annuity that will guarantee an income throughout your life, or throughout your life and a beneficiary’s life, or for a certain number of years. Please refer to the Annuity Guide or contact ICMA-RC for more information and to arrange for the purchase of an annuity.

Note: Your distribution will be made as soon as administratively feasible, assuming you have waived the 30-day waiver in Section D. Please refer to page 1 and 2 for payment timeline. You will receive a confirmation letter in the mail. Please note that the pay date is when your check will be mailed or when the funds are sent electronically to your bank for direct deposit. It will take one to two business days to be credited to your bank account. Direct deposit is required for installment payments.

Section C: Agreement to Accept Direct Rollover (Complete only if you chose Direct Rollover in Section B)
If you choose to have all or a portion of your funds payable by direct rollover in Section B, complete this section.

Section D: Waiver of 30-Day Notice Period
If you are requesting funds from the Self-Directed Program, please review and check the box to ensure a timely payment.

Section E: Authorization for Payment of Defined Contribution Funds
Read Section E carefully. In the presence of a Notary Public, sign Section E.

After completing the applicable forms, be sure to make copies and retain them for your personal record.

Originals of Member Plan 3 Request for Payment of Defined Contribution Funds form and Plan 3 Direct Deposit Authorization form (if applicable) should be mailed or faxed to:

ICMA Retirement Corporation
P.O. Box 96220
Washington, DC  20090-6220
Fax: 202-682-6439
### Section C: Payment options

1. **Lump Sum Cash Distribution**

   - **Amount Requested:**
     - 100% of balance
     - Partial payment of $ ____________
     - RMD Payment only
   - Payable by check to me.
   - Payment deposited to my account at a financial organization** (Complete a Plan 3 Direct Deposit Authorization form)

   **If beneficiary is an organization or estate, lump sum cash distribution is the only option available.**

   **It will take an additional one to two business days to be credited to your bank account.**

2. **Direct Rollover**

   - I choose to roll over all of the tax-deferred contributions and previously taxed contributions and earnings as designated in Section D. Please send the taxed portion of my account, if any, directly to me.
   - I choose to roll over $ ____________ of the tax-deferred contributions and previously taxed funds and earnings as designated in Section D. The remaining funds should be left in my account unless marked under another option on this form.

   **Please also complete the Direct Deposit Authorization Form - required for installment payments.**

3. **Installment Payments**

   a. I choose to receive scheduled payments as follows:
      - Payable by check to me.
      - Payment deposited to my account at a financial organization. (Complete a Plan 3 Direct Deposit Authorization form.)
   b. Select installment payments:
      - Monthly (WSIB and Self-Directed Investment Programs)
      - Quarterly – every three months (Self-Directed Investment Program only)
      - Annually (Self-Directed Investment Program only)
   c. Select one payment type below to determine the amount and duration of your payments:
      - Payments of $ ____________ until account is exhausted. (Minimum payment is $100.)
      - Payments projected to exhaust your account in _______ years. (Minimum payment is $100.)
      - Equal payments over my life expectancy.*

   **Please read instructions on page 11 before selecting this option.**

4. **Annuity Purchase**

   - If you select this option, your funds will be used to purchase an annuity that pays a benefit for your lifetime or the lifetimes of you and your beneficiary. Contact ICMA-RC at 1-888-711-8773 for information.

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**PLEASE COMPLETE THE REVERSE SIDE OR YOUR REQUEST WILL BE DELAYED.**
Section D: Agreement to Accept Direct Rollover (Complete only if you selected Direct Rollover in Section C)

If you choose to roll over any of your contributions, the accepting agent must complete and sign this section. DRS retirement accounts are 401(a) accounts. The institution named below agrees to accept transfer of the tax-deferred and previously taxed funds described in Section C on a trustee-to-trustee basis. The institution agrees to account separately for the tax-deferral and after-tax funds, plus earnings thereafter. It is the requestor’s intention that this transfer shall not constitute actual or constructive receipt for income tax purposes.

Please check the type of account:  □ Traditional IRA  □ Roth IRA  □ Inherited Traditional IRA  □ Inherited Roth IRA  □ Eligible Pension Plan

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<tr>
<th>Institution Name</th>
<th>Account Number</th>
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<tr>
<th>Mailing Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

Accepting Agent’s Signature:  Date:

Section E: Waiver of 30-Day Notice Period

Your signature on this document creates an irrevocable agreement between you and DRS. The IRS requires that you be given 30 days to review the options described in Section C. You may waive this right by checking the box below. If you do not waive the 30-day review, DRS must delay processing your payment for 30 days. This is not applicable to the WSIB Investment Program since the payout time frame is 60 - 90 days.

□ I waive my right to 30 days for reviewing the payment options.

Section F: Authorization for Payment of Defined Contribution Funds

I acknowledge that I have read the publication, Plan 3 Request for Payment of Defined Contribution Funds.

Request for Taxpayer Identification Number and Certification (Form W-9 Substitute)

Under penalties of perjury, I certify that:

• The number shown on this form is my correct Social Security number, and
• I am a U.S. citizen or a U.S. resident alien.

State of __________________________________________________________ County of _______________________________________________________

Signed and attested to before me on: ____ _____ / ____ _____ / ____ _____ ____ ____ (mm/dd/yyyy)

Beneficiary or Alternate Payee Signature

______________________________
Name of Notary Public and Title

______________________________
Notary Public Signature

My appointment expires on _______________________

YOUR REQUEST WILL NOT BE PROCESSED WITHOUT A NOTARY PUBLIC SIGNATURE AND SEAL.

Seal* or Stamp

*Please use the inked stamp if faxing since the seal will not appear.

This form requests that you provide your Social Security number. Internal Revenue Code Sections 6041 (A), and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security number.

• The disclosure of your Social Security number to DRS is mandatory.
• DRS will use your Social Security number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
• DRS will not disclose your Social Security number to any party unless required by law.
Instructions for Beneficiary or Alternate Payee Plan 3 Request for Payment Form

Step 1  Please select the appropriate retirement system (PERS, SERS or TRS) and indicate if you are requesting payment of funds from the WSIB Investment Program, Self-Directed Investment Program or both.

Section A: Beneficiary or Alternate Payee Information

Steps 2-8  Provide your name, Social Security number and contact information.

Step 9  Provide your date of birth.

Step 10  Indicate the reason for this withdrawal. To determine your relationship to the member, see the definitions on page 18.

Section B: Member Information – To be completed by beneficiary

Steps 11-12  Provide the Plan 3 member’s name and Social Security Number (see notice on the form).

Step 13  Provide the member’s date of death. Be sure to submit a copy of the Death Certificate with this form.

Step 14  Provide the member’s marital status at time of death.

Section C: Payment Options

Option 1  Lump Sum Cash Distribution – You may choose to take a lump sum cash payment. By selecting this option, you indicate you understand there is mandatory IRS tax withholding on all tax-deferred contributions and earnings. Please indicate if you would like to receive payment by check or direct deposit. If you select direct deposit, you must complete a Plan 3 Direct Deposit Authorization form.

Option 2  Direct Rollover – You may choose to roll over 100% of eligible funds or a portion of the eligible funds. If you select this option, you must also complete Section D. Please do not submit forms from your new provider. This may delay processing.

Option 3  Installment Payments – You may choose to receive installment payments. If your installment payment plan lasts 10 years or less, and is not for your life expectancy, DRS is required to withhold 20 percent under IRS rules. If you elect an installment schedule that is estimated to deplete your account over a specified timeframe (e.g. life expectancy, joint life expectancy, specified number of years), you should note that the actual number of payments you receive will vary depending on the actual performance of the investments in your account. Payments may not last as long as originally projected when the estimate is calculated (or may last longer). See pages 15-17 of this booklet for a summary of federal tax obligations. If you select to have payment made by direct deposit, you must complete a Plan 3 Direct Deposit Authorization form. If your money is invested in the WSIB Investment Program, installment payments may only be made on a monthly basis. Indicate the amount and length of time you wish to receive your payments.

Option 4  Annuity Purchase – You may choose to purchase an annuity that will guarantee an income throughout your life, or throughout your life and a beneficiary’s life, or for a certain number of years. Please refer to the Annuity Guide or contact ICMA-RC for more information and to arrange for the purchase of an annuity.

Note: Your distribution will be made as soon as administratively feasible, assuming you have waived the 30-day waiver in Section E. Please refer to page 1 and 2 for payment timeline. You will receive a confirmation letter in the mail. Please note that the pay date is when your check will be mailed or when the funds are sent electronically to your bank for direct deposit. It will take one to two business days to be credited to your bank account. Direct deposit is required for installment payments.

Section D: Agreement to Accept Direct Rollover (Complete only if you chose Direct Rollover in Section C)

If you choose to have all or a portion of your funds payable by direct rollover in Section C, complete this section.

Section E: Waiver of 30-Day Notice Period

If you are requesting funds from the Self-Directed Program, please review and check the box to ensure a timely payment.

Section F: Authorization for Payment of Defined Contribution Funds

Read Section F carefully. In the presence of a Notary Public, sign Section F.

After completing the applicable forms, be sure to make copies and retain them for your personal record.

Originals of the Beneficiary or Alternate Payee Plan 3 Request for Payment of Defined Contribution Funds form and Plan 3 Direct Deposit Authorization form (if applicable) should be mailed or faxed to:

ICMA Retirement Corporation
P.O. Box 96220
Washington, DC  20090-6220
Fax: 202-682-6439
Section A: Personal Information

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Name</th>
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<th>Street Address</th>
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Daytime Telephone Number

Due to federal restrictions, we cannot transfer funds electronically if the funds will be immediately credited to an account outside of the United States.

I hereby authorize and request:

- The Department of Retirement Systems (DRS), or its representative, ICMA Retirement Corporation (ICMA-RC) to transfer the full amount of my benefit payment, after authorized deductions, to the designated financial institution for deposit.
- The designated financial institution to provide information to ICMA-RC regarding address changes and account information, to ensure proper and timely processing of deposit transactions.
- The designated financial institution to refund to ICMA-RC any overpayments to my account made subsequent to my death or payment made in error.

This authorization agreement is to remain in full force and effect until ICMA-RC has received written notification from me of its termination.

Signature of Payee (see instructions)  Date

Section B: Financial institution information

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* Please ensure that all information is completed on this form. If information is missing or incomplete, a check will be issued instead of a direct deposit to your account.
Instructions for Plan 3 Direct Deposit Authorization:

Section A

1. Complete all personal information in the top section of the form.
2. Print your name where indicated and sign and date the statement. If the signature can only be made by mark, it must be witnessed by two persons who sign the form. If witnesses are required, they should print the word ‘Witness’ above their signatures to the right of the mark.
3. Print the name and Social Security number of the member/retiree, if different from yours.

Section B

1. Complete all financial institution information. A representative from your financial institution can assist you if necessary.
2. Mail or fax the form to:

   ICMA Retirement Corporation
   P.O. Box 96220
   Washington, DC  20090-6220
   Fax: 202-682-6439

You may want to retain a copy for your personal records.

Cancellation Instructions:

After receipt by ICMA-RC, this authorization will remain in effect until canceled by notice to ICMA-RC or upon your death. The financial institution should also be notified if you cancel this agreement.

The financial institution may cancel their agreement by providing you and ICMA-RC written notice 30 days in advance of the cancellation date. If this authorization is canceled, you must advise ICMA-RC immediately of your new distribution instructions.

This form requests that you provide your Social Security Number. Internal Revenue Code Sections 6041 (A) and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security Number.

- The disclosure of your Social Security Number to DRS is mandatory.
- DRS will use your Social Security Number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
- DRS will not disclose your Social Security Number to any party unless required by law.
General Withholding Requirements & Tax Notice on Pension Payments

The IRS provides that if you receive a distribution of funds, you may be subject to 20 percent federal income tax withholding, unless you have the payment rolled over directly to an IRA or an eligible employer plan.

Payments that can be rolled over

If you choose a direct rollover, except for Roth IRA, you are not taxed until you later take payment out of the traditional IRA or the eligible employer plan.

You can choose to have any part or all of an eligible rollover distribution paid from Plan 3 directly to another qualified retirement plan that accepts rollover distributions or to an IRA.

Direct rollover to an IRA

You can open an IRA to receive a direct rollover or roll the funds over to an existing IRA. If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. In choosing an IRA, you may wish to consider whether the IRA will allow you to move all or a part of your payment to another IRA at a later date without penalties or other limitations. Refer to IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs (including limits on how often you can roll over between IRAs). See page 17 for ordering information.

Payments made from a plan cannot be rolled over to a Simple IRA or a Coverdell Education Savings Account.

Once you rollover your after-tax contributions to an IRA, those amounts cannot later be rolled over to an eligible plan.

You can choose a direct rollover to a Roth IRA subject to the same limits that apply to rollovers from a traditional IRA to a Roth IRA (i.e., for tax years prior to January 1, 2010, your adjusted gross income cannot exceed $100,000 and you must not be married filing separately). If you make a direct rollover of your distribution to a Roth IRA, the amount of your distribution will be included in your taxable income (except for any portion of the distribution that represents a return of your after-tax contributions to the Plan). A direct rollover of your distribution to a Roth IRA avoids the 10 percent tax on early distributions received before age 59½, become disabled, or retire under the terms of the Plan. DRS is not responsible for assuring your eligibility to make a rollover to a Roth IRA. You should consult your tax advisor if you are interested in rolling over your distribution to a Roth IRA.

Direct rollover to a retirement plan

If you are employed by a new employer that has an eligible retirement plan, and you want to do a direct rollover, ask the administrator of that plan if a rollover will be accepted. An eligible employer plan is not legally required to accept a rollover.

Already-taxed payments

If you have already paid taxes on your contributions, they are not subject to additional tax. However, the IRS determines how after-tax dollars are distributed after you retire.

• If you have started receiving your defined benefit from DRS, all of your after-tax dollars will be distributed through those payments. Upon withdrawal, all of your defined contributions will be classified as tax-deferred.
• If you have not started receiving your defined benefit from DRS and you are vested, your defined contribution distribution will include a portion of your after-tax dollars.
• If you are not vested and therefore not entitled to a defined benefit from DRS, all of your after-tax dollars will be distributed through the withdrawal of your defined contributions.

Payments that cannot be rolled over

You may not directly roll over a benefit of less than $100. In addition, the following types of payments cannot be rolled over and are therefore not subject to the 20 percent withholding:

• Payments spread over long periods
You cannot roll over a payment if it is part of a series of equal (or almost equal) payments made at least once a year and lasting for: your life (or life expectancy); your life and your beneficiary’s life (or life expectancies); or a period of 10 years or more.

• Required payments after age 70½
Beginning April 1 of the year following the year you reach age 70½ or retire (whichever is later), you are required to withdraw a minimum amount from your account annually. This portion of your benefit cannot be rolled over. The minimum is based on your account value and the life expectancies of you and your beneficiary. If you fail to comply with the requirement, you are subject to a tax equal to 50 percent of the underpayment amount.
Mandatory withholding

If you are eligible for a rollover but you do not roll over your defined contribution funds, there is a mandatory withholding. By law, any portion of the payment to you that is eligible for rollover is required to have 20 percent withheld. This amount is sent to the IRS as income tax withholding.

The requirements apply to tax deferred contributions and earnings on all contributions. The 20 percent withholding tax applies to all plan payments that are eligible for rollover including:

- Tax-deferred funds paid to a member who has separated employment; and
- Distributions of tax-deferred funds to surviving spouses or alternate payees.

If any portion of the payment is not an eligible rollover distribution but is comprised of tax-deferred contributions, the mandatory withholding rules described in this brochure do not apply. You may choose to have taxes withheld to comply with IRS tax liability withholding requirements.

Additional 10 percent tax

If you receive a payment before you reach age 59½, and you do not roll over your defined contribution funds, you may have to pay an additional tax equal to 10 percent of the taxable portion of the payment. The additional 10 percent tax does not apply to payments made in the following circumstances:

- If you separate from service with your Plan 3 employer during or after the year you reach age 55;
- If you qualify as a public safety employee and separate from service with your employer during or after the year you reach age 50;
- If you retire or separate due to disability;
- If, after you separate from service, payment is made as equal or almost equal payments over your life expectancy, or you and your beneficiary’s life expectancies;
- If payment is made to your beneficiary (or to your estate) after your death;
- If the funds are rolled over into another eligible retirement account within 60 days of disbursement;
- If payments are paid directly to the government to satisfy a federal tax levy;
- If the distribution is equal to or less than the amount of deductible medical expenses.

The calculation and payment of the tax for an early distribution are your responsibility as part of filing your year-end IRS forms (1040 and 5329). Beneficiaries and alternate payees are not subject to this tax.

If your payment is not considered an eligible rollover distribution, taxes will be withheld on your withdrawal according to the Form W-4P that you file. If you indicate no withholding on your W-4P, the request will be honored unless you are a nonresident alien. If you request no withholding, you may need to meet IRS requirements for payment of estimated taxes by year-end.

If you do not submit a W-4P form and your distribution is not eligible for a rollover, taxes will be withheld according to IRS requirements. The IRS standard is a filing status of married with three exemptions.

See IRS Form 5329 for more information on the additional 10 percent tax.

Sixty-day rollover option – Payments made to member

If you have an eligible rollover distribution paid to you, you can still decide to roll all or part of it into an IRA or another eligible employer plan that accepts rollovers. If you decide to roll over your funds, you must make the rollover within 60 days after you receive the payment. Unless you roll over your distribution to a Roth IRA, 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. If you roll over to a Roth IRA, the distribution will be included in your taxable income for the year in which it is paid to you.

If you want to roll over a payment you received to a traditional IRA, you can roll over up to 100 percent of the eligible rollover distribution, including an amount equal to the 20 percent withheld. If you choose to roll over 100 percent, you must find other money within the 60-day period to contribute to the traditional IRA or the employer plan to replace the 20 percent that was withheld. If you roll over only the 80 percent that you received, you must report the 20 percent withheld as income in the year it was received.

Special tax treatment for lump sum distributions

If your withdrawn tax deferred dollars are not rolled over, they will be taxed in the year you receive them. However, if your withdrawal qualifies as a “lump sum
distribution,” it may be eligible for special tax treatment if you were born before January 2, 1936. A lump sum distribution is payment of your entire balance from all of your employer’s qualified plans within one year, because you have reached age 59½ or have separated from service. For a Plan 3 payment to qualify as a lump sum distribution, you must have been a member of a DRS-administered retirement system for at least five years.

If you were born before January 2, 1936, see IRS Publication 575 for information about 10-year averaging and the capital gains tax treatment. There are limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your life, and the election applies to all lump sum distributions that you receive in that same year. If you have previously rolled over a payment from a DRS-administered plan (or other similar plans of your employer), you cannot use this special tax treatment for later payments from any of these plans. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, Tax on Lump Sum Distributions, which has more information on lump sum distributions and how you elect the special tax treatment.

U.S. Federal Tax Treatment for Non-resident Aliens

If you are a non-resident alien, you may be subject to non-resident alien withholding tax rules. A non-resident alien is an individual who is not a U.S. citizen or a resident alien.

How to Obtain Additional Information about Federal Taxes

This booklet describes the highlights of the federal tax rules that might apply to your payment. The rules described in this booklet are complex and contain many conditions and exceptions that are not included in this publication. Consult with a professional tax advisor or review the IRS publications noted below before you withdraw funds from your retirement account. You can find more specific information on the tax treatment of payments from eligible retirement plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. IRS publications are available from your local IRS office or by calling 1-800-TAX-FORMS. You can obtain federal tax information from the IRS by calling 1-800-TAX-1040, or on the IRS website at: www.irs.gov. DRS and ICMA-RC staff are not authorized to give tax advice.

Beneficiaries and Alternate Payees

Please note that the processing timelines described on page 1 are also applicable to beneficiaries and alternate payees.

If you are a surviving spouse, another beneficiary or an alternate payee, your payment is not subject to the additional 10 percent tax described on page 16 of this booklet, even if you are younger than age 59½ and the member was not a member of the plan for at least five years. Also, you may be able to use the special tax treatment for lump sum distributions described on page 16.

If you are a surviving spouse of the deceased member or retiree who has not initiated payment of the defined contributions, you may choose from any of the distribution options.

If you have a property division order that “awards you an interest” in your ex-spouse’s account, you must take payment of the funds when your ex-spouse accesses the Plan 3 account, or at the time of your ex-spouse’s death. You cannot access the funds until one of these events occurs. At that time, you may choose from any of the distribution options.

If you have a property division order that “splits” your ex-spouse’s retirement account with you, your account is separate from that of your ex-spouse and you may access it at any time. You may choose from any of the distribution options.

If you are a non-spouse beneficiary of the deceased member or retiree who has not initiated payment of the defined contributions, you may choose from most of the distribution options. If you initiate a direct rollover to an IRA (includes traditional and Roth) it must be properly established as an inherited IRA. You cannot roll over to an eligible pension plan or roll over the payment yourself.

The Plan 3 Defined Benefit

Your Plan 3 defined benefit is financed by your employer. Once you have accumulated enough service credit to qualify for retirement and you reach retirement age, you can receive a benefit even if you have withdrawn your defined contribution funds. You should keep your address up-to-date with DRS because you will be eligible to receive this benefit when you reach retirement age.
For additional information about your defined benefit and retirement eligibility, refer to your Plan 3 Member Handbook, visit the DRS website at www.drs.wa.gov, or contact DRS directly at 1-800-547-6657. If you have questions regarding your defined benefit, contact DRS:

Department of Retirement Systems
PO Box 48380
Olympia, WA 98504-8380
Toll Free: 1-800-547-6657
Telephone: (360) 664-7000
TTY: (360) 586-5450
Website: www.drs.wa.gov
E-mail: recep@drs.was.gov

If you have questions regarding your defined contribution, contact ICMA-RC:

ICMA-RC
PO Box 96220
Washington, DC 20090-6220
Toll Free: 1-888-711-8773
TDD: 1-800-669-7471
Website: www.icmarc.org/Plan3
E-mail: Plan3@icmarc.org

### Definitions

**Alternate payee(s)**
A person whose interest in the retirement account stems from a court order that complies with applicable Washington State statutes. These orders are usually issued in connection with a divorce or legal separation.

**Beneficiary**
Any person, estate, organization or trust designated to receive benefits which may be payable upon a member’s death.

**Eligible rollover distribution**
Most payments made to members, beneficiaries, or alternate payees that do not continue for the life of the recipient or for 10 years or more. See IRS Publication 575 for details.

**Individual Retirement Account (IRA)**
Includes individual retirement accounts or individual retirement annuities. IRA can be classified as either traditional or Roth.

**Lump sum distribution**
The payment of a member’s entire balance from the retirement plan within one year. See IRS Publication 575.

**Minor child**
A member’s child who is under the age of eighteen.

**Rollover**
A deposit of your plan payment to your individual retirement account (IRA) or to an eligible employer plan that accepts rollovers. This may include tax-deferred contributions, taxed contributions and earnings.

**Tax-deferred contributions**
Contributions deducted from your paycheck before federal income taxes are calculated. Payment of taxes is deferred until you receive the money.