AMERICAN FUNDS®
From Capital Group

RecordkeeperDirect®
Request for a Cash Distribution or Rollover

Notes:
- Please call your former employer to learn how to pay back an outstanding loan prior to submitting this form. If you do not pay off your loan balance, the outstanding balance of the loan will be offset and a Form 1099-R will be generated.
- Before you complete this form, make sure that your new employer's plan will accept rollovers.
- **For the plan name and ID, refer to your most recent statement, contact your former employer's benefits representative or call the American Funds IRA Rollover Center at (800) 421-9923.**

Cooley Enterprise, Inc. Retirement Savings Plan — Plan name
BRK112871 — Plan ID number

1 Information about you

Please type or print clearly.

First name of participant (print) | MI | Last | SSN (provide the last four digits) XXX-XX-____

Address of participant | City | State | ZIP

Citizenship: ☐ U.S. citizen ☐ U.S. resident alien ☐ Nonresident alien (Submit an IRS Form W-8BEN.)

2 Distribution instructions

Please read the attached 402(f) Notice of Special Tax Rules on Distributions *before completing this section. The IRS requires that 20% of any eligible rollover cash distribution be withheld for federal income tax. If you are taking a distribution prior to age 59½, you may also be subject to a 10% penalty tax. American Funds deducts a $25 processing fee from all distributions. Additional fees from your plan administrator may apply — see your* Participant Fee Disclosure *document for more information. Distribution amounts are taken proportionally from all investment options in applicable contribution types.*

Notes:
- Rollovers invested in Class A shares are generally subject to applicable sales charges. Assets rolled over from your retirement plan to an American Funds IRA with CB&T as custodian will be invested without a sales charge.
- The amount paid to you will be reduced first by applicable distribution fees, then by applicable taxes. If distribution fees exceed your available account balance at the time the distribution is processed, you will not receive a distribution check.

A. Effective date of your separation from service (including retirement) _____ (mm/dd/yyyy) If this distribution is a result of plan termination, no date is required.

B. Instructions (Select one of the three options listed below.)

1. ☐ **Cash distribution** (Select one of the following two options, **then proceed to Section 3.**)

   ☐ Entire account balance ☐ Partial* gross (pre-withholding amount) distribution of $ _____

2. ☐ **Rollover to an existing IRA or another retirement plan** (Select one of the following two options, **then proceed to Section 4 or 5.**)

   ☐ Entire account balance ☐ Partial* rollover of $ _____

3. ☐ **Combination of cash distribution and rollover** (Select one of the following two options, **then proceed to Section 3.**)

   ☐ Gross (pre-withholding amount) distribution of $ _____ The remainder will be rolled over.

   ☐ Roll over $ _____ The remainder balance will be paid in a cash distribution.

*If your account contains both pre-tax and after-tax assets and you are electing a partial cash distribution, assets will be taken proportionately from all contribution types (unless alternate instructions are provided). When Roth assets are rolled over or distributed, both contributions and earnings will be included.

3 Delivery instructions — For cash distribution

Select A or B. If no selection is made, a distribution check will be sent to you via regular mail.

A. ☐ Send the distribution electronically (via ACH) to the bank information provided in Section 7. (Distribution payments will be delivered to your bank within three (3) business days following the transaction.)

OR

B. ☐ Mail a check directly to: ☐ Participant ☐ Plan Sponsor ☐ Third-Party Administrator

☐ Send the distribution via regular mail.

☐ Expedite delivery using express delivery. Estimated delivery time is two business days from the date the request is processed. (A $25 express delivery fee will be deducted from the check amount. Physical address is required — **no P.O. boxes.**)

4 Rollover instructions — Direct rollover to an *existing* American Funds IRA

A. Select receiving account type:

☐ Traditional IRA ☐ Roth IRA Existing account number _____

NOTE: At the time of the rollover to an American Funds IRA, your retirement plan assets will automatically be converted to Class A shares at Net Asset Value (NAV) (no sales charge).

B. Investment instructions

For a quick guide to fund names, numbers, minimums and share class restrictions, go to **www.americanfunds.com/fundguide**.
If a fund is not selected, this investment will be placed in the money market fund.

☐ Roll over my retirement account to the same American Funds and percentages as my current retirement plan account is invested.

Note: This option is **NOT** available if you currently hold any non–American Funds investments.

OR

☐ Roll over my retirement account to the following funds:

Full fund name or number	Amount	Percentage
_____	$ _____	**OR** _____%
_____	$ _____	**OR** _____%
_____	$ _____	**OR** _____%
_____	$ _____	**OR** _____%
_____	$ _____	**OR** _____%
Total rollover	$ _____	**OR** _____%

5 Rollover instructions — Direct rollover to a non–American Funds IRA or retirement plan

NOTE: You must have an existing IRA with your new trustee for your rollover assets to be deposited. If you are rolling over to your new employer's retirement plan, make sure it will accept the rollover before submitting the request.

A. Select receiving account type: ☐ Traditional IRA ☐ Roth IRA ☐ Retirement plan

B. Make the check payable to:

Name of financial institution/payee _____ Account number or if applicable, plan ID number _____

C. Mail the **rollover check** directly to:

☐ Participant ☐ Plan Sponsor ☐ Third-Party Administrator ☐ Other financial institution (Provide information below.)

Name of financial institution _____

Address _____ City _____ State _____ ZIP _____ - _____

6 Participants over age 70½ — Required Minimum Distributions (RMDs)

If you are 70½ or over this year and are requesting a rollover, select one of the two options below.

NOTE: RMDs cannot be converted to a Roth account.

☐ I have already taken my RMD for the year.

☐ Calculate and remove my RMD. (The calculation will be based on the IRS Uniform Lifetime Table and the December 31 prior-year account value of assets held on the American Funds recordkeeping system.)

Delivery instructions

☐ Send the distribution electronically (via ACH) to the bank information provided in Section 7. (Distribution payments will be delivered to your bank within three (3) business days following the transaction.)

☐ Mail a check directly to me at the address of record.

RMD income tax withholding

Federal law requires us to withhold income tax equal to 10% of your gross RMD amount **unless** you elect otherwise using the check boxes below. If we withhold federal income tax, state tax withholding may also be applicable depending on your state of residence. Contact your tax accountant for rules for your state of residence. Insufficient withholding or underpayment of estimated taxes may result in IRS penalties. If you are a nonresident alien, please provide an IRS Form W-8BEN with an original signature as documentation of your foreign tax status.

☐ **DO NOT** withhold federal or state income taxes. Your U.S. residence address is required to honor this request **(no P.O. boxes)**.

Residence address _____ City _____ State _____ ZIP _____ - _____

☐ Withhold federal and state income taxes as indicated below*:

Federal income tax withholding _____% (Must be 10% or greater)

State income tax withholding _____% **OR** $ _____

* This option may not be available for your state. To review the impacts of state withholding for your state of residence, visit **www.americanfunds.com/retire**, or speak with your tax consultant. For residents of MI, to opt out of state taxes or to request a reduced withholding rate, a Form MI W-4P is required. For residents of NC, to opt out or to request additional withholding, a Form NC-4P is required. These forms must be completed and provided to the plan administrator.

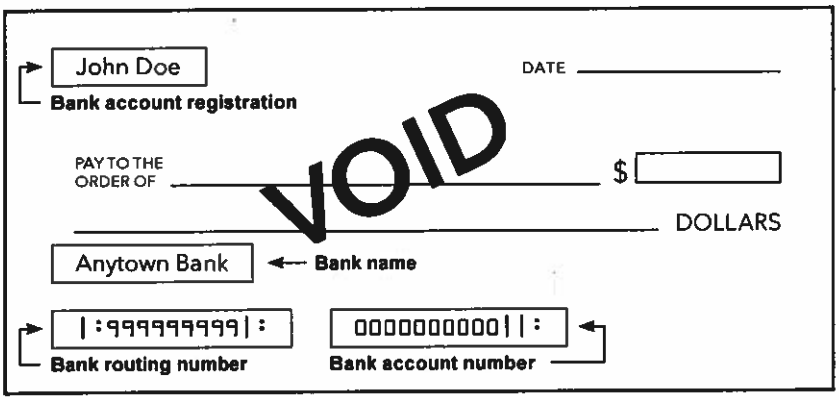
7 Bank information — Complete only if requesting electronic deposit

Electronic distributions can only be made to a U.S. bank checking account.

Attach an unsigned, voided check below. The check you attach must be preprinted with the bank name and registration, routing number and account number. Please **do not** staple.

Note: The participant's name **MUST** be included in the bank registration to process the request electronically. If the participant's name is not included, a physical check will be generated instead.

Tape your check here.



Note: In lieu of a voided check, you may submit a letter from your bank on the bank's letterhead providing the:

- bank account registration
- routing number
- account number
- signature of an authorized signer for the bank

8 Tax withholding elections

A. Federal income tax withholding for eligible rollover distributions

Note: Any distribution that is an eligible rollover distribution and is paid to you rather than directly rolled over to an IRA or into an employer's plan is subject to 20% withholding. If you are under age 59½, you may be subject to an additional 10% penalty tax.

1. ☐ This is a rollover request, for which withholding does not apply.
2. ☐ This distribution includes pre-tax assets being paid out as cash and is therefore subject to the mandatory 20% withholding. To request a different withholding amount, please indicate the percentage below:

   Withhold federal income taxes at the ☐ **total** rate of _____% (Must be 20% or greater)
3. ☐ This distribution represents a rollover of pre-tax assets to a Roth IRA. No withholding will be taken unless an election is indicated below:

   Withhold federal income taxes at the ☐ **total** rate of _____% (Must be 10% or greater)
4. ☐ This distribution represents a total annual aggregate distribution of less than $200 and is therefore subject to 20% withholding unless otherwise elected here. ☐ **DO NOT** withhold federal income tax.

B. State income tax withholding*

If your state requires withholding or if the amount below is less than the minimum for your state, CB&T will withhold at least the minimum state tax regardless of your election below. CB&T does not withhold state taxes for all states.

☐ **DO NOT** withhold ☐ Withhold $ _____

* This option may not be available for your state. To review the impacts of state withholding for your state of residence, visit **www.americanfunds.com/retire**, or speak with your tax consultant. For residents of MI, to opt out of state taxes or to request a reduced withholding rate, a Form MI W-4P is required. For residents of NC, to opt out or to request additional withholding, a Form NC-4P is required. These forms must be completed and provided to the plan administrator.

9 Your consent and signature

I hereby acknowledge that the employer has informed me of the options available under the plan, that I have received and read the *402(f) Notice of Special Tax Rules on Distributions* and that I understand I have 30 days to decide whether to elect a direct rollover or have my benefits paid to me. I waive the 30-day waiting period by making this irrevocable election indicated in Section 2, and I understand that by making such election, if my retirement plan includes a Qualified Joint and Survivor Annuity option (QJSA), I irrevocably waive such QJSA. I understand that, if I am married, my spouse must consent to the waiver, and I further understand that my benefits may not be distributed to me for at least seven (7) days after I sign this request.

X _____ Date ___/___/___ (mm/dd/yyyy)

Signature of participant

What's next?

1. You will need to provide the completed and signed form to your former employer for authorization.
2. Contact your former employer for any spousal consent form that may be needed for the QJSA waiver (see Section 9 above).
3. Your former employer will authorize the distribution of assets and work with the TPA to verify the vesting.
4. Once the application is authorized and all appropriate signatures collected, the form will be sent by your former employer or the plan's TPA to American Funds for processing.

DO NOT mail or fax this form directly to American Funds unless all authorizations and signatures have been collected because this may delay the processing of your request.

If you have questions or require more information, please contact your financial professional or call the American Funds IRA Rollover Center at (800) 421-9923 to speak with a Rollover Specialist.

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First name (print) | MI | Last | Plan ID number

Section 10 is to be completed by the TPA.

10 Vested percentage verification

Please confirm the following information for our records.

☐ Participant is 100% vested in all contribution types **OR** ☐ Variable vesting (see below)

Match _____% Profit-sharing _____% Other _____ (Specify contribution type) _____%

Note: All forfeited amounts will automatically be transferred to the plan's forfeiture account.

The vested percentage reflected above is correct.

Name of firm | ( ) Daytime phone | Ext.

Name of Third-Party Administrator (print) | X Signature of Third-Party Administrator | Date (mm/dd/yyyy)

Section 11 is to be completed by your former employer.

11 Employer authorization

Be sure to review the boxes below and select all that apply.

As plan trustee or authorized signer of the plan, I certify that: **1)** this distribution is in accordance with the terms of the plan; **2)** the plan administrator has provided the participant with a *402(f) Notice of Special Tax Rules on Distributions* and has complied with any Internal Revenue Service and Department of Labor or other notice requirements that are applicable to this distribution; **3)** the appropriate participant's consent and waivers, including spousal consent if applicable, have been obtained; **4)** the vested percentage in Section 10 is provided; and **5)** the recordkeeper is directed to rely on my authorization.

☐ Check this box if the request is to be honored because the participant's signature has been obtained on a separate form, or the participant's signature is not required.

Important: If this form is being submitted as part of the employer's termination of services with RecordkeeperDirect, check this box. ☐

Name of plan trustee or authorized signer (print) | X Signature of plan trustee or authorized signer | Date (mm/dd/yyyy)

Send

If you have any questions about this form, call American Funds at **(800) 421-6019**. You may fax this completed form to **(855) 521-9952**; otherwise, mail it to the address below.

American Funds RecordkeeperDirect
c/o Retirement Plan Services

Regular mail
P.O. Box 6040
Indianapolis, IN 46206-6040

Overnight mail
12711 N. Meridian St.
Carmel, IN 46032-9181

AMERICAN FUNDS®
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402(f) Notice of Special Tax Rules on Distributions

Your rollover options

You are receiving this notice because all or a portion of a payment you are receiving from your retirement plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This section of the notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, read the section of the notice entitled "For Payments from a Designated Roth Account." The Plan administrator will tell you the amount that is being paid from each account.

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

General information for payments NOT from a designated Roth account

Q. How can a rollover affect my taxes?

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

Q. Where may I roll over the payment?

A. You may roll over the payment to either a traditional or Roth IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

Q. How do I do a rollover?

A. There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

Q. How much may I roll over?

A. If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

Q. If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

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

- There is no exception for payments 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 under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status)

Q. Will I owe State income taxes?

A. This notice does not describe any State or local income tax rules (including withholding rules).

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402(f) Notice of Special Tax Rules on Distributions

General information for payments from a designated Roth account

Q. How can a rollover affect my taxes?

A. After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Q. Where may I roll over the payment?

A. You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

Q. How do I do a rollover?

A. There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the earnings in your designated Roth account.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

Q. How much may I roll over?

A. See "How much may I roll over?" on the first page of this notice. The Plan administrator can tell you what portion of a payment is eligible for rollover.

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

A. If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies.

See "If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?" on the first page of this notice for the exceptions to the 10% additional income tax on early distributions.

Q. If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

A. If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Q. Will I owe State income taxes?

A. This notice does not describe any State or local income tax rules (including withholding rules).

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402(f) Notice of Special Tax Rules on Distributions

Special rules and options

If your payment includes after-tax contributions (applies to payments not from a designated Roth account)

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline (applies to all payments)

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-A, *Contributions to Individual Retirement Arrangements (IRAs).*

If your payment includes employer stock that you do not roll over (applies to all payments)

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. If you do a rollover to a Roth IRA for a nonqualified distribution from a designated Roth account that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan.

If you receive a payment that is a qualified distribution from a designated Roth account that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset (applies to all payments)

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If the loan offset amount is applied to your designated Roth account, and, the resulting distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

If you were born on or before January 1, 1936 (applies to all payments)

If you were born on or before January 1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. The same rules apply if your distribution includes payment from a designated Roth account that is not a qualified distribution. For more information, see IRS Publication 575, *Pension and Annuity Income.*

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply. A governmental section 457(b) plan does not accept designated Roth contributions.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance (applies to all payments)

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

The same rules apply if you receive a nonqualified distribution from a designated Roth account. If you are a public safety officer, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually.

If you roll over your payment to a Roth IRA (applies to payments not from a designated Roth account)

You can roll over a payment from the Plan made before January 1, 2010, to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs).*

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402(f) Notice of Special Tax Rules on Distributions

If you roll over your payment to a designated Roth account in this Plan (applies to payments not from a designated Roth account and only if the plan accepts "in-plan" Roth rollovers)

If you roll over the payment to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). For payments from the plan in 2010 that are rolled over to a designated Roth account in the Plan (and that are not distributed from that account until after 2011), the taxable amount of the rollover will be taxed half in 2011 and half in 2012, unless you elect to be taxed in 2010.

If you roll over the payment to a designated Roth account in this Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you attain age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for a period of at least 5 years. The 5-year period described in the preceding sentence begins on January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in this Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year your first contribution was made to the designated Roth account in this Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent allocable to earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

IMPORTANT: Please note that an in-plan rollover into a designated Roth account is an irrevocable transaction that cannot be changed or undone once the transaction is completed.

If you are not a plan participant (applies to all payments)

- **Payments after death of the participant**

  If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. If the distribution includes payment from a designated Roth account, then whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan.

  The 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

  – **If you are a surviving spouse**

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

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

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

    If the distribution includes payment from a designated Roth account, and you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

    A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

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

  – **If you are a surviving beneficiary other than a spouse**

    If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

    If the distribution includes payment from a designated Roth account, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

- **Payments under a qualified domestic relations order**

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

If you are a nonresident alien (applies to all payments)

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules (applies to all payments)

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

If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

For more information

You may wish to consult with the Plan administrator or a professional tax advisor before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the Web at **www.irs.gov**, or by calling (800) TAX-FORM.

Lit No. RPDRFM-004-1016O CGD/6367-554313 © 2016 American Funds Distributors, Inc.