

Distribution Form (Cont'd)



FICA Alternative Retirement Plan San Diego County Schools Fringe Benefits Consortium Plan

GENERAL EXPLANATION

WE URGE YOU TO READ THIS SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS WHICH CONTAINS IMPORTANT INFORMATION THAT YOU NEED TO KNOW BEFORE YOU DECIDE HOW TO RECEIVE YOUR BENEFITS FROM THE PLAN.

We also urge you to consult your personal income tax advisor prior to selecting a specific distribution from the Plan.

If you choose a DIRECT ROLLOVER:

Your payment will not be taxed in the current year and no income tax will be withheld.

Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.

Your payment will be taxed later when you take it out of the IRA or the employer plan.

You must affirmatively elect the direct rollover option for your eligible rollover distribution if you want to avoid application of the 20% mandatory withholding rules. If you elect to receive a cash distribution or if your account balance from contributions to this plan is less than \$5,000 and you fail to elect the direct rollover option within 90 days from the date this form is mailed to the participant, then we will automatically distribute your benefits to you less any amounts required to be withheld.

If you Choose to have your Plan benefits 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.

If you elect a direct payment, you may still roll over that payment into your IRA or another employer plan that accepts your rollover within 60 days of the distribution. If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. You may then claim that 20% back on your individual tax return. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Termination Procedure

When a participant retires or terminates employment, this form must be completed and returned to a San Diego County Office of Education (SDCOE) representative. The SDCOE representative will then forward this form to National Benefit Services, Inc.

Keep a copy of the form in the participant's file as a record of the termination/rollover request.

National Benefit Services, Inc. will confirm the amount to be disbursed to the participant and the preparation of Form 1099.

National Benefit Services, Inc. will also confirm the 20% tax withholding and filing of the 945 if so arranged by the plan sponsor.