



Please return completed form to:  
 Pipeline Industry 401(k) Fund  
 PO Box 470950  
 Tulsa, OK 74147

**REQUEST FOR DISTRIBUTION FORM  
 PIPELINE INDUSTRY 401(K) FUND**

**Section 1: Participant Information**

Social Security Number: \_\_\_\_\_ Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_ Daytime phone: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Birth date: \_\_\_\_\_  
 E-mail address: \_\_\_\_\_  
 Married Name of Spouse: \_\_\_\_\_  
 Not Married (check if you are single, divorced, legally separated or widowed)

**Section 2: QDRO/Alternate Payee Information (if applicable)**

Social Security Number: \_\_\_\_\_ Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_ Daytime phone: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Birth date: \_\_\_\_\_  
 Relationship to Participant: \_\_\_\_\_ E-mail address: \_\_\_\_\_

**Section 3: Reason for Distribution**

- 3 months separation\* (date) \_\_\_\_\_  Required Minimum Distribution  Hardship\* (Complete Self-Certification, p.4)
- 24 months separation\* (date) \_\_\_\_\_  QDRO (complete Section 2)  Disability (Provide appropriate documentation)
- Retired (date) \_\_\_\_\_  In-service withdrawal\* (must be at least 59 ½)

\* A \$50.00 Fee is charged for each Separation, Hardship and In-Service Withdrawal. No fee is charged for distributions of any other reason.

**Section 4: Distribution Options (Please read the "Special Tax Notice Regarding Plan Payments" before completing this section)**

- Pay Directly to Me
  - Total account balance
  - Percentage of my account balance, indicate % \_\_\_\_\_  Gross **OR**  Net of Federal/State Taxes withheld
  - Dollar Amount, indicate \$ \_\_\_\_\_  Gross **OR**  Net of Federal/State Taxes withheld
  - Method of Payment:  Mail check to address of record **OR**  ACH my bank account, **MUST include voided check with this form**
- Installments:  Monthly  Quarterly  Semi-annually  Annually
  - Dollar Amount, indicate \$ \_\_\_\_\_  Gross **OR**  Net of Federal/State Taxes withheld
  - Method of Payment:  Mail check to address of record **OR**  ACH my bank account, **MUST include voided check with this form**
- Rollover to Plan or IRA, indicate \$ \_\_\_\_\_ *(Skip to Section 6)*
- Annuity Contract (Check payable to Life Insurance Company for the benefit of the Participant)
  - Annuity Type:  Joint and  50%;  66 2/3%;  75%;  100% Survivor Annuity



**Section 5: Withholding Election** (Please read the "Special Tax Notice Regarding Plan Payments" before completing this section)  
**Skip to Section 6 if requesting a direct rollover and skip to Section 7 if requesting a distribution due to hardship.**

With limited exceptions, I understand that in addition to ordinary income tax, this distribution will be subject to a 10% early withdrawal penalty tax if I receive the distribution before I attain age 59 ½. You should consult your tax professional before taking any distribution from the plan.

**Federal withholding:** The IRS requires the plan to withhold 20% of the distribution amount paid directly to you that is eligible for rollover. If you wish the plan to withhold a **GREATER** amount than the 20% mandatory withholding, please indicate below:

Additional Federal withholding, if any, you want withheld from your distribution: \_\_\_\_\_ % or \$ \_\_\_\_\_  
(In addition to the required 20% Federal withholding)

**State income tax will be withheld from the taxable portion of your distribution if you reside in a state that requires mandatory withholding.**

I certify that my legal state of residence is \_\_\_\_\_ and that the election below reflects the requirements of that state. If permanent state of residence is not indicated, your state on record will be used to determine state withholding requirements.

Check here if you **do not want any state** income tax withheld from your distribution (unless it is mandatory).

Additional state amount, if any, you want withheld from your distribution: \_\_\_\_\_ % or \$ \_\_\_\_\_

**Section 6: Direct Rollover to Qualified Plan or IRA**

Direct Rollover to another Qualified Plan    **OR**     Rollover to Traditional IRA    **OR**     Rollover to Roth IRA

**Account balance rollover instructions**

Name of new trustee/custodian where funds will be held: \_\_\_\_\_

Name of IRA/Qualified Plan/Account Number: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Name and phone of contact person at new institution: \_\_\_\_\_

**Section 7: Participant's Certification if Not Married, or if Spouse is Unlocatable**

Your plan, or a portion of the plan, is subject to the Qualified Joint and Survivor Rules. If unmarried, please indicate as such below.  
**Your signature in Section 9 must be witnessed by a Notary Public. (See Section 10)**

I hereby certify that I am not married, and that there are no Plan benefits payable to a former spouse under a Qualified Domestic Relation Order (QDRO).

I hereby certify that I am not married; However, there may be a reduction in my benefits as a result of a prior Qualified Domestic Relation Order (QDRO).

I certify that I am married but cannot locate my spouse or have an order of Legal Separation. Please explain why you cannot locate your Spouse and/or attach a copy of the Court order of Legal Separation: \_\_\_\_\_

**Section 8: Spousal Waiver of Qualified Joint and Survivor Annuity**

Your plan, or a portion of the plan, is subject to the Qualified Joint and Survivor Rules. If married, your spouse must consent to the distribution in order to complete the distribution. **Your signature and your spouse's signature must be witnessed by a Notary Public. (See Section 10)**

I, \_\_\_\_\_, spouse of the above-referenced participant, **elect to waive the Qualified Joint and Survivor Annuity** that would otherwise be payable to me (absent my consent) and agree to the distribution elections made under this Request for Distribution Form. I acknowledge that I have read and understand the Qualified Plan Distribution Notice which explains my rights to receive a distribution in the form of a Qualified Joint and Survivor Annuity, my rights to waive the Qualified Joint and



**Section 8: Spousal Waiver of Qualified Joint and Survivor Annuity (cont.)**

Survivor Annuity (and the effect of such a waiver), and the time period during which I may make this waiver. I further understand that I do not have to sign this waiver and that by doing so, I waive the Qualified Joint and Survivor Annuity in favor of the distribution form elected above.

I understand and acknowledge that I am completely responsible for understanding my legal rights under the Plan and that I have the right to seek legal counsel to ensure that my consent accomplished my intentions. I understand that I do NOT have to complete this form. If I do not complete this form, I will be entitled to a survivor benefit from the Plan upon the death of my spouse. (I have reviewed the Qualified Plan Distribution Notice and understand the financial effect of waiving the Qualified Joint and Survivor Annuity.). I further understand that I cannot revoke this form once I sign and date it unless my spouse revokes the waiver election. I also understand that any change in the form of benefit elected under this Request for Distribution Form is subject to my consent, unless my spouse elects to receive distribution in the form of a Qualified Joint and Survivor Annuity.

I have executed this Spousal Waiver of Qualified Joint and Survivor Annuity this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
**Signature of Participant's Spouse**

**Section 9: Certification and Signature**

The eligible distribution of your vested account balance may take up to 14-20 business days upon receipt of a completed form by the Pipeline Industry 401(k) Fund. The final amount of your payment may be subject to market fluctuation and therefore may differ from the amount at the time this request was made. Trust Company of Oklahoma will not be responsible for any market changes on your final distribution amount between the time the completed form is received and the time the funds are actually withdrawn from your investments.

I hereby certify that there are no plan benefits payable to a former spouse under a prior Qualified Domestic Relation Order (QDRO).

I have received the "Special Tax Notice Regarding Plan Payments" provided to me by the plan representative. I hereby request payment from the plan in the manner indicated. I hereby waive my right to a 30-day period in which to consider the decision of whether or not to elect a direct rollover. I certify under penalties of perjury that all information provided by me is true and accurate, and that no tax advice has been given to me by the plan representative and/or plan sponsor and that all decisions regarding this withdrawal are my own. I expressly assume the responsibility for any adverse consequences which may arise from this withdrawal and I agree that the plan representative and/or plan sponsor shall in no way be responsible for those consequences.

\_\_\_\_\_  
**Participant's signature**

\_\_\_\_\_  
**Date**

**Section 10: Witness by Notary Public**

The signature in Section 8 and 9 as applicable has been witnessed.

State of \_\_\_\_\_ County of \_\_\_\_\_

BEFORE ME, a Notary Public, personally appeared \_\_\_\_\_, who signed above as a free and voluntary act. IN WITNESS WHEREOF, I have signed my name and affixed my official notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
**Notary Public**

(Seal)

My commission expires: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Section 11: Plan Representative Signature**

\_\_\_\_\_  
**Plan Representative's signature**

\_\_\_\_\_  
**Date**

**Return completed form to:  
Pipeline Industry 401(k) Fund  
PO Box 470950  
Tulsa, OK 74147**



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**HARDSHIP SELF-CERTIFICATION  
 PIPELINE INDUSTRY 401(K) FUND**

**Section A: Participant Information**

Social Security Number: \_\_\_\_\_ Name: \_\_\_\_\_

Daytime phone: \_\_\_\_\_ E-mail address: \_\_\_\_\_

**Section B: Self-Certification**

**YOU ARE NOT REQUIRED TO SUBMIT HARDSHIP DOCUMENTATION; HOWEVER, YOU ARE REQUIRED TO MAINTAIN THE DOCUMENTATION.**

As a Participant in the Plan, I attest:

- that my distribution is due to an immediate and heavy financial need and will not exceed the amount necessary to satisfy that financial need, and
  - I have no alternative means reasonably available to satisfy the financial need, and
  - I have previously obtained all distributions available under all retirement plans maintained by my Employer, and
  - that my reason for hardship qualifies under one of the IRS approved distribution reasons listed below (check one):
- Payment of expenses for unreimbursed medical expenses previously incurred or necessary to obtain medical care for either myself, my spouse, my child(ren), or my other dependents. (HRA funds must be exhausted first. If HRA has not been utilized, a statement explaining why it has not been submitted to HRA must be attached)
- Purchase of a principal residence (excluding mortgage payments).
- Payment of tuition and related educational fees, including room and board for the next 12 months of post-secondary education for either me, my Spouse, my child(ren), or my other dependents. Distribution is for (name and relationship): \_\_\_\_\_
- Prevention of foreclosure on or eviction from my principal residence.
- Payment for burial or funeral expenses of my deceased parent, Spouse, child or dependent.
- Payment of expenses or losses arising from a natural disaster declared by FEMA in the location of my principal residence or place of employment.
- Payment of expenses for the repair of damage to my principal residence that would qualify for a casualty deduction under Section 165 of the Internal Revenue Code.
- Payment of expenses for major repair or replacement of the welding truck and/or related equipment. This does not include routine maintenance.

**Section C: Hardship Withholding Election**

Please read the "Special Tax Notice Regarding Plan Payments" before completing this section

**With limited exceptions, I understand that in addition to ordinary income tax, this distribution will be subject to a 10% early withdrawal penalty tax if I receive the distribution before I attain age 59 ½ and is not the payment of certain tax-deductible medical expenses. You should consult your tax professional before taking any distribution from the plan.**

**Federal withholding:** *Hardship withdrawals are not subject to the required 20% Federal income tax withholding but will be subject to 10% Federal income tax withholding if no election is made.* If you wish the plan to withhold an amount other than 10% (including 0%), please indicate below:

Indicate the **TOTAL** Federal income tax amount to be withheld from distribution: \_\_\_\_\_ % or \$ \_\_\_\_\_

**State income tax will be withheld from the taxable portion of your distribution if you reside in a state that requires mandatory withholding.**

I certify that my legal state of residence is \_\_\_\_\_ and that the election below reflects the requirements of that state.

If permanent state of residence is not indicated, your state on record will be used to determine state withholding requirements.

Check here if you do not want any state income tax withheld from your distribution.

Additional state amount, if any, you want withheld from your distribution: \_\_\_\_\_ % or \$ \_\_\_\_\_

**Section D: Signature**

Under current law, I am not able to roll any amount I received as a hardship to an IRA that I may maintain. And if I am married, my spouse has agreed to this hardship distribution, as provided for on the Request for Distribution Form. I understand this election is irrevocable and waive the unexpired portion of the minimum 30-day period during which I may consent to a distribution from the Plan and will furnish supporting documentation upon request.

Pursuant to 18 USC 1027, "whoever, in any document required by title I of the Employee Retirement Income Security Act of 1974 (as amended from time to time) to be published, or kept as part of the records of any employee welfare benefit plan or employee pension benefit plan, or certified to the administrator of any such plan, makes any false statement or representation of fact, knowing it to be false, or knowingly conceals, covers up, or fails to disclose any fact the disclosure of which is required by such title or is necessary to verify, explain, clarify or check for accuracy and completeness any report required by such title to be published or any information required by such title to be certified, shall be fined under this title, or imprisoned not more than five years, or both."

\_\_\_\_\_  
 Participant's Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Plan Representative's Signature

\_\_\_\_\_  
 Date

## INSTRUCTIONS FOR DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS

Payments from the plan that are **eligible rollover distributions** can be taken in two ways. You may have all or any portion of your eligible rollover distribution either (1) paid in a **direct rollover** to an IRA or another employer plan or (2) paid to you. If you chose to have your plan benefit paid to you, you will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. You cannot waive that withholding.

**Eligible rollover distributions** are all distributions from the plan *except* the following:

- Required minimum distributions;
- Certain distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lives of you and your Beneficiary) or for a specified period of 10 years or more; and
- Distributions to non-spouse Beneficiaries of deceased Participants;
- Hardship distributions.

Attached is a notice which describes your options in greater detail.

If you want your Plan Administrator to make a **direct rollover** of your plan payment to an IRA or another employer plan, you must provide certain information about that IRA or plan. Your Plan Administrator will specify that information. The Plan Administrator may ask you to complete and attach a Direct Rollover Request or similar form.

## WITHHOLDING NOTICE AND INSTRUCTIONS

SUBSTITUTE FORM W-4P OMB #1545-0415

	Distributions from your qualified retirement plan are subject to Federal (and in some cases, State) income tax withholding. For some distributions, you can elect not to have withholding apply. <b>However, you cannot waive withholding on any eligible rollover distribution that is paid to you.</b> See the information above for the definition of eligible rollover distribution and a description of the mandatory 20% withholding.
<b>Election of No Withholding</b>	<b>DISTRIBUTIONS THAT ARE NOT ELIGIBLE ROLLOVER DISTRIBUTIONS</b> If your distribution is not an eligible rollover distribution (see the definition of eligible rollover distribution above) you may elect not to have withholding apply. Check the no withholding box if you do not want any Federal income tax withheld from your distribution. Even if you do not have income tax withheld, you are liable for payments of income tax on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate. In addition, State and Local taxes may apply to your distribution.
<b>Periodic Distributions</b>	For purposes of the withholding rules on distributions that are not eligible rollover distributions, a periodic distribution is one that is includible in your income for tax purposes and that you receive in installments at regular intervals (e.g., annually, quarterly, monthly, etc.) over a period of time (generally, at least 10 years).  Periodic distributions are treated as wages for purposes of withholding. If you do not waive withholding on your periodic distributions, Federal income tax will be withheld unless you check off do not withhold.
<b>Nonperiodic Distributions</b>	Unless withholding is waived on any nonperiodic distribution (i.e. one that is not an eligible rollover distribution), Federal income tax will be withheld at the rate of 10%, unless you specified a greater withholding percentage rate.
	<b>CAUTION:</b> Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. See IRS Publication 505 for an explanation of the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.

# QJSA NOTICES

## EXPLANATION OF THE QUALIFIED JOINT AND SURVIVOR ANNUITY

### Explanation of Benefit

A Qualified Joint and Survivor Annuity ("QJSA") provides a monthly lifetime payment to a Participant and, when the Participant dies, a monthly lifetime payment to his or her surviving Spouse in an amount equal to between 50% and 100% of the Participant's monthly benefit.

### Election Privilege

If a Participant is married at his or her benefit commencement date, the benefit he or she receives will be in the form of a QJSA, which will provide a surviving Spouse's (contingent annuitant's) benefit, unless the Participant's Spouse consents and the Participant elects another form of benefit. In order to pay for the cost of continuing the Spouse's payments after the Participant's death, the amount of the Participant's monthly benefit under a QJSA is actuarially reduced to an amount which is less than the monthly amount the Participant would have received if payments terminated on the death of the Participant. The Participant may elect a further reduction in his or her monthly benefit to provide a larger surviving Spouse's monthly benefit (but the surviving Spouse's monthly benefit may never exceed 100% of the Participant's monthly benefit). If the Participant is married on the date benefits begin, benefits will automatically be paid as a 50% joint and survivor benefit, unless the Participant waives such benefit with the consent of his or her Spouse and elects an optional form of payment. Attachment B contains a table which reflects the relative values of monthly payments from different types of annuities assuming a vested account balance of \$10,000 and an interest rate of 7%.

If the Participant is unmarried when benefit payments begin, benefits will automatically be paid in the form of a monthly annuity for life, unless the Participant elects another form of benefit.

A Participant may elect to decline the QJSA form of benefits in favor of any other available form of benefit of comparable value under the Plan. Any such election to decline QJSA coverage, however, must be consented to by the Participant's Spouse in the manner described below.

A Participant may elect to decline the form of benefit during an election period which begins 90 days before his or her benefit commencement date and ends on such benefit commencement date. If, however, the Participant requests in writing from the Plan Administrator specific information on the financial effect of accepting or declining the QJSA form of benefit, the 90-day period will not be deemed to start running until the Plan Administrator provides the requested information. All elections must be in writing and may not be changed after the benefit commencement date. If a Participant begins to receive benefits in the form of a QJSA, and then survives his or her Spouse, there is no change in the amount of the Participant's monthly benefit payable during the Participant's lifetime and benefit payments will stop at the Participant's death.

### Spousal Consent Requirement

Any election by a Participant to decline the QJSA form of benefit must be consented to in writing by the Participant's Spouse. The consent must be witnessed by a representative of the Plan or by a notary public, must evidence understanding by the consenting Spouse of the effect of such election and consent, and must be irrevocable as of the benefits commencement date. If the Participant's election of an alternate form of benefit would result in the payment of benefits after the Participant's death to persons other than his or her Spouse, a separate or additional written consent by such Spouse is required in which the designation of specific non-spousal Beneficiaries is approved.

### Effect of Election

If a Participant makes an election to waive the QJSA form of payment, any benefit payable after his or her death will be payable as provided under the form of benefit elected by the Participant, as described below. If the Participant makes an election (with spousal consent) to decline the QJSA form of payment and thereafter revokes the election (which revocation must occur before the Participant's benefit commencement date), the Participant's benefit will once again become payable in the form of a QJSA. The Participant may not thereafter again elect to decline the QJSA form of payment without again securing spousal consent to the new election.

### Additional Information

The Participant may request specific information on the financial effect of accepting or declining the QJSA form of benefit by contacting the Plan Administrator in writing.

## GENERAL DESCRIPTION OF ALTERNATE FORMS OF BENEFIT PAYMENT

Your benefit under the Plan may be distributed in any of the following forms. If you are married when your benefits begin to be paid, spousal consent is required if benefits are to be distributed in any form other than as a Qualified Joint and Survivor Annuity.

**Option 1 – Single Cash Payment:** A payment of the present value of your entire vested account balance/accrued benefit under the Plan. No further benefits will be payable to you or to any other person by reason of your participation in the Plan.

**Option 2 – Installment Payments:** A series of monthly, quarterly, semi-annual or annual payments in cash of the present value of your entire vested account balance/accrued benefit under the Plan, paid over a fixed period of time. If you die before your entire vested account balance/accrued benefit under the Plan has been distributed, the unpaid balance will be paid to your designated Beneficiary, in cash, in a single payment, or installments over the remainder of the prescribed period.

**Option 3 – Life Annuity:** Monthly payments commencing on your benefit commencement date and continuing thereafter during your lifetime. There are no benefits payable after your death.

**Option 4 – Period Certain Annuity:** Payments beginning on your benefit commencement date and continuing thereafter monthly during your lifetime. If you die during the "guaranteed" or "certain" period, benefit payments will continue after your death for the balance of the guaranteed or certain period to your designated beneficiary. If you die during the guaranteed or certain period (which may be 60 months, 120 months or 180 months), the benefit payments will stop at the end of that period. Example: If you select a period guaranteed or certain of 120 months and live longer, the benefits will be paid for your entire lifetime. If you make that 120-month guaranteed or certain period election and die after receiving 70 monthly payments, your beneficiary will receive the same payments for 50 months.

**Option 5 – Contingent Survivor Annuity:** A monthly benefit for your lifetime, with a monthly benefit continuing after your death for the lifetime of your “contingent beneficiary” who is designated before the benefit commencement date. The amount of your lifetime benefit and of the benefit payable to your surviving contingent Beneficiary depends upon your age and your contingent Beneficiary’s age. If your contingent Beneficiary dies before your benefit commencement date, your election of this form of benefit will be void. If your contingent Beneficiary dies during your lifetime but after your benefit commencement date, there will be no survivor’s benefit and your lifetime benefit will cease at your death.

**Election Period Information**

You may elect the form of benefit most suitable to you at any time before your benefit commencement date. All elections must be made in writing on forms satisfactory to the Plan Administrator, and the written and notarized consent of your spouse (if any) may be required. You may request specific information on the financial effect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit by contacting the Plan Administrator in writing. You will not be required to make a final and irrevocable election as to your choice of benefit distribution form until at least 90 days after you have received all of the information you have requested in writing as to the economic effect of making that election. Also, you will not be required to make any election more than 90 days before your benefit commencement date. If you are reemployed by the Plan sponsor after your benefits begin to be paid, your benefit payments may or may not continue during the period of your reemployment. Final elections and any required spousal consents must be executed (and, in the case of the spousal consent, witnessed by a representative of the Plan or notarized) within 90 days before your benefit commencement date.

The table below shows the relative values of monthly payments from different types of annuities, assuming a vested account balance of \$10,000 and an annual interest rate of 7%. This table is only an illustration and does not reflect the value of your individual benefit or actual payments you or your beneficiaries would receive. You may request specific information on the financial affect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit by contacting the Plan Administrator in writing.

<b><u>Assumptions:</u></b>	Vested Account Balance:		\$10,000		Interest Rate:		7%	
<b><u>Participant’s Age:</u></b>	65	60	55	50	45	40	35	30
<b><u>Spouse’s Age:</u></b>	62	57	52	47	42	37	32	27
<b><u>Annuities</u></b>								
<b>50% Joint &amp; Survivor</b>	\$83.72	\$76.29	\$70.89	\$66.95	\$64.06	\$61.93	\$60.39	\$59.28
<b>100% Joint &amp; Survivor</b>	79.27	72.87	68.25	64.94	62.54	60.77	59.50	58.55
<b>Lifetime</b>	95.39	84.90	77.29	71.71	67.59	64.55	62.33	60.74
<b>5-Year Certain and Life</b>	92.86	83.62	76.60	71.34	67.39	64.44	62.27	60.69
<b>10-Year Certain and Life</b>	86.91	80.33	74.79	70.33	66.82	64.12	62.08	60.57
<b><u>Installment Payments Based on Life Expectancy</u></b>								
<b>Life in Years</b>	15.35	18.88	22.74	26.89	31.28	35.85	40.53	45.28
<b>Monthly Payment</b>	\$92.47	\$82.83	\$76.07	\$71.30	\$67.92	\$65.53	\$63.85	\$62.67

# ROLLOVER DISTRIBUTION NOTICE

## GENERAL INFORMATION

This notice contains important information you need before you decide how to receive your retirement plan benefits. This notice is provided to you by your Plan Administrator because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan). An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

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

## SUMMARY

There are two ways you may be able to receive a Plan 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 Plan.

If you choose to have a Plan payment that is eligible for rollover paid to you:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- 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 plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether 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 you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

### **MORE INFORMATION**

<b>I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER</b>	<b>Page 7</b>
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### **I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER**

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

#### **After-tax Contributions**

If you made after-tax contributions to the Plan, 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 Plan Administrator 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 nontaxable 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 an employer plan that is qualified under Code Section 401(a) or a Section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also 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 Plan Administrator of this Plan 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. Special rules apply if you own 5% or more of your employer.

#### **Hardship Distributions**

A hardship distribution cannot be rolled over.

#### **ESOP Dividends**

Cash dividends paid to you on employer stock held in an employee stock ownership plan 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 Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

The Plan Administrator of this Plan 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 Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a direct rollover until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a direct rollover. This Plan might not let you choose a direct rollover if your distributions for the year are less than \$200.

**Direct Rollover to a Traditional IRA**

You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

**Direct Rollover to a Plan**

If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

**Direct Rollover of a Series of Payments**

If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

**Change in Tax Treatment Resulting from a Direct Rollover**

The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a Section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."

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.

### III. PAYMENT PAID TO YOU

#### **Mandatory Withholding**

If any portion of your payment can be rolled over under Part I above and you do not elect to make a direct rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see “Sixty-Day Rollover Option” below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

#### **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, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

#### **Sixty-Day Rollover Option**

If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

*Example:* The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

#### **Additional 10% Tax If You Are under Age 59½**

If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to:

- (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55;
- (2) payments that are paid because you retire due to disability;
- (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary’s lives or life expectancies);
- (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code Section 404(k);
- (5) payments that are paid directly to the government to satisfy a Federal tax levy;
- (6) payments that are paid to an alternate payee under a Qualified Domestic Relations Order; or
- (7) payments that do not exceed the amount of your deductible medical expenses.

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

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

### **Special Tax Treatment If You Were Born before January 1, 1936**

If you receive a payment from a plan qualified under Section 401(a) or a Section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a “lump sum distribution,” it may be eligible for special tax treatment. (See also “Employer Stock or Securities”, below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the Employer) that is payable to you after you have reached age 59½ or because you have separated from service with your Employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a Participant in the Plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

- **Ten-Year Averaging**

If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using “10-year averaging” (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

- **Capital Gain Treatment**

If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b)-tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

### **Employer Stock or Securities**

There is a special rule for a payment from the Plan that includes Employer stock (or other Employer securities). To use this special rule:

- 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of Plan participation, or
- 2) the Employer stock included in the payment must be attributable to “after-tax” employee contributions, if any.

Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the Employer stock while it was held by the Plan. For example, if Employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only Employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than Employer stock, as well as Employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the Employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding Employer stock) paid to you.

If you receive Employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

### **Repayment of Plan Loans**

If your employment ends and you have an outstanding loan from your Plan, your Employer may reduce (or “offset”) your balance in the Plan 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 Plan, 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 (other than any employer securities). The amount of a defaulted plan 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 Plan results from a “qualified domestic relations order,” which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving Spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a direct rollover to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the Employee.

If you are a 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.

If you are a surviving Spouse, an alternate payee, or another Beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include Employer stock, as described in Part III above. If you receive a payment because of the employee’s death, you may be able to treat the payment as a lump sum distribution if the Employee met the appropriate age requirements, whether or not the Employee had 5 years of participation in the Plan.

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 a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS’s Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.

## **SPECIAL NOTE ABOUT STATE WITHHOLDING**

Any mandatory state withholding is required to be withheld from your payment. If you are an Oklahoma resident, and choose to have a direct payment made to you, you will only receive 75% of your vested plan balance, as the Plan Administrator is required to withhold 5% in Oklahoma state withholding in addition to the 20% federal withholding outlined above. If you are a resident of another state, the Plan Administrator may be required to withhold applicable state withholding on your payment as well.

## **PIPELINE INDUSTRY ANNUITY/401(K) PLAN**

### **Explanation of Roth Contributions and In-Plan Roth Rollovers**

The Pipeline Industry Annuity/401(K) Plan ("Plan") offers a new feature under the Plan to permit you make a Roth contribution, which is an after-tax contribution that provides special tax advantages, if amounts attributable to such Roth contributions are withdrawn as part of a "qualified distribution". You are also permitted to rollover or convert/transfer your pre-tax Account (i.e., Elective Account, Employer QNEC/Safe Harbor Account, Rollover Account and Employer Annuity Account) into an after-tax In-Plan Roth Account without receiving a distribution from the Plan. This Explanation explains this new feature under the Plan.

#### **1. What is an after-tax Roth contribution and how is it different from my pre-tax salary deferrals?**

Under the terms of the Plan and before this recent change, you may defer a portion of your salary, on a pre-tax basis, by properly completing the Voluntary Employee Salary Reduction Agreement and filing with the Fund office. If you do not wish to make an after-tax Roth contribution, you may continue to file your Voluntary Employee Salary Reduction Agreement to contribute your pre-tax salary deferrals. This feature of the Plan has not changed.

Under the recent change to the Plan, you now have a choice, if you are permitted under the applicable Collective Bargaining Agreement or Participation Agreement, to designate all or a portion of your salary deferrals as either after-tax Roth contributions or pre-tax salary deferrals, or both by filing the Voluntary Employee Salary Reduction Agreement with Roth Election. Contribution limitations under the Plan will apply. Please contact the Fund office to see if you are eligible to make a Roth contribution and if this feature is available to you.

Pre-tax salary deferrals that are elected on your Voluntary Employee Salary Reduction Agreement are not subject to taxation at the time you make your contribution to the Plan (pre-tax contributions). The salary deferrals maintained in your Elective Account are not taxed until you receive a distribution from the Plan, at which time you are taxed on the amount distributed (including any earnings on your contributions.) Roth contributions, on the other hand, are subject to taxation on your Form W-2 before you make your contribution to the Plan (after-tax contributions). However, you will not be taxed on any amounts distributed from the Plan (including earnings), provided the Roth deferrals are distributed in a "qualified distribution".

#### **2. What is a qualified distribution?**

Generally, to be a "qualified distribution", you must wait at least five years from the date you make your first Roth contribution to the Plan. For example, if you make your first contribution as a Roth deferrals during 2018, the 5-year period would be satisfied as of January 1, 2023 for all Roth deferrals under the Plan. (For purposes of this rule, you are treated as making the first Roth contribution on the first day of the year in which such first contribution is made.) In addition, to be a qualified distribution, you must also have a qualifying event. For this purpose, a qualifying event is generally the attainment of age 59½, death or disability. A distribution for any other reason (e.g., termination of employment or hardship) is not a qualifying event. If you receive a distribution that does not satisfy all requirements as a qualified distribution, you will be taxed on the earnings associated with the Roth contributions. (You will not be taxed on the Roth contributions distributed to you since you have already been taxed on such amounts when you made the contribution.) Since these rules are complicated, please call the Fund office to make sure your distribution is a "qualified distribution".

#### **3. What is an in-Plan Roth rollover/transfer?**

Regardless if you make a Roth contribution as described above, you are permitted to rollover or convert/transfer all or a portion of your existing pre-tax Account (Elective Account, Employer QNEC Account, Rollover Account or Employer Annuity Account) to a separate In-Plan Roth Rollover Account under the Plan. This allows you the option of transferring pre-tax Accounts to an after-tax In-Plan Roth Rollover Account without having to roll over your Account to a Roth IRA. You can request a rollover/transfer of your pre-tax Account to an In-Plan Roth Rollover Account even if you continue to work. Of course, the amount you rollover or transfer will be subject to income taxes. There are no adjusted gross income limitations on the ability to make in-Plan Roth rollover, so you can take advantage of this rollover option, without restrictions based on the amount you earn.

#### **4. What amounts are eligible for in-Plan Roth rollover/transfer?**

To the extent permitted under the Plan, you may rollover or convert/transfer your pre-tax Account by filing an In-Plan Roth Rollover- Conversion/Transfer Election form with the Trustees and elect to transfer all or a portion of your vested Account to an In-Plan Roth Rollover Account. Thus, you may elect to convert/transfer or rollover any portion of your vested interest in the following Accounts, to the extent authorized under the Plan:

- Elective Account
- Employer QNEC/Safe Harbor Account
- Rollover Account
- Employer Annuity Account

You may rollover or convert/transfer to an In-Plan Roth Rollover Account even though your Account is not “otherwise distributable” under the terms of the Plan and you are still working. Please contact the Fund office if you have a question about which Accounts are transferrable to an In-Plan Roth Rollover Account. The distribution provisions of the Plan continue to apply to the In-Plan Roth Rollover Account.

#### **5. Who is eligible to elect an in-Plan Roth rollover/transfer?**

To the extent allowed under the Plan, if you are currently working or have terminated with a vested account balances under the Plan, you may elect an in-Plan Roth rollover/transfer. Spousal death beneficiaries and Alternate Payees under a Qualified Domestic Relations Order are also eligible to make in-Plan Roth conversions. Non-spousal death beneficiaries are not entitled to elect an in-Plan Roth rollover/conversion since they may only rollover their distribution to an inherited IRA.

#### **6. Do the minimum distribution rules at age 70 ½ apply to the In-Plan Roth Rollover Account?**

Yes. You must receive your minimum required distribution each year in accordance with the terms of the Plan from your In-Plan Roth Rollover Account.

#### **7. Is the In-Plan Roth rollover, conversion irrevocable?**

Yes, an In-Plan Roth Rollover Account is irrevocable and you cannot change your election after your rollover or conversion/transfer to the In-Plan Roth Rollover Account is made. The rolled over amounts cannot later be returned to the transferring pre-tax Account. This treatment is different from rollovers to Roth IRAs, which may be recharacterized within a certain time limit.

#### **8. What are the tax consequences of an in-Plan Roth conversion?**

The taxable amount of an in-plan Roth rollover or conversion/transfer must be included in your gross income in the taxable year in which the rollover or conversion/transfer occurs. The taxable amount is equal to the fair market value of the distribution reduced by any basis you may have in the distribution.

Since the 20% income tax withholding rules do not apply and income taxes will not be withheld, you must ensure that proper taxes are withheld or appropriate quarterly estimated payments are made to avoid an underpayment penalty. Also the in-plan Roth rollover/transfer does not trigger the 10% early distribution penalty, but the penalty may apply later if the amounts rolled over or transferred/converted are distributed from the In-Plan Roth Rollover Account before satisfying the five-taxable year period and other requirements of a qualified distribution.

#### **9. How will an in-Plan Roth rollover/transfer be reported?**

The amount of an in-plan Roth rollover/transfer will be reported on a Form 1099-R for the year in which the rollover/transfer occurs. The Plan is not required to withhold 20% for an in-Plan Roth rollover/transfer and the 10% early distribution penalty tax under Code §72(t) does not apply at the time of the Roth rollover/transfer.

Before you make a decision to elect an in-plan Roth rollover/transfer, you are advised to seek legal, financial and/or tax counsel and potential impact on your individual income tax consequences based on your financial circumstances. The Plan, Trustees or Fund office do not provide legal, tax or financial advice with regard to your election.

**PIPELINE INDUSTRY ANNUITY/401(K) PLAN  
IN-PLAN ROTH ROLLOVER-CONVERSION/TRANSFER ELECTION FORM**

**PERSONAL DATA**

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Home Address

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Home Telephone #

**ROTH ROLLOVER-CONVERSION ELECTION**

I hereby acknowledge that I have read and understand the *Explanation of Roth Contributions and In-Plan Roth Rollovers* and understand the tax consequences of making the Roth rollover or conversion/transfer to my In-Plan Roth Rollover Account. I hereby elect to rollover or convert/transfer the following percentage or dollar amount under the following pre-tax Accounts to be maintained in the after-tax In-Plan Roth Rollover Account maintained on my behalf:

- Elective Account: (Employee Contribution) \$ \_\_\_\_\_ or \_\_\_\_\_% of the account
- QNEC/Safe Harbor Account: (Employer Contribution) \$ \_\_\_\_\_ or \_\_\_\_\_% of the account
- Rollover Account: \$ \_\_\_\_\_ or \_\_\_\_\_% of the account
- Employer Annuity Account: \$ \_\_\_\_\_ or \_\_\_\_\_% of the account

You are advised to seek legal, financial and/or tax counsel and potential impact on your individual income tax consequences. The Trustees do not provide legal, tax or financial advice with regard to your election.

**ACKNOWLEDGEMENT AND CONSENT**

I hereby irrevocably elect to rollover, transfer and convert the above amounts in my Account to my In-Plan Roth Rollover Account. I understand by converting these amounts to Roth contributions that I will be required to include such amounts in gross income. I also understand that I cannot change my election once my pre-tax Accounts are rolled over or transferred to my after-tax In-Plan Roth Rollover Account. I understand that distributions from my In-Plan Roth Rollover Account are subject to the terms of the Plan.

I understand that it is solely my responsibility to pay any taxes owed as a result of the Roth rollover conversion/transfer and to determine whether the Roth rollover conversion/transfer is in my best interests. I also understand it is my responsibility to increase my withholdings or make quarterly estimated tax payments if necessary to avoid penalties for underpayment of taxes. If I am under age 59½ at the time I make a Roth rollover, I understand I could also be subject to additional penalties if I withdraw those converted amounts before I attain age 59½.

I understand the Trustees have the authority to deny my election of a Roth rollover or conversion/transfer if it is determined that I am not eligible to do so under the terms of the Plan.

\_\_\_\_\_  
Participant Signature

\_\_\_\_\_  
Date