



## State of California Savings Plus Program

# BENEFIT PAYMENT BOOKLET

*All information contained in this booklet was current as of the printing date. The Plan Administrator reserves the right to amend any of the procedures or plan provisions outlined in this booklet or in the official Plan Document. Such changes may be enacted without prior announcement or the express consent or agreement of plan participants. The official Plan Document will govern if any contradiction arises between the terms of the official Plan Document and this booklet.*

**Y**our decisions regarding distributions from your Savings Plus account(s) will have financial consequences as well as income tax implications. Therefore, you may wish to obtain the advice of a tax advisor before you request a payment.

This booklet contains information and several forms for your use. Use the applicable forms to select the payment method that best meets your needs. Enclosed in this booklet are the following items:

- Distribution Information
- Benefit Payment Application (BPA)
- Questions You Should Ask Before Rolling Your Assets Out of the Plan
- Benefit Payment Application-Direct Rollover Only
- Summary 402(f) Special Tax Notice Regarding Plan Payments
- Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income
- Direct Deposit Form
- Uniform Lifetime Table

The instructions contained in this booklet summarize the major provisions of federal and State of California tax rules that may apply to your payment. The tax rules are complex and contain in their full text many conditions and exceptions that are not included in these instructions. You can find more specific information on the tax treatment of payments drawn from retirement plans in the Internal Revenue Service (IRS) Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, the IRS Web site at [www.irs.gov](http://www.irs.gov), or the IRS Tax Forms Distribution Center, telephone 1-800-TAX-FORM (1-800-829-3676).

# Distribution Information

## Eligibility to Withdraw Funds

Your eligibility to withdraw funds from your 401(k) Plan and 457 Plan will be verified before payment is issued. To facilitate faster processing of your BPA, provide proof of separation or retirement. A Notice of Personnel Action (NOPA) is issued to most state employees by their personnel office when they separate or retire. However, if you do not have a NOPA, a letter from your former employer is acceptable. The letter must be provided on agency letterhead, must reference your date of separation or retirement, and must be signed by a designated representative of the agency.

### 401(k) Plan

You are eligible to receive payment of your 401(k) Plan assets without penalty if you are:

- (1) Age 55 **and** retired or separated from state service;  
**or**
- (2) Age 59½, regardless of your employment status

If you receive a payment before you are age 55, you may be required to pay an additional 10% in federal tax and, if you are a California resident, a 2½% state tax. Please consult IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*, for more information on the tax treatment of payments from retirement plans.

### 457 Plan

You are eligible to receive payment of your 457 Plan assets if you retire or separate from state service. There is no minimum age requirement for payment without penalty.

## Payment Methods

If your distribution is less than 100%, the balance will remain in your account.

### Direct Payment

This payment method allows you to receive a direct payment. You may specify the percentage or dollar amount to be paid directly to you. This payment will be reported to the IRS as ordinary income.

## Periodic Payments

This method allows you to choose **one** of the following:

*Fixed Period*— The length of time over which you will receive your funds; **or**

*Fixed Amount*—The specific dollar amount that you will receive

- **Fixed Period:** You may choose to receive monthly payments or annual payments. Your payments are calculated by dividing your account balance by the number of payments that you wish to receive. Your payments will be recalculated each month (if on monthly payout) or each year (if on annual payout), so your account balance will be exhausted at the end of your payment schedule. The minimum payment period for this method is one year. If your payments continue beyond age 70½, your payment amount may increase to ensure that your distributions meet RMD requirements in accordance with IRS regulations. For more information refer to Required Minimum Distribution in this section.
- **Fixed Amount:** This option allows you to receive payments of the same amount monthly or annually. If your payments continue beyond age 70½, your payment amount may increase to ensure that your distributions meet RMD requirements in accordance with IRS regulations. For more information refer to Required Minimum Distribution in this section.

## Supplemental Distribution

This payment method allows you to withdraw additional monies while you are receiving periodic payments. To receive a 100% withdrawal of funds or a partial withdrawal of funds, submit the BPA, checking the Supplemental Distribution box in Section IV. A supplemental distribution will be issued to you in the same method (i.e., check or direct deposit) and manner (i.e., prorata across all funds or from a specified fund(s)) as your periodic payment. If you do not elect 100%, the distribution will not disrupt your current periodic distribution method; however, a supplemental payment may reduce the amount of your future fixed-period payments or reduce the number of remaining fixed-amount payments.

## Required Minimum Distribution (RMD)

IRS regulations require that you receive an RMD in the year you turn age 70½ or the year in which you retire, whichever is **later**. If you return to employment, contact Savings Plus.

Your RMD is calculated by dividing your balance on December 31 of the preceding year by your life expectancy. The Uniform Lifetime Table located at the end of this booklet will be used to determine life expectancy unless your spouse is your sole primary beneficiary **and** is more than 10 years younger than you.

If your spouse is your sole primary beneficiary and is more than 10 years younger than you, the Joint Life and Last Survivor Expectancy Table will be used. You can obtain the Joint Life and Last Survivor Expectancy Table from IRS Publication 590 by checking the IRS Web site at [www.irs.gov](http://www.irs.gov). Your payment is subject to change, on the basis of revised tables, when applicable. You must provide proof of your spouse's date of birth. If you originally named a spouse who is more than 10 years younger than you are, and a beneficiary change occurred that affects the life expectancy table used, the payment amount will be adjusted at the beginning of the following calendar year.

### **Delay Initial RMD Payment**

You may select this payment method if you wish to delay your initial RMD payment until March of the year following the year you turn age 70½. If you delay your initial payment, you will receive two RMD payments in the same calendar year (March and November). All subsequent annual payments will be issued in November unless you subsequently change your method of payment and your RMD is satisfied. Because these payments are taxed as ordinary income, the delay may result in a higher tax liability.

## **General Information**

### **Payment Dates**

Payment will be issued within 45 days of receipt of a properly completed BPA. Payment dates may vary, depending on the type of payment that you have requested. Periodic payments are made during the first week of the month. Assets are liquidated on the first business day of the month. Payments are issued by the third business day of each month. Direct payments and rollovers are made on a weekly payment cycle.

### **Direct Deposit Information**

Direct deposit is available for direct payments and periodic payments. There is no fee for this electronic transfer. You may choose only **one** financial institution account for direct deposit.

If you're electing a distribution or changing your method of payment (such as requesting a change to your periodic payment amount), you must submit a new Direct Deposit Form. If you are currently receiving a periodic payment via direct deposit and elect a supplemental distribution, the supplemental distribution will be directly deposited to the account on record for your current periodic payment. If you change financial institutions or change your account number or automated clearing house (ACH) routing number, you must complete a new Direct Deposit Form. Submission of a new Direct Deposit Form will override any previous direct deposit information on file. This change may take up to 45 days to become effective.

### **Check Fee**

A \$2.00 processing fee is charged for each periodic check. This fee will be deducted directly from the amount of each periodic check issued.

### **Stale-Dated Checks**

Checks are valid for 120 days. After that time, the check becomes "stale" or too old to negotiate at your financial institution. If you have a stale-dated check, you must call Savings Plus at (866) 566-4777 and press \*0 to speak with a customer service representative who will ask you for specific information so that a replacement check can be issued.

### **Lost or Stolen Checks**

A check that was mailed to you or your financial institution can be reported as lost or stolen if, after 14 calendar days from the date the check was issued, the check has not been received.

### **Specific Investment Designation**

Specific investment designation applies to periodic and supplemental payments. Payments are prorated among all your core funds unless you have specified otherwise by completing the Specific Investment Designation Form. To obtain the Specific Investment Designation form, go to the SPP Web site at [www.sppforu.com](http://www.sppforu.com) or call Savings Plus at (866) 566-4777 and press \*0 to speak to a customer service representative.

### **Personal Choice Retirement Account (PCRA)**

Your account value includes the total value of your core account plus the value of your PCRA. Payments are made from your core account only. You are not required to liquidate all PCRA assets before payments begin.

However, if you are requesting 100% distribution, you must transfer your PCRA funds back to your core account. You must retain in your core account the lesser of \$2,500 or 50% of your account balance **plus** enough assets to cover three months of distributions. Core account balances are reviewed on a regular basis to ensure that assets are sufficient to cover upcoming distributions. You will be notified if a transfer of assets is required. If assets are not transferred within the required time, assets will be liquidated to cover the amount needed for the upcoming 12 months of distributions.

## Tax Withholding

Federal income taxes will be withheld on the basis of the payment method and the length of time you select to receive payments. Please refer to the enclosed Section 402(f) Special Tax Notice Regarding Plan Payments and Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income for additional information.

### Direct Payments and Periodic Payments for Less than 10 Years

Direct payments and periodic payments for a period of less than 10 years will be reported to the IRS as ordinary income. The mandatory federal tax withholding is 20% on amounts over \$200 per year. If you wish to **increase** the federal withholding, complete a W-4P. No California state income taxes will be withheld unless you request otherwise by completing a DE-4P. Submit tax withholding documents with your completed BPA. To get information on how to obtain a W-4P and/or DE-4P refer to information presented later in this section.

### Periodic Payments for 10 Years or More

Periodic payments that extend for a period of 10 years or more will be reported to the IRS as ordinary income. Federal income taxes will be withheld at the rate that applies to married with 3 allowances unless you request something different by completing a W-4P. No California state income taxes will be withheld unless you request otherwise by completing a DE-4P. Submit tax withholding documents with your completed BPA. To get information on how to obtain a W-4P and/or DE-4P refer to information presented later in this section.

### Required Minimum Distribution (RMD)

RMDs not issued by the required time are subject to an additional tax equal to 50% of the distribution. Please consult IRS Publication 575, *Pension and Annuity Income*, and IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, for more information regarding the 50% additional tax.

You may file a W-4P and/or a DE-4P to instruct us to withhold income taxes from your RMD payment. To get information on how to obtain a W-4P and/or DE-4P refer to information presented later in this section. If no tax withholding information is on record, the rate of federal tax withholding on the RMD portion of your payment will be dependent on your payment method. For periodic payments, the RMD portion will be withheld at the rate that applies to married, with three allowances. For a direct payment, the RMD portion will be withheld at 10%. **Note: Tax withholding for the portion of the payment that is not the RMD will follow the rules described in this Tax Withholding section. No California state income taxes will be withheld unless you request otherwise by completing a DE-4P.**

### Federal Withholding Certificate for Pension or Annuity Payments (W-4P)

A W-4P indicates the amount of federal income tax to withhold from your payment(s). The IRS does not allow specific dollar-amount withholding designations. However, you may supplement your withholding amount by designating an **additional** dollar amount to be withheld. You may not designate an additional percentage. You may submit a W-4P at any time and it will remain in effect until you change or revoke it or make any payment changes. Special withholding rules apply to payments to foreign persons and payments outside the United States. Please refer to IRS Publication 505, *Tax Withholding and Estimated Tax*, IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens* for further information. To obtain a W-4P form, go to the Savings Plus Web site at [www.sppforu.com](http://www.sppforu.com) and click on the "forms and publications" tab or call Savings Plus at (866) 566-4777 and press \*0 to speak to a customer service representative.

### **California State Withholding Certificate for Pension or Annuity Payments (DE-4P)**

A DE-4P indicates the amount of California state income tax to withhold from your payment(s). The State of California does not allow specific dollar amount withholding designations. However, you may claim the number of allowances, note your marital status, and designate an additional dollar amount to be withheld. You may not designate an additional percentage. You may submit a DE-4P at any time, and it will remain in effect until you change or revoke it or make any payment changes. If you live outside California, consult your local taxing authority for more information. To obtain a DE-4P form, go to the State of California Employment Development Web site at [www.edd.gov](http://www.edd.gov) or the Savings Plus Web site at [www.sppforu.com](http://www.sppforu.com) and click on the “forms and publications” tab or call Savings Plus at (866) 566-4777 and press \*0 to speak to a customer service representative.

### **1099-R Tax Document**

For tax reporting a 1099-R will be issued by January 31 of the following year.

#### **Mailing Your Application**

Ensure that all applicable forms are included with your BPA. If you wish to expedite processing, provide proof of separation or retirement from state service.

#### **Mail the original application (do not fax) to:**

Nationwide Retirement Solutions  
P.O. Box 182797  
Columbus, OH 43218-2797

OR

#### **Overnight mail to:**

Nationwide Retirement Solutions  
5900 Parkwood Place  
Dublin, OH 43016

# Instructions for Benefit Payment Application

## Section I–Participant Information

Complete the information requested.

## Section II–Plan Type

Check the plan from which you want this distribution to be withdrawn. If you are requesting distribution from both plans, separate applications are required. If you do not check a plan, the application will be returned to you and payment will be delayed.

## Section III–Distribution Event Types

Check the box that applies to this distribution event. Payment will be issued within 45 days of receipt of a properly completed BPA.

- **Elect Distribution:** As long as you are eligible, you may request a distribution from your account. Refer to Eligibility to Withdraw Funds in the Distribution Information section.
- **Change Method of Payment:** If you are currently receiving periodic payments, you may change the method of payment or the distribution period at any time. Your existing payment date will no longer be applicable. Changing your method of payment or distribution period may have tax-withholding implications.
- **Elect Supplemental Distribution:** You may request a supplemental distribution at any time. A supplemental payment will reduce the amount of your future fixed-period payments, or it will reduce the number of remaining fixed-amount payments.
- **Stop Distribution:** You may stop distribution at any time. Special rules apply if you are age 70 ½ or older. Refer to Required Minimum Distribution in the Payment methods section located in Distribution Information.

## SECTION IV–Method of Payment

Check the payment method that is right for you. Complete all information for the method you select. For more information see the Payment Methods section located in of the Distribution Information.

- **Direct Payment:** Specify the percentage or dollar amount of your account balance to be distributed. If you select direct payment as the only method of payment in Section IV but fail to designate a percentage amount or dollar amount, we will assume 100%.
- **Periodic Payments:** Specify whether you want payments for a specific number of years or a fixed dollar amount. If you select a periodic payment or a fixed period or dollar amount but fail to designate monthly or annual payments, we will assume a monthly payment.
- **Supplemental Distribution:** Supplemental distribution is made in addition to your regularly scheduled periodic payments. Check 100% or specify the dollar amount of the distribution. If you check 100%, you will be liquidating your account.
- **Required Minimum Distribution (RMD)/Delay Initial RMD Payment:** Specify whether you want to receive a RMD or to delay your initial RMD payment. If your spouse is your sole primary beneficiary and is more than 10 years younger than you, you must complete the Two Lives Beneficiary Information Section of the BPA.

## Section V–Participant Certification

Read Summary 402(f) Special Tax Notice Regarding Plan Payments and Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income and sign, date, and mail the application.

## Savings Plus Program

# Benefit Payment Application

Please read the information and instructions in the Benefit Payment Booklet before completing the forms.  
Payment will be issued within 45 days.

### SECTION I—Participant Information

Last Name, First Name, MI		Social Security Number (SSN)
Mailing Address		Date of Birth (mm/dd/yyyy)
City, State, ZIP Code	Daytime Telephone Number (    )	Retirement/Separation Date (mm/dd/yyyy)

**Privacy Statement:** The Information Practices Act of 1977 (*Civil Code* Section 1798.17) and the federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals. Information requested on this form is used by the Savings Plus Program for purposes of identification and account processing. You must furnish all the information requested on this form. Failure to provide the information may result in the action requested not being processed.

### SECTION II—Plan Type

(Check **one** box only.)

- 401(k) Thrift Plan                       457 Deferred Compensation Plan

### SECTION III—Distribution Event Types

(Check **one** box only.)

- Elect Distribution  
 Change Method of Payment  
 Elect Supplemental Distribution  
 Stop Distribution

### SECTION IV—Method of Payment

(Complete all information for the method you select.)

<input type="checkbox"/> Direct Payment	Specify the percentage or dollar amount to be paid directly to you. _____% <b>or</b> \$ _____
<input type="checkbox"/> Periodic Payments	Select only <b>one</b> payment method below: <input type="checkbox"/> Fixed Period _____ years <input type="checkbox"/> Monthly <b>or</b> <input type="checkbox"/> Annual Payments <input type="checkbox"/> Fixed Amount \$ _____ <input type="checkbox"/> Monthly <b>or</b> <input type="checkbox"/> Annual Payments
<input type="checkbox"/> Supplemental Distribution	Check the box if this distribution will be made in addition to your regularly scheduled periodic payments. Check 100% or specify the dollar amount of the additional distribution. If you check 100%, you will be liquidating your account. <input type="checkbox"/> 100% <b>or</b> \$ _____

See the reverse side of this application for additional methods of payment.

Required Minimum Distribution (RMD)

You may select the RMD method of payment in the year you turn age 70½. RMD payments are issued annually. You must complete the Two Lives Beneficiary Information section below if your spouse is your sole primary beneficiary and is more than 10 years younger than you.

or

**OR**

Delay Initial RMD Payment

You may select Delay Initial RMD Payment if you wish to delay your initial RMD payment until March of the year following the year you turn age 70½. If you delay your initial payment, you will receive two RMD payments in the same calendar year (March and November). All subsequent annual payments will be issued in November unless you subsequently change your method of payment and your RMD is satisfied. You must complete the Two Lives Beneficiary Information section below if your spouse is your sole primary beneficiary and is more than 10 years younger than you.

**Two Lives Beneficiary Information**

Complete the information below if your spouse is your sole primary beneficiary and is more than 10 years younger than you. Attach a completed Beneficiary Designation form to this BPA. You must also attach proof of date of birth of the beneficiary.

Spouse's name \_\_\_\_\_

Spouse's address \_\_\_\_\_

Spouse's SSN \_\_\_\_\_

Spouse's date of birth \_\_\_\_\_

**SECTION V—Participant Certification**

I request distribution to be made in accordance with the Plan Document, *Internal Revenue Code*, and my election. I understand that the State of California has the authority to approve or reject this request. I certify that I have been informed of the different payment methods and the tax implications of distributions from my account. I certify that I have read Summary 402(f) Special Tax Notice Regarding Plan Payments and, by signing, I waive the 30-day notice. Additionally, I have read Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Mail the original application (do not fax) to:**

**Nationwide Retirement Solutions  
P.O. Box 182797  
Columbus, OH 43218-2797**

**OR**

**Overnight mail to:**

**Nationwide Retirement Solutions  
5900 Parkwood Place  
Dublin, OH 43016**

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# Questions You Should Ask Before Rolling Your Assets Out of Savings Plus

For many participants, a rollover may not offer the best choice. Following are some questions you should ask before making a decision:

## Distribution Flexibility

**Q. Am I required to take a distribution upon separation (leave state service)?**

No. You may keep your money invested in Savings Plus until you elect to take a distribution. You must begin distribution upon reaching age 70 ½ or the year in which you retire, whichever is later.

**Q. Will the new plan allow you to change your distribution option method at any time without a charge?**

We allow you to keep your money in the plan even if you retire or separate from service. We offer a variety of distribution options to suit your financial needs, including periodic payments and partial withdrawals. Additionally, we do not charge fees for changing your distribution method. You must begin receiving payments during the year after you reach age 70 ½ or the year in which you retire, whichever is later.

## Fees Assessed

**Q. Does the plan receiving the rollover charge you a maintenance fee or a fee to manage your account?**

We charge a monthly administrative fee of \$1.50 per account. Additionally, we receive 0.10% in expense reimbursements from the investments to help offset administrative costs.

**Q. Are the investment management fees which are netted against your returns disclosed to you?**

We offer investment products that are competitively priced when compared to many other investment products. All fee information is disclosed on our Web site, go to “investment operating expenses” quick link for comparative purposes. Low investment fees continue to keep more of your retirement money working for you.

**Q. Are you charged a transaction fee when you make an exchange between investment options?**

We do NOT charge fees for exchanges between investments. Many financial organizations charge both an administrative fee AND transaction fees when you move your money between investments.

## Tax Consequences

**Q. Will you be subject to a 10% additional tax if you take a distribution from the new plan before the age of 59½?**

If you're considering rolling over funds from your 457 Plan account, consider whether you may need to withdraw the funds from your IRA, 401(k), 403(b), or annuity before age 59 ½. If you do, you may incur a 10% federal tax penalty; and if you reside in California, you may also incur a 2 ½% state tax penalty.

## Investments Options

**Q. Have you read the fact sheets/prospectuses carefully for the investments you are considering?**

If an individual is telling you where to invest or promising a certain rate of return, be sure to read and understand where your money will be invested and the underlying risks associated with the investment. With us all fact sheets/prospectuses are available on the Website, on the Voice Response System, or by calling the toll free number at 1-866-566-4777 and pressing \*0 to reach a customer service representative requesting one be sent to you. All fees are disclosed on our fact sheets/prospectuses.

**Q. Does the plan offer reasonably priced investment options consistent with your investment objectives?**

We offer a full array of investment options representing the basic assets categories necessary to build a diversified portfolio. Due to the large size of the program, we offer investment products that are competitively priced when compared to many other investment products. Additionally, we allow you to invest in funds outside the plan through a Personal Choice Retirement Account® (PCRA) offered by Charles Schwab. Through the PCRA you can invest in most investment vehicles traded in public markets.

**Q. What is the performance record of the investment options you are considering? Are their reported rates of return reduced by the fees charged to manage the investment option?**

The Quarterly Performance Report which accompanies your SPP participant statement provides performance history of investment options. Performance information reported has been reduced by the fee to manage the investment option and therefore represents the true return you are earning on your funds.

## Expense Worksheet

*(For illustrative purposes only)*

Service charge expenses to your retirement plan may have a profound impact on the size of your account, particularly when they are compounded over time. While expenses may not be the only criteria you use in evaluating retirement plans, it makes sense to obtain an estimate for each category of expenses you will incur before you make a decision. The chart below is designed to assist you in making such a comparison. It is also important to evaluate the Investment Management Fees (Expense Ratios) of the investment options you are considering. We receive 0.10% expense reimbursements from the investments to help offset administrative costs.

<b>Category of Expenses</b>	<b>Savings Plus</b>	<b>Provider A</b>	<b>Provider B</b>
Maintenance Fee (per plan)	\$1.50/month		
Investment Option Exchanges	Free		
Minimum Balance	None		
Sales Loads (Front-End and Back-End)	None		
Additional Fees	Limited—(account division due to Domestic Relations Order.)		
Contingent Deferred Sales Charges	None		
<b>Total Estimate of Annual Expenses</b>	<b>\$18.00</b>		

There are differences between deferred compensation plans, individual retirement accounts, and qualified plans, including fees and when you can access funds. You should consider all factors before making a decision. Assets rolled over from a qualified plan may be subject to a 10% additional tax if withdrawn prior to age 59 ½. Neither Nationwide, our recordkeeper, nor any of its representatives give legal or tax advice; please contact your legal or tax advisor for such advice.

Past performance is no guarantee of future results. Some investment options may impose a short term trade fee. Please read the underlying fact sheets/prospectuses carefully.

## Information for Benefit Payment Application - Direct Rollover Only

Rollover checks will be made payable to the Trustee/Custodian (IRA provider or other entity) for the benefit of your name. The rollover check will be mailed directly to your address of record. You must mail or deliver the check to the Trustee/Custodian.

If you are age 70 ½ or older and elect to roll over your funds, your RMD will be processed and paid directly to you before the remaining funds are rolled over to the receiving entity. Refer to Required Minimum Distribution in the Distribution Information, Payment Methods.

- **Individual Retirement Account or Annuity (IRA):** This payment method allows you to roll over your assets to an IRA or Annuity. If you roll over your 457 Plan assets to a IRA or Annuity, the assets become subject to the rules that apply to the IRA. Consult your IRA provider for other restrictions or

penalties. A direct rollover to an IRA or Annuity will be reported to the IRS as a nontaxable event. Please consult IRS Publication 590, *Individual Retirement Arrangements (IRA)*.

- **Roth IRA:** This payment method allows you to rollover your assets into a Roth IRA. A direct rollover to a Roth IRA will be reported to the IRS as a taxable event. No taxes will be withheld from your distribution.
- **Eligible Retirement Plan:** This payment method allows you to roll over your assets to another eligible retirement plan. When you do so, your assets become subject to the rules that apply to that plan. A direct rollover to an eligible retirement plan will be reported to the IRS as a nontaxable event.

## Instructions for Benefit Payment Application—Direct Rollover Only

### SECTION I—Participant Information

Complete the information requested.

### Section II—Plan Type

Check the plan from which you want this distribution to be withdrawn. If you are requesting distribution from both plans, separate applications are required. If you do not check a plan, the application will be returned to you and payment will be delayed.

### Section III—Plan Type and Rollover Amount

Specify the type of plan that will receive your funds. Indicate the percentage or dollar amount of your

account balance to be rolled over. If you're rolling over your plan assets to a different plan type—for example, rolling over a 457 to a 401(k)—you must attach a certification from the receiving entity that agrees to accept the funds before a distribution will occur.

### Section IV—Participant Certification

Read Summary 402(f) Special Tax Notice Regarding Plan Payments and Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income and sign, date, and mail the application.



## SECTION IV—Participant Certification

I request distribution to be made in accordance with the Plan Document, *Internal Revenue Code*, and my election. I understand that the State of California has the authority to approve or reject this request. I certify that I have been informed of the different payment methods and the tax implications of distributions from my account. I certify that I have read Summary 402(f) Special Tax Notice Regarding Plan Payments and, by signing, I waive the 30-day notice. Additionally, I have read Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge.

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Signature

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Date

**Mail the original application (do not fax) to:**

**Nationwide Retirement Solutions  
P.O. Box 182797  
Columbus, OH 43218-2797**

**OR**

**Overnight mail to:**

**Nationwide Retirement Solutions  
5900 Parkwood Place  
Dublin, OH 43016**

## Summary 402(f) - Special Tax Notice Regarding Plan Payments

This is a summary of the provisions of the model Section 402(f) notice issued by the Internal Revenue Service in Notice 2002-3 and explains how you can continue to defer federal income tax on your retirement savings in the State of California Savings Plus Program (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits. A copy of the model Section 402(f) notice will be provided to you upon request without charge. If you would like a copy of the model 402(f) notice or have additional questions after reading this summary, you can contact your Plan Administrator at (866) 566-4777.

This summary is provided to you by the State of California Department of Personnel Administration, Savings Plus Program (your "Plan Administrator") because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional or Roth IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or to a traditional IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under Section 401(a) of the *Internal Revenue Code*, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) Tax-Sheltered Annuity; and an eligible Section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional or Roth IRA or split your rollover amount between the employer plan in which you will participate and a traditional or Roth IRA. If an employer plan accepts your rollover, the plan

may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

### **There are two ways you may be able to receive a Plan payment that is eligible for rollover:**

- (1) Certain payments can be made directly to a traditional or Roth IRA that you establish or to an eligible employer plan that accepts it and holds it for your benefit ("DIRECT ROLLOVER"); or
- (2) The payment can be PAID TO YOU.

### **If you choose a DIRECT ROLLOVER:**

- You choose whether your payment will be made directly to your traditional or Roth IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account because these are not traditional or Roth IRAs.
- Your payment will not be taxed in the current year and no income tax will be withheld, if you roll over the payment to a traditional IRA or an eligible employer plan. It will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.
- Your payment can be rolled over directly to a Roth IRA if your modified adjusted gross income for Roth IRA purposes is not more than \$100,000 and you are not a married individual filing a separate return. You must include in your gross income distributions from a qualified retirement plan that you would have had to include in income if you had not rolled them over to a Roth IRA. You do not include in gross income any part of a payment from a qualified retirement plan that is a return of contributions to the plan that were taxable to you when paid. In addition, the 10% tax on early distributions does not apply. No income tax will be withheld from your distribution.

**If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:**

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over to a traditional IRA or eligible employer plan. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional or Roth IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan, however, if you roll the payment to a Roth IRA, it is still taxable in the current year.

- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

**Your Right to Waive the 30-Day Notice Period**

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this summary. Thus, after receiving this summary, 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 signing the payout election form. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

## Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income

If you are receiving a periodic payment from your retirement plan that is not considered an eligible rollover distribution, it will be subject to federal income tax withholding unless you elect not to have withholding apply. Withholding will apply only to the portion of your distribution or withdrawal payment that is considered income and, therefore, subject to federal income tax.

You may elect not to have withholding apply to your distribution or withdrawal payments by properly completing, signing, dating, and returning to your plan administrator a Form W-4P Withholding Certificate for Pension or Annuity Payments. Your election will remain in effect until you change or revoke it. You may change or revoke your election at any time by returning another completed, signed, and dated Form W-4P to your plan administrator. Any election or revocation will be effective no later than thirty (30) days after receipt. You may make and revoke your withholding elections as often as you wish. Additional W-4P forms may be obtained from your plan administrator.

If you have not properly filed with your plan administrator a Form W-4P, then federal income tax will be withheld from the taxable portion of your distribution or withdrawal payments based on a filing status of married, claiming three withholding allowances.

If you elect not to have withholding apply to your distribution or withdrawal payments, or if you do not have enough federal income tax withheld from your distribution or withdrawal payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

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Savings Plus Program

Direct Deposit Form

Please read the information and instructions on the reverse side before completing this form.

SECTION I-Participant Information

Form with fields: Last Name, First Name, MI; Social Security Number (SSN); Mailing Address; Date of Birth (mm/dd/yyyy); City, State, ZIP Code; Daytime Telephone Number ( )

Privacy Statement: The Information Practices Act of 1977 (Civil Code Section 1798.17) and the federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals.

SECTION II-Plan Type

(Check all boxes that apply.)

- 401(k) Thrift Plan; 457 Deferred Compensation Plan

SECTION III-Account Information

If any of the required information on the direct deposit section is incomplete, invalid or not provided, you will be mailed a check.

- New/Change Direct Deposit; Cancel Direct Deposit

Account Type: Checking (Attach a voided check.); Savings

ACH Routing Number (9 digits)

Account Number (Not to exceed 17 digits)

Name of Financial Institution

Street Address

City, State, ZIP Code

SECTION IV-Participant Certification

I authorize the Savings Plus Program to make direct deposits to the account identified above effective immediately. I understand that changes may take up to 45 days to become effective.

Signature

Date

## Information

You may choose to have your funds electronically transferred to your financial institution. Direct deposit is available for direct payments and periodic payments. There is no fee for the electronic transfer. You may choose only one financial institution for direct deposit. If you choose a supplemental distribution, your supplemental payment will be electronically transferred to the financial institution of record. Submission of a new Direct Deposit Form will override any previous direct deposit information on file. Please note that any time you select a direct payment or change your periodic payments you must complete and submit a new Direct Deposit Form with your Benefit Payment Application. If you change financial institutions or need to change your account number or the automated clearinghouse (ACH) routing number of your current financial institution of record, you must complete a new Direct Deposit Form. This change may take up to 45 days to become effective.

## Instructions

### SECTION I—Participant Information

Complete the information requested.

### SECTION II—Plan Type

Check the plan(s) for which you are requesting a direct deposit. Check all boxes that apply.

### SECTION III—Account Information

Check **New/Change Direct Deposit** if this direct deposit form establishes or changes an existing direct deposit.

Check **Cancel Direct Deposit** if you no longer wish to receive a direct deposit. A check will be mailed to your address of record. A \$2.00 check processing fee will be deducted from each payment.

Include the nine-digit ACH routing number and your account number for your financial institution. Attach a voided check for an electronic fund transfer to your checking account. For an electronic fund transfer to savings, verify the ACH routing number with your financial institution.

Provide the name and mailing address of your financial institution.

### SECTION IV—Participant Certification

Read carefully, sign, and date the form.

#### Mail the original form (do not fax) to:

Nationwide Retirement Solutions  
P.O. Box 182797  
Columbus, OH 43218-2797

OR

Overnight mail to:  
Nationwide Retirement Solutions  
5900 Parkwood Place  
Dublin, OH 43016

## Contact Information

Voice Response System: (866) 566-4777, 24 hours a day, 7 days a week

Customer Service: (866) 566-4777, 8:30 a.m.–4:00 p.m. (PT), Monday–Friday  
To speak with a customer service representative, press \*0.

Office: 8:00 a.m.–4:30 p.m. (PT), Monday–Friday

TTY: (800) 848-0833

Web site: [www.sppforu.com](http://www.sppforu.com)

# Uniform Lifetime Table

Use this table if you are age 70½ or older to determine your life expectancy  
for Required Minimum Distributions.

<i>Age on Dec. 31</i>	<i>Distribution Period (years)</i>	<i>Age on Dec. 31</i>	<i>Distribution Period (years)</i>
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Some of the information in this table was obtained from Internal Revenue Service Publication 590 (rev. January 2007).

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