



# FRANKLIN TEMPLETON 403(b) PLAN DISTRIBUTION REQUEST FORM

R403B FDIST 01/19

Do not use for Corrections of Excess Contributions, Divorce (QDRO) Settlements or Beneficiary Distributions.

If completing by hand, please print clearly in **CAPITAL LETTERS** using blue or black ink.

☐ This request is related to Franklin Templeton case number(s): \_\_\_\_\_

## 1 PARTICIPANT INFORMATION

Name	Social Security number		Date of birth (required) (mm/dd/yyyy)	
Street address	Check here if new address <sup>1</sup> <input type="checkbox"/>	City	State	ZIP
Email address <sup>2</sup>	Primary phone number ( )		Alternate phone number ( )	

## 2 QUALIFYING DISTRIBUTION EVENT

All distributions must be certified by the Employer or a Third-Party Plan Administrator in **Section 3**.<sup>3</sup>

Select only one option below.

☐ Age 59½ or older

☐ Separation from service before age 55<sup>3</sup>

☐ Separation from service after age 55<sup>3</sup> (through age 59½; exception to early distribution penalty)

☐ Permanent & total disability: Please complete the certification in Section 9 on page 5.

☐ Financial hardship while employed (If permitted by the Employer, in-service partial withdrawals only): Please complete this Form and refer to Section A on page 7. Pursuant to section 403(b)(11) of the Internal Revenue Code ("IRC"), only salary reduction contributions, excluding post-1988 earnings, are eligible to be distributed pursuant to financial hardship.

**NOTE:** A 10% federal tax penalty may apply to distributions taken prior to age 59½.

## 3 CERTIFICATION BY EMPLOYER OR THIRD-PARTY PLAN ADMINISTRATOR

**Please note:** Employer certification is required even if the participant is retired.

**EMPLOYER OR THIRD-PARTY PLAN ADMINISTRATOR:** I certify that the qualifying distribution event indicated in Section 2 is available under the terms of the Plan and that the participant is eligible for a distribution based on the indicated event.

X	Date (mm/dd/yyyy)	Phone
	( )	( )

Employer or Plan Administrator Authorized Signature

Name of Signer (Please Print)

Name of employer

Employer's street address

City

State

ZIP

☐ Employer/Third-Party Administrator Certification will be sent under separate cover.

## 4 ONE-TIME DISTRIBUTION AMOUNT AND INSTRUCTIONS<sup>4</sup>

☐ Check this box if the distribution amount indicated below represents your Required Minimum Distribution (RMD). If only a portion of the distribution amount represents your RMD, please specify the RMD amount: \$ \_\_\_\_\_

Choose one option below.

Option 1

☐ Check here to apply the same instructions to each fund account under the 403(b) plan. \$ \_\_\_\_\_ OR \_\_\_\_\_ %

Send to: ☐ Bank (complete Section 8) ☐ Mailing address ☐ Other (complete Section 7)

1. A signature guarantee is required for distribution to a new address.

2. If you currently receive any electronic communications/documents from Franklin Templeton Investments, future communications/documents will be sent to the email address provided on this form, replacing any prior email address on file.

3. Certification by the Employer or an Authorized Plan Administrator is generally required for a distribution due to separation from service. However, certification may not be required if (1) the 403(b) plan was opened before 2005 and no contributions have been deposited into the plan since December 31, 2004, or (2) the 403(b) plan was opened with assets from a 90-24 transfer prior to September 24, 2007, and no salary deferral contributions have been deposited in the plan.

4. Unless the annual maintenance fee has already been paid, it will be assessed if you are closing a fund-account, even if other fund-accounts remain open within the same account type.

**4 ONE-TIME DISTRIBUTION AMOUNT AND INSTRUCTIONS** (cont'd.)**Option 2**

Fund-Account number					Send to:	Bank Account (complete Section 8)	Mailing Address	Other (complete Section 7)
	\$	OR	%	OR	Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%	OR	Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%	OR	Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%	OR	Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5 SYSTEMATIC DISTRIBUTION OPTIONS**

- Allow up to 3 business days from the withdrawal day for electronic transfers to a bank account or up to 10 calendar days for a check sent to the address.
- If frequency and withdrawal date are not selected, we will default to monthly on the 20th.
- If the Withdrawal Date falls on a weekend or holiday, the transaction will be made on the following business day.
- January RMD may be delayed if the 1st or 5th is chosen.

START MONTH	START YEAR	FREQUENCY (select one)	WITHDRAWAL DATE (select one)
		<input type="checkbox"/> monthly <input type="checkbox"/> semiannually	<input type="checkbox"/> 1st <input type="checkbox"/> 10th <input type="checkbox"/> 20th
		<input type="checkbox"/> quarterly <input type="checkbox"/> annually	<input type="checkbox"/> 5th <input type="checkbox"/> 15th <input type="checkbox"/> 25th

Choose one option below.

**Option 1****Required Minimum Distribution**

- ☐ **Minimum based on life expectancy, including Required Minimum Distribution (RMD) payments.<sup>5</sup> Your RMD will be applied to all open 403(b) fund accounts.**  
If your spouse is the sole primary beneficiary and is more than 10 years younger than you, please provide your spouse's information below (otherwise we will use the Uniform Lifetime Table).

Name of spousal beneficiary (of record)

Date of birth (mm/dd/yyyy)

Send to: ☐ Bank (complete Section 8) ☐ Mailing address ☐ Other (complete Section 7)**Option 2**

If you specify an amount for your RMD or payments under IRC §72(t)(2)(A)(iv), you are responsible for the accuracy of the calculation and the amount you request to be distributed. See Special Tax Notice.

- ☐ Check here if under age 59½ and electing payments under IRC §72(t)(2)(A)(iv).  
☐ Check this box if the distribution amount indicated below represents your RMD.

Fund-Account number					Send to:	Bank Account (complete Section 8)	Mailing Address	Other (complete Section 7)
	\$					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Option 3****Dividends and Capital Gains Options**

Check only one option for each

Dividends: ☐ Pay in cash,<sup>6</sup> or ☐ Direct to my Franklin Templeton Fund-account number<sup>7</sup>Capital gains: ☐ Pay in cash,<sup>6</sup> or ☐ Direct to my Franklin Templeton Fund-account number<sup>7</sup>

5. If under 59½, you will be deemed to have elected single life expectancy under IRC §72(t)(2)(A)(iv) unless you indicate otherwise. (See Special Tax Notice on page 9.)

6. **IMPORTANT:** If you choose to have dividends or capital gains paid in cash, we will send the proceeds electronically to the bank account you provide in Section 8 or to a pre-established bank account if one exists. If you do not provide bank information, already have a pre-established bank account on file, or choose to direct payments to your existing Franklin Templeton account, we will send the proceeds to you by check, to your current mailing address. For electronic transfers, your first distribution may be sent by check to your address of record while bank information is established on your account.

7. You may only reinvest distributions in the same class of shares, except that Class C distributions may be reinvested in Class A shares of any Franklin money fund, and Advisor Class and Class Z distributions may be reinvested in Class A shares. You may reinvest Class Z distributions in Advisor Class shares of another fund if you qualify to buy that fund's Advisor Class shares.

**6 MANDATORY ELECTION FOR TAX WITHHOLDING**

Please refer to the attached Special Tax Notice on page 9.

**FEDERAL TAX WITHHOLDING**

<b>If my distribution IS eligible for rollover</b> Please note that your distribution IS eligible for rollover unless it falls under one of the bullets listed in the box below.	I understand that my distribution will be subject to a mandatory 20% federal tax withholding rate <b>PLUS</b> any <b>ADDITIONAL</b> percentage I indicate here [_____] (optional) (The amount on this line will be added to the mandatory 20%).
<b>If my distribution IS NOT eligible for a rollover, I may elect to modify or waive federal tax withholding if my distribution qualifies as a:</b> <ul style="list-style-type: none"> <li>• Required minimum distribution (RMD)</li> <li>• Withdrawal due to financial hardship</li> <li>• Series of payments over life expectancy or a period of at least 10 years</li> <li>• Nontaxable distribution (such as a timely removal of an excess contribution)</li> </ul>	<input type="checkbox"/> <b>No</b> federal tax withheld on my plan distribution <input type="checkbox"/> <b>For</b> one-time distributions, withhold federal tax at the rate of [_____] (minimum 10%) <input type="checkbox"/> For systematic distributions, withhold based on: <input type="checkbox"/> <b>Single</b> <input type="checkbox"/> <b>Married</b> Allowances [_____] / + (optional) [_____] % <b>(NOTE: The standard withholding rate on a one-time distribution is 10%, and the withholding on a systematic distribution is based on your marital status and number of allowances indicated above. If no election is made, I understand that the withholding rate will be 10% for a one-time distribution and will be calculated as if I am married and claiming three withholding allowances for systematic distributions.)</b>

**STATE TAX WITHHOLDING POLICY** – If you have any questions regarding state withholding, please consult with a tax advisor or your state's taxing authority.

If you are a resident of:	State tax withholding policy:
<b>ARIZONA</b>	State tax withholding is permitted (and is withheld at the state's minimum percentage rate), but only on <b>periodic</b> payments. You may elect to have state tax withheld by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on periodic payments</b>
<b>CALIFORNIA</b>	If federal tax is withheld, state tax is withheld unless you specifically elect not to have state taxes withheld by checking this box: <input type="checkbox"/> <b>NO state tax withholding on my distributions</b>
<b>CONNECTICUT</b>	<ul style="list-style-type: none"> <li>• State tax will be withheld at a rate of 6.99% unless you provide or previously provided an alternate instruction on Form CT-W4P.</li> <li>• Lump sum distributions of your entire retirement account balance will be subject to the 6.99% CT state tax withholding rate, regardless of your Form CT-W4P instruction.</li> <li>• To update your CT state tax withholding instruction for non-lump sum distributions, you must complete and attach Form CT-W4P. The form is available at <a href="http://www.ct.gov/drs/site/default.asp">www.ct.gov/drs/site/default.asp</a>. Please note that we are unable to accommodate requests for additional withholding amounts from periodic payments.</li> </ul>
<b>MASSACHUSETTS</b>	<b>If federal tax is withheld, state tax withholding is mandatory.</b> If federal tax is not withheld, you may elect to have state tax withheld from your distribution by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on my distribution</b>
<b>MICHIGAN</b>	State tax will be withheld (at a rate of 4.25%) unless you specifically elect not to have state tax withheld from your distribution by checking this box: <input type="checkbox"/> <b>NO state tax withholding on my distributions</b> To make a different withholding election, you must complete and attach Form MI W-4P (available at <a href="http://www.michigan.gov">http://www.michigan.gov</a> ).
<b>NEW JERSEY</b>	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld from your distribution by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on my distribution. \$10 will be withheld from each distribution as state tax unless you specify a greater whole dollar amount here: \$ _____</b>
<b>NEW YORK</b>	State tax withholding is permitted whether or not federal tax is withheld <b>but only on periodic payments</b> . You may elect to have state tax withheld by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on periodic payments. \$5 will be withheld from each distribution as state tax unless you specify a greater whole dollar amount here: \$ _____</b>
<b>UTAH</b>	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld from your distribution by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on my distributions</b>
<b>VERMONT</b>	<b>If your distribution is eligible for rollover and not directed to an eligible rollover account, state tax withholding is mandatory.</b> If federal tax is withheld and your distribution is not eligible for rollover treatment, state tax withholding is required unless you specifically elect not to have state taxes withheld by checking this box: <input type="checkbox"/> <b>NO state tax withholding on my distributions</b>
<b>WISCONSIN</b>	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld from your distribution by checking this box: <input type="checkbox"/> <b>YES, withhold state tax on my distribution. \$5 will be withheld from each distribution as state tax unless you specify a greater amount here: \$ _____</b>

(continued)

Questions? Please call your financial advisor or Franklin Templeton Retirement Services at (800) 527-2020.

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**7 ADDITIONAL PAYMENT OPTIONS**

Choose one option from *Payment Options*, *Rollover Options* or *Roth IRA Conversion Options*.

**PAYMENT OPTIONS**

Refer to Section 10 for signature requirements.

☐ Send check(s) to payee/alternate address:

Payee  
\_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

☐ Deposit into a non-retirement Franklin Templeton account:

Fund-Account number \_\_\_\_\_

**NOTE:** This is a taxable distribution. To roll over to a Franklin Templeton IRA see *Direct Rollover to a Franklin Templeton IRA* on the next page.

If you do not have an existing Franklin Templeton non-retirement account, please attach a completed Account Application.

**DIRECT ROLLOVER OPTIONS**

Refer to Section 10 for signature requirements.

Required Minimum Distributions (RMDs) cannot be rolled over to an IRA or eligible retirement plan. Therefore, if you have reached age 70½ and your RMD has not been withdrawn from the fund account(s) specified in Section 4, the RMD will be distributed to you separately prior to processing your direct rollover, unless this box is checked: ☐ I have already taken my RMD with respect to this distribution for this year.

Fund-Account number \_\_\_\_\_

☐ Direct Rollover to a Franklin Templeton Traditional IRA: \_\_\_\_\_

If you do not have an existing Franklin Templeton Traditional IRA, please attach a completed IRA Application.

☐ Direct Rollover to a non-Franklin Templeton IRA or an Eligible Employer-Sponsored Plan [e.g., 401(k) plan]:

**NOTE:** A signature guarantee is required, unless you accompany this request with a letter of acceptance of the direct rollover from the new custodian or trustee. See **Section 10, Participant's Certification and Authorization** to review all signature guarantee requirements.

☐ To an IRA (If other than to a Traditional IRA, please specify the IRA type)

IRA Type: \_\_\_\_\_

Account number \_\_\_\_\_

☐ To an Employer-Sponsored Plan (Please specify the plan type)

Plan Type: \_\_\_\_\_

Account number \_\_\_\_\_

Custodian/Trustee \_\_\_\_\_

Phone number \_\_\_\_\_

( ) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**ROTH IRA CONVERSION OPTIONS**

Refer to Section 10 for signature requirements.

Fund-Account number \_\_\_\_\_

☐ Conversion to a Franklin Templeton Roth IRA: \_\_\_\_\_

If you do not have an existing Franklin Templeton Roth IRA, please attach a completed IRA Application.

☐ Conversion to a non-Franklin Templeton Roth IRA:

Account number \_\_\_\_\_

Custodian/Trustee \_\_\_\_\_

Phone number \_\_\_\_\_

( ) \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**8 BANK INFORMATION/ELECTRONIC SERVICES AUTHORIZATION**

If you would like your distributions to be sent to a bank account, please select one of the options below.

- ☐ Use Existing Bank Account. Check here to send the proceeds to the bank account currently linked to your Franklin Templeton account.
- ☐ Add a New Bank Account: Check here to send the proceeds to a new bank account listed below and to establish/change electronic transfers to or from the new bank account. Only one bank account can be linked to your Franklin Templeton account(s) for purchases and redemptions. **NOTE:** If you previously declined the Telephone Redemption Privilege but would like Telephone Purchases, you understand and agree that Telephone Purchases and Telephone Redemptions via electronic funds transfers between your Franklin Templeton account(s) and your linked bank account are operationally connected. If you select this option, you authorize **all** electronic services on your account(s) and these bank instructions will be established for purchases, automatic investment plan transfers, redemptions and any pre-established systematic withdrawals or dividend/capital gain payments.

All bank account owner(s) not listed on the Franklin Templeton fund account(s) must sign in this section and you, as the Franklin Templeton fund account owner, must sign in Section 10. Additionally, if the Franklin Templeton fund account(s) and the bank account identified below **DO NOT** include at least one common owner, all bank account owners must have their signatures guaranteed below and you must also have your signature guaranteed in Section 10.

☐ Check here if the new bank account provided below should **NOT** be retained for additional use as described in option 2 above and should only be used for his one-time distribution.

If you've selected option 2, please provide your bank information below.

<input type="checkbox"/> Checking account	Bank name	Bank routing number (9 digits)	Bank account number
<input type="checkbox"/> Savings account			

**IMPORTANT: Requests to send proceeds electronically within 15 days of establishing or changing bank instructions must be signature guaranteed, otherwise proceeds will be sent by check to your address of record.**

<b>SIGNATURE OF BANK ACCOUNT OWNER</b>	Date	<b>SIGNATURE OF BANK ACCOUNT OWNER</b>	Date
X		X	


SIGNATURE GUARANTEE STAMP (IF REQUIRED PER THE ABOVE INSTRUCTIONS)<sup>8</sup>

SIGNATURE GUARANTEE STAMP (IF REQUIRED PER THE ABOVE INSTRUCTIONS)<sup>8</sup>

For bank accounts without checks, please provide one of the following:

- Preprinted savings account deposit slip which includes account title, account number, account type and bank routing number.
- A letter from your bank, on its letterhead and signed by an officer, which includes account title, account number, account type and bank routing number.

Do not staple.

J. A. Sample 123 Street Anywhere, USA 00000	 Name must be preprinted and unaltered.	XXXXX
DATE _____		
PAY TO THE ORDER OF: _____	<b>VOIDED CHECK REQUIRED</b> <b>Tape your preprinted voided check here</b> <b>or a preprinted deposit slip for savings account.</b>	
FOR _____		DOLLARS
12100123 XXXXX 9876543210		

One of the following must be provided as proof of your Permanent and Total Disability.

- ☐ Copy of your valid Social Security Award Certificate
- ☐ The certification below, completed by your physician

**PHYSICIAN'S CERTIFICATION OF PERMANENT AND TOTAL DISABILITY.** I hereby certify that the Participant named on page 1 has become unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected to last at least 12 months, and will be permanent and continuous during the remainder of his/her lifetime. I understand that this will serve as proof of Permanent and Total Disability of the Participant, in order for his/her distributions to be exempt from the IRS' 10% early distribution excise tax.

<b>PHYSICIAN'S SIGNATURE</b>	Date
X	
Name (please print or type)	Name of hospital/clinic
Street address	City State ZIP

- ☐ Certification was previously provided to Franklin Templeton and I certify that it is still valid. **Approximate date submitted (Month/Year):** \_\_\_\_\_

**8. If a signature guarantee is required, A NOTARY SEAL IS NOT ACCEPTABLE.** Please have each signature separately guaranteed by a bank, savings and loan association, trust company, credit union, broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). **A notary public cannot provide a signature guarantee.**

**10 PARTICIPANT'S CERTIFICATION AND AUTHORIZATION**

I have received and read the Special Tax Notice and take responsibility for the tax consequences of this distribution. I understand I have at least 30 days after receiving the Special Tax Notice to consider my distribution options, and I waive this notice period if the 30 days have not yet passed. I certify under penalty of perjury that all information contained herein, including my Social Security number (on page 1), is true and correct. I also acknowledge I am eligible to take the requested distribution at this time under the provision of the Fiduciary Trust International of the South ("FTIOS") Custodial Account Agreement and the IRC. I further certify that I am a U.S. person (including a U.S. resident alien). (Nonresident aliens should cross out the preceding sentence and, if claiming treaty benefits, attach a completed W-8BEN with a U.S. tax identification number.)

I authorize Franklin Templeton Investor Services, LLC ("Franklin Templeton") to initiate electronic debits from and/or credits to the Bank Account identified in Section 8 (if one is provided), when instructed to do so by me or by my authorized representative (and to make, if necessary, adjusting transfers if any amounts are transferred in error). If the Franklin Templeton account(s) and Bank Account include at least one common owner, I certify that the signature of the Franklin Templeton account owner is sufficient to authorize debits from the referenced Bank Account.

I understand and agree that this authorization will remain in full force and effect until Franklin Templeton has received notification (whether by telephone or in writing) from me or my authorized representative, that this authorization is terminated, and Franklin Templeton and the financial institution have had a reasonable opportunity to act on the notification. I also agree that Franklin Templeton may make additional attempts to debit/credit the Bank Account if the initial attempt fails, and if a transfer is denied by the bank for any reason, Franklin Templeton will discontinue this authorization.

**I have requested options for transfers to or from my bank account in Section 8 and if there are no common owners between that bank account and my Franklin Templeton fund account, my signature below is signature guaranteed.**

X

Signature of participant

Date

**SIGNATURE GUARANTEE STAMP**

Your signature must be guaranteed if your distribution will be:

- over \$100,000
- sent to a new address or any address other than the address of record
- made payable to a third party
- sent electronically to a new bank account and you are not listed as an owner of that bank account
- sent electronically within 15 days of establishing or changing bank instructions in Section 8
- a direct rollover to a new custodian or trustee, unless you accompany this request with a letter of acceptance of the direct rollover from the new custodian or trustee.

Please have your signature guaranteed by a bank, savings and loan association, trust company, credit union, broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). **A notary public cannot provide a signature guarantee.**

**BEFORE YOU SUBMIT...****SECTION 1**

Did you provide your name, email address, street address, and Social Security number?

**SECTION 2**

Did you indicate a distribution event for your transaction?

**SECTION 3**

Did you request a certification statement be sent directly from your Employer/Third-Party Administrator?

**SECTION 6**

Did you complete your withholding election?

**SECTION 8**

If any options selected require bank information, did you include a preprinted voided check for your checking account or a preprinted deposit slip for your savings account?

**SECTION 10**

If you are requesting that your distribution be sent to a new address or an address other than the address of record, did you provide a signature guarantee? (Exceptions apply. See Section 8 for more information.)

Please mail to	WEST COAST	EAST COAST
	FTIOS c/o Franklin Templeton Investor Services, LLC P.O. Box 997153 Sacramento, CA 95899-7153	FTIOS c/o Franklin Templeton Investor Services, LLC P.O. Box 33033 St. Petersburg, FL 33733-8033
Overnight	3344 Quality Drive Rancho Cordova, CA 95670-7313	100 Fountain Parkway N. St. Petersburg, FL 33716-1205

**A TO BE READ BY PARTICIPANTS REQUESTING FINANCIAL HARDSHIP DISTRIBUTIONS**

**Hardship Distributions.** A participant shall be considered to have encountered financial hardship if the distribution is deemed necessary to satisfy an immediate and heavy financial need.

- (a) A distribution will be deemed necessary to satisfy an immediate and heavy financial need only if the distribution is for:
- (i) medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, or any dependents of the Participant (as defined in Code Section 152);
  - (ii) the Participant's purchase (excluding mortgage payments) of his/her principal residence;
  - (iii) payment of tuition for the next 12 months of post-secondary education for the Participant, his/her spouse, children or dependents; or
  - (iv) preventing the eviction of the Participant from his/her principal residence or foreclosure on the mortgage of the participant's principal residence;
  - (v) payment of burial or funeral expenses of the Participant's spouse, parent, child or tax dependent; or
  - (vi) the payment for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).
- (b) A distribution will be deemed necessary to satisfy an immediate and heavy financial need if the following requirements are satisfied:
- (i) the distribution is not in excess of the amount of the Participant's immediate and heavy financial need (as determined under (a) above and including amounts that cover the taxes applicable to the hardship distribution);
  - (ii) the Participant has obtained all distributions, other than hardship distributions, and all loans currently available under the Participant's custodial accounts and under all plans maintained by the Employer and;
  - (iii) all custodial accounts maintained by the Participant and all plans maintained by the Employer provide that the Participant may not make elective deferrals within the meaning of Code Section 402(g) for the Participant's taxable year immediately following the year of the hardship distribution in excess of the applicable limit imposed on elective deferrals under Code Section 402(g) for such taxable year less the amount of the Participant's elective deferrals for the taxable year of the hardship distribution.
- (c) Income attributed to salary reduction contributions after December 31, 1988, may not be distributed in the case of hardship.
- (d) The Employer or Plan Administrator shall be responsible for certifying the conditions set forth above are met by completing the Employer certification in Section 2 and understands that failure to meet these conditions may jeopardize the tax qualification of the Participant's Custodial Account.
- (e) Beginning in 1999, hardship distributions from 403(b) plans are not eligible rollover distributions.

**NOTE: Effective August 17, 2006, the 2006 Pension Protection Act expanded the financial hardship definition to include a financial hardship of the participant's non-spouse, non-dependent beneficiary. Consult your tax advisor for additional information.**

**B QUESTIONS & ANSWERS ON REQUIRED MINIMUM DISTRIBUTIONS (RMD)****Q-1 When must I begin receiving distributions from my retirement plan?**

**A-1** In general, you are required to start distributions no later than your "Required Beginning Date" (RBD), which is April 1st of the year following the year you reach age 70½ (your "70½ year"). You must take your second distribution by December 31st of the year following your 70½ year and a minimum distribution every year thereafter. Failure to withdraw the required amount may result in a 50% federal excise tax on the amount not withdrawn by the required date.

403(b) and qualified plan participants (other than 5% owners) who are over age 70½ and still employed are permitted to further delay their minimum distributions until April 1 following the year they retire [IRC §401(a)(9)(C) as amended by the Small Business Job Protection Act of 1996].

**Q-2 How is my required minimum distribution calculated?**

**A-2** Your RMD is based upon a uniform distribution period that is determined by using a single table and using your actual age attained in the distribution year and without regard to whether or not you have named a beneficiary (see exception below for spousal beneficiary who is more than 10 years younger). The IRS table used for determining your distribution period is the Uniform Lifetime Table. To calculate your RMD, the prior year-end (December 31) balance of your account is divided by the applicable divisor in the current Uniform Lifetime Table. The current Table may be found in *IRS Publication 590, Individual Retirement Arrangements*, or on the IRS website, *IRS.gov*.

**Q-3 If I have designated my spouse as my primary beneficiary, can the minimum distribution amount be based on the joint life expectancy of my spouse and myself?**

**A-3** If your spouse is your *sole beneficiary* for the entire year **AND** is *more than 10 years younger* than you are, the Joint Life Expectancy Table may be used to determine your RMD. To calculate your RMD, the prior year-end balance (December 31) of your account is divided by the applicable divisor from the Joint Life Expectancy Table by using the actual ages of you and your spouse in the distribution year. The Joint Life Expectancy Table may be found in *IRS Publication 590, Individual Retirement Arrangements*, or on the IRS website, *IRS.gov*.

**Q-4 If I have designated my three children as primary beneficiaries of my retirement plan, can the minimum distribution amount be based on the joint life expectancy of myself and the youngest of my three children?**

**A-4** No. According to the final RMD regulations, even when multiple primary beneficiaries are designated, only your age is used to calculate your RMD by using a divisor that is the same as the divisor in the current Uniform Lifetime Table.

<b>If your beneficiary designation is:</b>	<b>Refer to:</b>
Spouse who is the <i>sole beneficiary</i> for the entire year:	The current Uniform Lifetime Table using your actual age attained in each distribution year.  However, if your spouse is <i>more than 10 years younger</i> , refer to the Joint Life Expectancy Tables to find the new life expectancy factor each year by using the actual ages of you and your spouse in the distribution year.
Non-spouse beneficiary or spouse who is <i>not the sole beneficiary</i> :	The current Uniform Lifetime Table using your actual age attained in each distribution year.
Entity (Non-individual):	The current Uniform Lifetime Table using your actual age attained in each distribution year.

**Q-5** Can I aggregate the minimum distribution amount of each of my 403(b) Plans held at different institutions, and then withdraw that total amount from only one of my 403(b) Plans?

**A-5** Yes, according to IRS Notice 88-38, you may satisfy the minimum distribution requirements by calculating the balance of each 403(b) plan separately, adding together the RMD amounts of all 403(b) plans, and withdrawing the total amount from any one or more of your 403(b) plans.

This Q&A is designed to provide accurate information as of the printing date of this form; however, it should not be relied upon as tax or legal advice. If you have separately maintained records to identify your pre-1987 account balance, special grandfather rules may apply. **For tax or legal advice, the services of a tax or legal professional should always be sought.**

The rules governing taxation of plan distributions are complex. This summary, required by law, is very general and does not explain all of the factors that must be considered in determining what election to make with respect to a particular distribution. Also, the impact of state taxation is not discussed. You may obtain *IRS Publication 575, Pension & Annuity Income*, from your local IRS office or from the IRS website at *IRS.gov*, or consult with a tax advisor for further guidance.

# Special Tax Notice

The Internal Revenue Code (the “Code”) provides several complex rules relating to the taxation of retirement plan distributions you receive from your 403(b) Plan. This notice contains important information you will need *before* you decide how to receive your benefits from your Plan.

## 1 MANDATORY FEDERAL TAX WITHHOLDING

Plan distributions (excluding direct rollovers) are subject to mandatory federal tax withholding at the rate of 20%, **unless** the distribution is **not** eligible for rollover treatment. Examples of distributions that **cannot** be rolled over are:

1. financial hardship distributions;
2. minimum required distributions;
3. periodic payments over life expectancy or a period of not less than 10 years; and
4. nontaxable distributions (such as a timely removal of an excess contribution).

## 2 ROLLOVER TREATMENT

A 403(b) participant may avoid the 20% withholding on an eligible rollover distribution by having it rolled **directly** to an IRA (including a SIMPLE IRA that has been maintained for at least two years) or to an eligible employer plan (see below) that accepts rollovers. This is called a “Direct Rollover”—the distribution will still be reported on a Form 1099-R, but the taxable amount will be zero. If your Direct Rollover is made to an IRA, you may take distributions from the IRA without imposition of the 20% automatic withholding. The 10% early distribution penalty tax (discussed below) may still apply.

An alternative to a Direct Rollover would be to choose to receive an eligible rollover distribution (less the 20% federal tax withholding), and then complete the rollover yourself within 60 days of receipt. The drawback to this, of course, is that unless you have other resources to make up the amount that was withheld, you will owe taxes on that amount.

For example, suppose your distribution was for \$10,000—you would receive a check for \$8,000 (after the 20% withholding). In order to roll over the full amount of the \$10,000 distribution, you would have to come up with the “missing” \$2,000 from other sources, such as from your savings. If you end up rolling over just the \$8,000, you will owe taxes on \$2,000. In addition, you may also be subject to the 10% early distribution tax if you are under age 59½. When you file your tax return, depending on your tax liability, you may receive a refund of all or part of the \$2,000 that was withheld from your distribution.

If an eligible rollover distribution is processed from your 403(b) plan account, you will receive a Form 1099-R reporting the distribution and you will need to reflect the rollover on your tax return. By doing so, you will not be subject to taxes on the portion rolled over.

### Eligible Employer Plan

Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. 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 pension plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and a governmental 457 plan. An eligible employer plan is not 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.

### 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 or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover; you may make this election by signing the *Participant's Certification and Authorization* section of the Franklin Templeton 403(b) Plan Distribution Form. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received in good order by FTIOS.

## 3 IMPORTANT WITHHOLDING INFORMATION

As discussed above, eligible rollover distributions (unless directly rolled over) are subject to automatic 20% federal tax withholding. Those that are not eligible to be rolled over are still subject to federal withholding from which the participant has the right to elect out of. The standard withholding rate on non-periodic distributions is 10%, and withholding on periodic payments is based on the participant's marital status and number of allowances indicated on line 2 of the Withholding Election section. (Additional withholding may be chosen, as well.) **You are required to elect out of withholding in order for no withholding to apply to your distribution.**

For periodic payments, your election will remain in effect until you revoke it. You may change or revoke your withholding election as often as you wish by sending a signed letter to FTIOS, at least 15 days before the effective date.

## 4 EARLY DISTRIBUTION PENALTY

A 10% federal excise tax may apply to a taxable distribution that you receive prior to age 59½ and do not roll over. This penalty tax does not apply if you have separated from service in a year you reached age 55 or older, or you are permanently disabled. Other exceptions include distributions used to pay for deductible medical expenses, substantially equal periodic payments over single or joint life expectancy, and distributions to your beneficiary upon your death. Obtain IRS Form 5329 for further information on this tax.

## 5 IMPORTANT NOTICE REGARDING PERIODIC PAYMENTS

Code §72(t)(2)(A)(iv) permits participants under age 59½ to receive expectancy payments free from the 10% penalty tax, provided that such payments continue for 5 years from the first payment and through age 59½. IRS Notice 89-25 allows participants to “annuitize” their account over life expectancy (based on an assumed interest rate), enabling them to receive a fixed amount. Those who have elected either of these periodic payment methods pursuant to Code §72(t)(2)(A)(iv) shall be fully responsible for the proper reporting and monitoring of such payments. Requests to modify payment amounts will be accepted in writing only.

## 6 ERISA-COVERED 403(b) EMPLOYER REQUIREMENTS

The employer of an ERISA-Covered 403(b) Plan may impose certain requirements on the participant before he/she may receive a distribution under the Plan. The participant is responsible for determining and satisfying these requirements, if any, and representing to FTIOS by submitting the 403(b) Plan Distribution Request Form that he/she has obtained employer or authorized plan administrator approval if required for distribution.

## SPECIAL TAX NOTICE CONCERNING YOUR PLAN DISTRIBUTION FROM A 403(b) PLAN

You are receiving this notice to help you understand the tax consequences of the distribution you are receiving from your employer's 403(b) plan (the "Plan"), and your option to roll it over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most plan distributions are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

### GENERAL INFORMATION ABOUT ROLLOVERS

#### ***How can a rollover affect my taxes?***

You will be taxed on a distribution from the Plan if you do not roll it over. If you are under age 59½ and do not roll it over, you will also have to pay a 10% IRS penalty tax on early distributions (unless an exception applies). If you roll over your distribution to an eligible plan, you will not have to pay taxes until you later receive distributions from that plan.

#### ***Where may I roll over the distribution?***

You may roll over the distribution to either an IRA (including a SEP-IRA), a SIMPLE IRA that has been maintained for at least two years, or an employer plan [a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan] that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to distribution from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### ***How do I roll over my distribution?***

There are two ways to roll over your distribution. You can do either a "direct" rollover or a "60-day" rollover.

- If you do a direct rollover, the Plan will make the distribution directly to your IRA or eligible employer plan. You should contact the IRA sponsor or the administrator of the Plan (generally your employer) for information on how to complete the direct rollover.
- If you do not do a direct rollover, you may still roll over your distribution by depositing it into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the distribution to complete the rollover deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the distribution for federal income taxes. This means that, in order to roll over the entire distribution in a 60-day rollover, you must use other funds (e.g., from your personal savings) to make up for the 20% withheld. If you do not roll over the entire amount of the distribution, the portion not rolled over will be taxed and will also be subject to the 10% IRS penalty tax on early distributions if you are under age 59½ (unless an exception applies).

#### ***How much may I roll over?***

If you wish to roll over your distribution, you may roll over all or part of the amount eligible for rollover. All Plan distributions are eligible for rollover, except:

- Certain distributions spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);
- Financial hardship distributions; and
- Corrective distributions of contributions that exceed tax law limitations.

The Plan administrator (generally your employer) or the payor can tell you what portion of a distribution is eligible for rollover treatment.

#### ***If I don't roll over my distribution, will I have to pay the 10% IRS penalty tax on early distributions?***

If you are under age 59½, you will have to pay the 10% IRS penalty tax on early distributions for any distribution from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies:

- Distributions made after you separate from service if you will be at least age 55 in the year of the separation;
- Substantially equal periodic distributions that start after you separate from service over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Distribution made due to permanent disability;
- Distributions after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Amounts paid from the Plan directly to the government to satisfy a federal tax levy;
- Distributions made under a qualified domestic relations order (QDRO) to a former spouse or alternate payee;
- Distributions up to the amount of your deductible medical expenses; or
- Certain distributions made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days.

#### ***If I roll over my distribution to an IRA, will the 10% IRS penalty tax apply to early distributions from the IRA?***

If you receive a distribution from an IRA when you are under age 59½, you will have to pay the 10% IRS penalty tax on early distributions, unless an exception applies. In general, the exceptions to the 10% IRS penalty tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for IRA distributions.

- There is no exception for distributions after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies to a tax-free transfer made directly to an IRA of a spouse or former spouse as part of a divorce or separation agreement).
- The exception for substantially equal periodic distributions over a specified period applies without regard to whether you have separated from service.
- There are additional exceptions for (1) distributions used towards qualified higher education expenses, (2) distributions up to \$10,000 used in a qualified first-time home purchase, and (3) distributions after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

#### ***Will I owe State income taxes?***

Please consult your tax advisor or your State's tax agency. This notice does not describe any State or local income tax rules (including withholding rules).

## SPECIAL RULES AND OPTIONS

### ***What happens if I miss the 60-day rollover deadline?***

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

### ***Can I roll over my distribution to a Roth IRA?***

Effective January 1, 2010, you may roll over a distribution from the Plan to a Roth IRA (also referred to as a "Roth conversion"), regardless of your income. (Prior to 2010, only individuals with modified adjusted gross incomes up to \$100,000 were eligible for such Roth conversions.)

If you roll over your distribution to a Roth IRA, a special rule applies under which the amount rolled over (reduced by any after tax amounts) will be taxed. (This is because of the "tax free distribution" feature on Roth IRAs.) However, the 10% IRS penalty tax on early distributions will not apply (unless you are under age 59½ and take the amount rolled over out of the Roth IRA within five years, counting from January 1 of the year of the rollover). For Roth conversions made during 2010, the taxable amount can be deferred and split between tax years 2011 and 2012.

Account earnings withdrawn from a Roth IRA will not be taxable so long as the Roth IRA has been in place for five years and a qualifying event is met. For more information on Roth IRAs, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

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

### ***What if I am the beneficiary of a plan participant?***

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. In addition, if you are under age 59½ the 10% IRS penalty tax on early distributions may apply unless an exception applies.

- If you are the surviving spouse, you have the same rollover options that the participant would have had, as previously described in this Notice. In addition, if you choose to roll over your distribution to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% IRS penalty tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% IRS penalty tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

- If you are a surviving beneficiary other than a spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% IRS penalty tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

### ***What if I am the spouse of former spouse of a participant receiving a distribution under a Qualified Domestic Relations Order (QDRO)?***

If you are the spouse or former spouse of the participant who receives a distribution from the Plan under a QDRO, you generally have the same options the participant would have (for example, you may roll over the distribution to your own IRA or an eligible employer plan that will accept it). Distributions under the QDRO will not be subject to the 10% IRS penalty tax on early distributions.

### ***What if I am a nonresident alien?***

If you are a nonresident alien and you do not request a direct rollover to a U.S. IRA or U.S. eligible employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the distribution for federal income taxes. If the amount withheld exceeds the amount of tax you owe, you may request an income tax refund by filing IRS Form 1040NR and attaching your Form 1042-S. Also, see Form W-8BEN for instructions on claiming a reduced rate of withholding under an income tax treaty, if applicable to your situation. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

## OTHER SPECIAL RULES

If a distribution is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your Plan distributions for the year total less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may complete a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

## FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or your tax advisor, before taking a distribution from the Plan. Also, you can find more detailed information on the federal tax treatment of employer plan distributions in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans [403(b) Plans]. These publications are available from a local IRS office, on the web at IRS.gov, or by calling 1-800-TAX-FORM.

*Please keep this supplement for future reference.*

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