



Distribution/Direct Rollover Request Governmental 457(b) Plan

Refer to the Participant Distribution Guide while completing this form. Use blue or black ink only. All pages must be returned excluding the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions.

State of Tennessee 457 Plan

98986-01

Participant Information

Last Name			First Name			MI			Social Security Number														
Address - Number & Street												Account Extension (if applicable)											
City				State				Zip Code				E-Mail Address (optional)											
() Home Phone						() Work Phone						Please Select One: Mo Day Year											
<input type="checkbox"/> U.S. Citizen												<input type="checkbox"/> U.S. Resident Alien						<input type="checkbox"/> Other: _____ Date of Birth					
Country of Residence: _____												(Required)											

Beneficiary Account - If you acquired this account due to the death of the participant, please complete a Death Benefit Claim Request form.

Distribution Reason

- Severance of Employment - Date: _____
- Retirement - Date: _____
- Disability - Date: _____
- Purchase of Service Credit (TCRS)
- De Minimis
- Minimum Distribution (Age 70 1/2)

Distribution Method - Required Effective Date: _____

- Full Distribution/Purchase of Service Credit/Rollover
- Partial Distribution/Purchase of Service Credit/Rollover
 - Amount \$ _____ Net Amount 1st Contribution Source: _____
 - Amount \$ _____ Net Amount 2nd Contribution Source: _____
- Periodic Payment - Also complete Periodic Payment Options below.

Payment Options

- Payment to Self
- Combination - Partial Distribution to Me and Partial Purchase of Service Credit or Rollover
 - Payment to Self \$ _____ Net Amount
 - Purchase of Service Credit \$ _____ (Also complete Purchase of Service Credit information below)
 - Direct Rollover \$ _____ (Also complete Direct Rollover information below)
- Periodic Payment Options
 - Check this box if you are making a change to an existing payment.
 - Payment Start Date: _____ Frequency: Monthly Quarterly Semi-Annually Annually
 - Payment of an Amount Certain \$ _____ (Gross Amount Only)
 - Payment for a Period Certain (Years) _____
- Annuity Purchase With Another Provider - Name of Provider _____



Last Name

First Name

MI

Social Security Number

Purchase of Service Credit (TCRS) - Attach acceptance letter and complete Company Information section

Direct Rollover - Complete Company Information section

Direct Rollover to an Eligible Plan: Governmental 457(b) 401(a)/401(k) 403(b)

Direct Rollover to a Traditional IRA

Direct Rollover to a Roth IRA - Subject to ordinary income taxes in the year of rollover

If you are requesting a full withdrawal as a direct rollover and you have not yet met your required minimum distribution for the year and you are over age 70 1/2 by the end of the year and are no longer working for the employer sponsoring this Plan, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied your required minimum distribution for the year, your required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ _____

Do you wish to have 10% federal income tax withheld from your required minimum distribution? Yes No

Additional amounts may be withheld at your request \$ _____

Company Information

Company or Trustee's Name (to whom the check should be made payable)

Account Number

Mailing Address

()

City/State/Zip Code

Phone Number

Distribution Delivery

Check Alternate Mailing Address - _____

Express Delivery - \$25.00 non-refundable charge - Not available for periodic payments. Express delivery available Monday through Friday only. Not available to P.O. boxes.

ACH - Available on periodic payments at no charge. Available on one-time full/partial distribution payment to self for a \$15.00 non-refundable charge.

Checking Account - must attach preprinted voided check

Savings Account - must attach preprinted voided deposit slip

Financial Institution Name

Account Number

ABA Routing Number

Financial Institution Mailing Address

City

State/Zip Code

Last Name

First Name

MI

Social Security Number

Authorized Signature(s)

I hereby authorize the distribution described in this form. I certify that this request is in compliance with applicable Plan provisions and federal law and that the participant has received from me any notices required by law.

Great-West Retirement Services®
Representative Signature

Date

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC, First Great-West Life & Annuity Insurance Company, White Plains, New York and their subsidiaries and affiliates. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. Insurance products and related services are sold in New York by its subsidiary, First Great-West Life & Annuity Insurance Company. Other products and services may be sold in New York by FASCore, LLC.

PARTICIPANT DISTRIBUTION GUIDE

Governmental 457(b) Plan

You may be allowed to transfer funds from your Plan to another employer-sponsored Plan or take certain types of distributions while you are still working for your employer. When you sever employment with your employer, you need to make several choices with respect to your distribution options. If you are leaving your job because you are retiring, you may want to begin taking distributions, or you may be required to begin taking distributions in accordance with the minimum distribution (age 70 1/2) requirements. You have different distribution methods from which to choose. If you are changing jobs, you may be able to leave your money in your current Plan, or roll it over to another Plan that accepts such rollovers or to an Individual Retirement Account (IRA). Only you can make this very personal decision after careful consideration of several factors including your age, financial needs, and other sources of income.

Please study each of your options described in this Guide in order to make distribution choices that best suit your financial needs. This Guide will assist you in completing the Distribution/Direct Rollover Request form ("Distribution Form") for Governmental 457(b) Plans. You should read all pages of this Guide before you begin to complete the Distribution Form. The Guide will assist you in completing each section of the Distribution Form and give you the information you need to make informed decisions regarding your distribution. If you need further clarification about the information discussed in this Guide, call a representative at your local Service Provider. You can also call KeyTalk® to speak with a service representative.

You are strongly urged to consult with an accountant and/or tax advisor before making your final decision and in the preparation of your Distribution Form. While our representatives are able to explain the options to you, they cannot tell you which payment and/or tax-withholding method is best for you. Your local representative or any Service Provider representative will not provide tax or legal advice. Additionally, neither this Guide nor the Distribution Form represents tax or legal advice.

Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at: <http://www.ustreas.gov/offices/eotffc/ofac>.

The Distribution Form - The Distribution Form is divided into several sections, with each section requiring you to provide information or make an election regarding your distribution.

The sections on the Distribution Form are:

- Participant Information
- Distribution Reason
- Distribution Method
- Distribution Delivery
- Federal and State Income Tax Withholding
- Your Consent and Signature
- Authorized Signature(s)

Note: If you have more than one account or Plan number, you must complete a separate Distribution Form for each account or Plan number. If you are a beneficiary, please complete a Death Benefit Claim Request form rather than a Distribution Form.

Incomplete or Inaccurate Information - In the event that any section of the Distribution Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on the Distribution Form. You may be required to complete a new form or provide additional or proper information before the transaction will be processed.

Changes to Your Request - If you make a change to the Distribution Form as you are completing it, you must cross out any previously elected choice(s) and initial all changes. If you do not initial all changes, the Distribution Form may be returned to you for verification.

Self-Directed Brokerage ("SDB") Account Notice - If you have an SDB account, it is your responsibility to contact the SDB provider to transfer the funds to be distributed to the core investments (non-self-directed brokerage investments) before Service Provider can process your payments.

With respect to both full and partial distribution/rollover requests, in the event that the transfer of funds from your SDB account has not been received by Service Provider prior to Service Provider's receipt of the Distribution Form, the following will occur: Service Provider will process your request from the amount that is available in the core investment options in excess of the "core minimum." The core minimum is the amount of investment funds (required by your Plan) that must be maintained in your core investment options at all times. For any further distributions/rollovers, you must transfer the appropriate funds from the SDB account into core investment options and submit an additional Distribution Form.

The Distribution Form

Note: Please use blue or black ink when completing the Distribution Form. All pages of the Distribution Form must be returned excluding the Participant Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions.

Participant Information

Last Name, First Name, MI - Your full name is required in order to properly identify your account.

Address - Number & Street

City, State, Zip Code - If you fill in an address other than the address on the record keeping system, your distribution will be sent to you in accordance with the information you provide on the Distribution Form. You may be contacted to verify this information.

Home Phone, Work Phone - This information will allow Service Provider to contact you in the event that your request is not properly completed.

Social Security Number - Your Social Security number is required to properly identify your account and report withholding information to the Internal Revenue Service.

Account Extension - The account extension identifies funds that were transferred to you through a divorce or death. If you have an account extension but left this field blank, Service Provider will return this form.

E-Mail Address - Your e-mail address is optional. If you choose to provide Service Provider with this information it will be kept confidential.

Are You a U.S. Citizen or U.S. Resident Alien? - Your citizenship status is required to properly tax report your distribution. If you are not a U.S. citizen or U.S. resident alien, please provide your country of residency.

Date of Birth - Your date of birth is required to properly process your distribution request.

Distribution Reason

You must designate a distribution reason in order for your distribution request to be processed. The following is a brief explanation of each of the distribution reasons listed on the Distribution Form.

In order to comply with the Internal Revenue Code and applicable federal Treasury regulations, you must begin to receive at least your required minimum distribution by the later of April 1st of the year following the year during which you attained age 70 1/2 or the year during which you sever employment with your employer. The Internal Revenue Service may impose a 50% excise penalty on amounts that should have been distributed pursuant to the minimum distribution requirements. Service Provider does not assume any responsibility or liability for ensuring that distributions are elected in a timely manner to meet the minimum distribution requirements. It is solely the participant's responsibility to ensure that the required minimum distribution is made in a timely manner and in an appropriate amount. You are strongly urged to consult your tax and/or legal advisor regarding the minimum distribution requirements.

Severance of Employment - If you are taking a distribution from your account due to severance of employment, check the appropriate box. Indicate the date of your severance of employment on the line provided.

Disability - If you have left employment due to your disability, check the appropriate box. Indicate the date of your disability on the line provided. A completed Certification of Disability form is required before this distribution will be processed.

If you are requesting a distribution because of a disability and you want your Form 1099-R coded to reflect your disability as an exception to the 10% early withdrawal penalty tax, you must submit a Certification of Disability form along with the Distribution Form. You may obtain a Certification of Disability form from a service representative. Indicate the date of your disability on the line provided.

Purchase of Service Credit (TCRS) - When requesting a withdrawal from this Plan to purchase service credits, please make sure to include a copy of your current Prior Billing Statement from TCRS. If you are fully surrendering this account, make sure to check Full Distribution in the Distribution Method section. If requesting a partial withdrawal, be sure to list the amount. A check, payable to TCRS, will be issued for the net amount listed. Be sure to complete the mailing address information.

De Minimis Distribution - If you are taking a de minimis distribution, check the appropriate box. A de minimis distribution is a distribution made prior to your severance of employment from an account with a balance of less than a certain amount (never greater than \$5,000.00) to which contributions have not been made for the 24-month period before the date of your de minimis distribution request provided that you have not previously taken a de minimis distribution. Depending upon the terms of your Plan, you may be allowed to request such a distribution or the Plan Administrator/Trustee may require that such small account balances be distributed.

Minimum Distribution (Age 70 1/2) - If you are age 70 1/2 or older and you do not want to have your required minimum distribution automatically calculated and distributed, check this box. You will be responsible for calculating your required minimum amount every year and completing this Distribution Form to request payment. If you select minimum distribution as your distribution reason, you must also select partial distribution as your distribution method. If you would prefer to have your required minimum distribution amount automatically calculated and distributed to you each year, you must request an Automated Minimum Distribution Request form. Once the Automated Minimum Distribution Request form is completed, you will receive your required amount without additional paperwork.

Distribution Method

There are several distribution methods that you may choose from on the Distribution Form. Depending on the type of distribution you are requesting, you may need to check more than one box in this section. For example, if you are requesting a rollover of your entire account balance to an IRA, you will check the Full Distribution box and the Direct Rollover box.

Effective Date - Your effective date of distribution will be the later of the date you select as your effective date and the date Service Provider receives a properly completed Distribution Form.

Full Distribution/Purchase of Service Credit/Rollover - Check this box if you want a full distribution/purchase of service credit/rollover of your account. The full vested value of each investment option will be distributed based on the instructions on the Distribution Form. Service Provider will liquidate the funds from all investment options in which you have a balance.

Partial Distribution/Purchase of Service Credit/Rollover - Check this box if you want a partial distribution/purchase of service credit/rollover. Indicate the amount of the partial distribution on the line provided. If you have selected minimum distribution (age 70 1/2) as your distribution reason and your distribution will be less than your entire account balance, you are electing a partial

distribution and must check this box. Partial distributions will be automatically prorated against all of your investment options. You may specify a contribution source (e.g., Employer Contribution, Payroll Contribution, Employer Matching Contribution, Rollover, etc.) on the line provided. Otherwise, your distribution will be prorated against all available contribution sources. You are responsible for ensuring that the partial distribution you request meets the minimum distribution requirements, if applicable.

Note for SDB only: With respect to both full and partial distribution requests, in the event that the transfer of funds from your SDB account has not been received by Service Provider prior to Service Provider's receipt of the Distribution Form, the following will occur: Service Provider will process your request from the amount that is available in the core investment options in excess of the core minimum. For any further distributions, you must transfer the appropriate funds from the SDB account into core investment options and submit an additional Distribution Form.

Payment to Self - By selecting this box, you are requesting that the distribution be paid to you directly.

Combination - Partial Distribution to Me and Partial Purchase of Service Credit or Rollover - By selecting this box, you are requesting a distribution where part of the payment is paid directly to you and part of the payment is paid as a purchase of service credit or a direct rollover.

Periodic Payment - Check both the periodic payment distribution method and periodic payment options to choose this option. You must choose from the periodic payment options. You must also select a payment start date. The payment start date is the date the funds will be distributed from your account. You can choose any day of the month with the exception of the 29th, 30th or 31st. You must also select the frequency of your payment - monthly, quarterly, semi-annually or annually. Allow approximately 5 - 10 business days from your payment start date to receive your distribution.

Note for SDB only: In the event that a periodic payment option is requested and sufficient funds have not been transferred from the SDB account into core investment options prior to Service Provider's receipt of the Distribution Form, your distribution request will not be processed. Instead, the Distribution Form will be returned to you with a letter asking that the transfer be initiated. Once the transfer has occurred, the original Distribution Form must be resubmitted to Service Provider for processing. The terms of your Plan may require liquidation of funds in your SDB account to make required payments, such as required minimum distributions. If you do not initiate trading instructions and transfers in time to generate the funds needed to make these payments, all securities in your SDB account may be liquidated and your SDB account permanently closed. You will be responsible for any losses or expenses associated with any such liquidation. The participant is responsible for ensuring that the periodic payment option as elected meets the minimum distribution requirements, if applicable.

The Periodic Payment Options Are as Follows:

1. Payment of an Amount Certain - Designate the dollar amount you wish to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). Your payments will continue until your account balance is zero. The number of payments you receive will vary depending on the performance of your underlying investment options.
2. Payment for a Period Certain (Years) - You will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which you elect to receive payments, the periodic basis that you choose, and the performance of your underlying investment options.

Your payment amount will be calculated by dividing your current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to 1/48 of the account balance. The second payment will be 1/47 of your balance, the third will be 1/46, and so on.

Your payment is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. The payment amount will vary depending on the performance of the underlying investment options. Your balance will be zero by the end of the term selected.

Purchase of Service Credit (TCRS) - If your Plan allows you to transfer funds to your governmental defined benefit Plan to purchase permissible service credits under the Plan, check this box and indicate the amount of the transfer and mailing instructions on the appropriate lines. A check, payable to the Trustee, will be issued for the amount requested. The amount you request will be transferred as a net amount.

You must obtain and attach a letter of acceptance from your defined benefit Plan's trustee attesting to the amount you are allowed to transfer to the defined benefit Plan and accepting the funds for your purchase of service credit. In the event of an inconsistency between information contained in the letter of acceptance and information you provide on the Distribution Form, your request may not be processed or you may be required to provide additional clarifying information. Depending upon your current investment options, certain fees, charges and/or limitations may apply.

Direct Rollover to an Eligible Plan, Traditional IRA or Roth IRA - You must first be eligible to receive a distribution from your employer's Plan before you can request a direct rollover. You must also determine whether your new employer's Plan or IRA accepts eligible rollover distributions.

Beginning in the later of the year that you attain age 70 1/2 or the year during which you sever employment, you may not roll over that portion of a distribution equal to your required minimum distribution amount. If you elect a distribution in the form of an annuity, as of January 1 of the calendar year in which you attain age 70 1/2, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover.

If you are requesting a direct rollover, an eligible rollover distribution is paid from your Plan directly to your new employer's Code section 401(a), 401(k), 403(b) or Governmental 457(b) Plan, a Traditional IRA or to a Roth IRA. An eligible rollover distribution may be paid directly to a Roth IRA if your adjusted gross income in the year of rollover is no more than \$100,000.00 and you are not claiming a married filing separately status. Your rollover distribution to a Roth IRA will not be subject to mandatory federal income tax withholding. However, this distribution is subject to federal and state income tax in the year of rollover and you are responsible for

making tax payments. The taxable distribution will be reported on IRS Form 1099R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of your rollover may be one of the options to cover this tax liability. Please consult with your tax advisor.

Indicate the dollar amount you want to roll over and provide the company name, account number, mailing address, city, state, zip code and a phone number for your direct rollover. If you also attach a letter from your new investment provider and there is an inconsistency between information contained in the letter of acceptance and the information you provide on the Distribution Form, your request may not be processed or you may be required to provide additional clarifying information. Once Service Provider has processed a direct rollover, it cannot be returned.

If you choose the direct rollover method, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

Distribution Delivery

The delivery of your distribution may depend on the distribution method that you selected on the Distribution Form. Certain delivery options are not available on all types of distributions. Below is a description of each delivery option.

Check - You can receive your distribution by check regardless of the distribution method you selected on the Distribution Form.

Alternate Mailing Address - Check this box if you want your check to be sent to an address other than the address you provided on the first page of the Distribution Form.

Express Delivery - Not available for periodic payments. The amount of your distributable check will be reduced by \$25.00 for this service. Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes. Delivery is not guaranteed to all areas.

Automated Clearing House (ACH) - Check this box and complete this section only if you want your payments to be electronically deposited into your checking or savings account. You may not designate a business account or an IRA. This option is available for periodic payments at no charge. Available on one-time full/partial distribution payment to self for a \$15.00 non-refundable charge. If you are requesting a one-time full/partial distribution payment to self, your payment amount will be reduced by \$15.00 for this service. Complete the financial institution name, account number, ABA routing number, financial institution mailing address, city, state and zip code. For a checking account, you must attach a preprinted voided check. For a savings account, you must attach a preprinted voided deposit slip. If neither one is available to you, you must attach a signed letter from your financial institution, on their letterhead, that confirms the ABA routing number and your account name and number.

General ACH Information

By choosing an ACH credit to your financial institution account, you are authorizing Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to your checking or savings account. You are also authorizing your financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. Service Provider will make payments in accordance with the directions you have specified on the Distribution Form until such time that you notify Service Provider in writing that you wish to cancel the ACH agreement. You must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of your subsequent payments.

Service Provider reserves the right to terminate the ACH transfers for any reason and will notify you in the event of such termination by sending notice to your last known address on file with Service Provider.

It is your obligation to notify Service Provider of any address or other changes affecting your electronic fund transfers during your lifetime. You are solely responsible for any consequences and/or liabilities that may arise out of your failure to provide such notification.

By selecting an ACH method of delivery, you acknowledge that Service Provider is not liable for payments made by Service Provider in accordance with a properly completed Distribution Form. By selecting this method of distribution delivery, you are authorizing and directing your financial institution not to hold any overpayments made by Service Provider on your behalf, or on behalf of your estate or any current or future joint account holder, if applicable.

Additional Information for Periodic Payments

ACH is a form of electronic funds transfer by which Service Provider can transfer your payments directly to your financial institution. Allow at least 15 days from the date Service Provider receives your properly completed Distribution Form to begin using ACH for your payments. Upon receipt of a properly completed Distribution Form, Service Provider will notify your financial institution of your ACH request with the account information you have provided. The pre-notification process takes approximately 10 days. During the pre-notification process, your financial institution will confirm with Service Provider that the account and routing information you submitted is correct and that it will accept the ACH transfer. After this confirmation is received, your payments will be transferred to your financial institution within 2 days of the first payment date. If your payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to your financial institution may be delayed accordingly. In the event of a change to your periodic payments, your electronic funds transfer may be subject to a delay, and a check will be sent to your last known address on file with Service Provider.

If your financial institution rejects the pre-notification, you will be notified and your checks will be mailed to you until you submit an Electronic Funds Transfer (ACH) form. As a result, it is important that you continue to notify Service Provider in writing of any changes to your mailing address.

Federal and State Income Tax Withholding

Federal Income Tax

Distribution withholding will vary depending on the type of distribution you are requesting in the Distribution Reason section of the Distribution Form. You have received and must read the attached 402(f) Notice of Special Tax Rules on Distributions, which provides additional income tax withholding information. You are strongly urged to consult with your tax advisor to determine your appropriate income tax withholding.

If you do not have enough federal income tax withheld from your distribution, 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.

If your distribution is subject to income tax withholding, the following will apply:

Full Distribution - Twenty percent (20%) mandatory federal income tax withholding will apply unless you elect a direct rollover of the entire amount.

Partial Distribution - Twenty percent (20%) mandatory federal income tax withholding will apply unless you elect a direct rollover. If your distribution reason is minimum distribution (age 70 1/2), a 10% federal income tax withholding will apply to your partial distribution unless you elect not to have federal income tax withheld by marking the appropriate box on the Distribution Form.

Periodic Payment - Twenty percent (20%) mandatory federal income tax withholding will apply to all amount certain or period certain periodic payments scheduled to continue for less than 10 years.

If your periodic payments are payable over your life expectancy or are scheduled to continue for a period certain of more than 10 years, it is suggested that you complete and attach a Form W-4P to your Distribution Form. If a W-4P is not attached, federal income tax withholding will be made as though you are married with three allowances. You may obtain a Form W-4P at <http://www.irs.gov>.

Direct Rollover - Eligible rollover distributions that are directly rolled over are not subject to mandatory federal income tax withholding. Please note, an amount rolled over to a Roth IRA is subject to federal and state income tax in the year of rollover and will be reported as taxable income to you. You are responsible for paying any income tax due on this distribution.

State Income Tax

If you live in a state that mandates state income tax withholding, it will be withheld. If you wish to have additional state income tax withheld, you may elect to have an additional amount withheld. Check the appropriate box on the Distribution Form.

If you live in a state that does not mandate state income tax withholding and would like state income tax withheld, please check an appropriate box in the Federal and State Income Tax Withholding section on this form. If you made such an election, we will withhold state income tax based on a default rate provided by the state of your residence. It remains your responsibility to ensure that state income tax withholding is sufficient to cover your state income tax liability.

If you live in a state that allows to elect out of state income tax withholding, please check an appropriate box. Please note that if state income tax withholding is mandatory, your election will be disregarded.

If you do not attach the appropriate state income tax withholding form, if applicable, and you have elected periodic payments as your distribution method, state income tax withholding will be made as though you are single with zero allowances.

Your Consent and Signature

You must sign and date your Distribution Form and have it notarized. Read the disclosure on the Distribution Form in this section before signing. Once you sign this form, you attest to receiving, reading, understanding and agreeing to all provisions of the Distribution Form, the Guide and the 402(f) Notice of Special Tax Rules on Distributions.

Submitting the Distribution Form

Once you have completed the Distribution Form, forward it to the address indicated.

Postponement of Distribution

You do not have to take a distribution at this time. You have the right to defer your distribution and the Plan will not make a distribution to you unless you consent to a payout. Once you have attained age 70 1/2, after having terminated service, the Plan must begin to distribute your vested benefit no later than April 1st after the close of the calendar year in which you reach age 70 1/2. Special Rules apply if your Plan has a DeMinimus force out provision for vested balances of less than \$1,000.00 or \$5,000.00 per Plan provisions. If you elect to postpone your payout, your vested benefit will be subject to adjustment for expenses and investment gain or loss. As a result the total amount ultimately paid to you could be more or less than the value of your current vested benefit. In determining the economic consequences of postponing your payout, you should compare the administration costs and options outside the Plan.

You should note that if you do not postpone the payment of your vested benefit, you will be taxed on your benefit at the time of the distribution if you do not take advantage of the rollover rules, as explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions.

If you defer distribution of your vested benefit, you will be entitled to participate in all of the investment options available to active employees. When considering whether to defer your distribution you should refer to the Plan's Summary Plan Description carefully.

Important Note

Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state and local tax laws may be revised, and new Plan provisions may be adopted by your Plan. For the most up to date version of this Guide, please visit the Web site at www.tn.gov/treasury/dc or call KeyTalk® at 1-800-922-7772.

Access to KeyTalk® or the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

For more information about available investment options, including fees and expenses, you may obtain applicable prospectuses and/or disclosure documents from your representative. Read them carefully before investing.

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

This Special Tax Notice Applies to Distributions from Governmental 457(b) Plans

This notice contains important information you will need before you decide how to receive Plan benefits. It explains when and how you can continue to defer federal income tax on your retirement savings when you receive a distribution.

This notice is provided to you because all or part of the payment that you will soon receive from one or more plans in which you participate may be eligible for rollover by you or your Plan Administrator to a Traditional IRA and effective January 1, 2008, to a Roth IRA, or to an eligible employer plan. A "rollover" is a payment by you or the Plan Administrator of all or part of your benefit to another eligible employer plan or IRA. A rollover to an eligible employer plan or Traditional IRA allows you to continue to postpone taxation of that benefit until it is paid to you. A rollover to a Roth IRA results in current income inclusion, but those amounts are then subject to the special Roth IRA rules regarding taxation upon later distribution. 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). Before January 1, 2008, your payment(s) cannot be rolled over to a Roth IRA, and no rollovers to a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA) are allowed. There are some special considerations before you elect to roll over your Plan benefit. First, 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. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may want to roll your distribution over to an IRA instead or split your rollover amount between the eligible employer plan in which you will participate and an IRA. Second, you should find out about any documents that are required to be completed before the receiving plan will accept a rollover. Finally, you should find out what limits the receiving plan will put on later distributions of your rollover account. For example, the receiving 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. You may also want to talk to your tax advisor before making any decisions.

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

1. General Summary

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

- (1) Certain payments can be made directly to a Traditional IRA and effective January 1, 2008, to a Roth IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or
- (2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Unless your rollover is being made to a Roth IRA, your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your IRA, including a Roth IRA effective January 1, 2008, 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.
- The taxable portion of your payment will be taxed later when you take it out of the Traditional IRA or the eligible employer plan. Special tax rules apply to later distributions from a Roth IRA. Depending on the type of plan or IRA, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

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

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. In the case of a rollover to a Roth IRA the amount of your distribution is currently taxable, although special rules may allow you to spread the income inclusion over more than one year.
- You can roll over all or part of the payment by paying it to your Traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a Traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right To Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your distribution directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a DIRECT ROLLOVER. Your distribution will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

2. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a Traditional IRA or to an eligible employer plan that accepts rollovers. Effective January 1, 2008, eligible rollover distributions can also be rolled over to a Roth IRA. Eligible rollover distributions cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments cannot be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) installment payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- A period of 10 or more years.

Required Minimum Payments. Beginning when you reach age 70 1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

Unforeseeable Emergency Distributions. A distribution on account of an unforeseeable emergency cannot be rolled over.

Distributions of Excess Contributions. A distribution that is made because legal limits on certain contributions were exceeded and cannot be rolled over.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

3. Direct Rollover

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a Traditional IRA, and effective January 1, 2008 to a Roth IRA, or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Number 2 above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER, other than a rollover to a Roth IRA, until you later take it out of the Traditional IRA or eligible employer plan. You will be taxed on a direct rollover to a Roth IRA. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER to a Traditional IRA or an eligible employer plan. A DIRECT ROLLOVER to a Roth IRA is included in income at the time of the rollover and may be subject to income tax withholding. There are some special rules that allow the rollover amounts to be included in income over more than one year, and your tax advisor can explain those in greater detail.

This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200. If a portion of your payment is from a designated Roth 401(k) or 403(b) account, the Plan may treat the Roth account portion of your payment as a separate distribution for purposes of the \$200 rule to determine amounts that are not rollover eligible.

Direct Rollover to a Traditional or Roth IRA

You can establish an IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to make sure that the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. Please remember that rollovers to Roth IRAs will be allowed only after December 31, 2007. See IRS Publication 590, Individual Retirement Arrangements, for more information on Traditional IRAs (including limits on how often you can roll over between IRAs).

Direct Rollover to a Plan

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

Direct Rollover of a Series of Payments

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

Change in Tax Treatment Resulting from a Direct Rollover

The tax treatment of any payment from the eligible employer plan or Traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. See the section below entitled, "Additional 10% Tax May Apply to Certain Distributions."

4. Payment Paid to You

If your payment can be rolled over (see Number 2 above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a Traditional IRA or effective January 1, 2008, to a Roth IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding

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

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Number 2 above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% of the taxable amount will generally be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Number 2 above, you can still decide to roll over all or part of it to a Traditional IRA, or a Roth IRA effective January 1, 2008, or to an eligible employer plan that accepts rollovers. If you decide to roll over your payment, you must contribute the amount of the payment you received to an IRA (as described above) or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Number 2 above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the Traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

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

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

Additional 10% Tax May Apply to Certain Distributions. Distributions from the Plan are generally not subject to the additional 10% tax that applies to pre-age-59 1/2 distributions from other types of plans. However, any distribution from the Plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a Traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457(b) plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457(b) plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a Traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

5. Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" (or a state domestic relations order applicable to certain governmental or church plans), which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a **surviving spouse or an alternate payee**, you may choose to have a payment that can be rolled over, as described in Number 2 above, paid in a DIRECT ROLLOVER to a Traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a Traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

Unlike surviving spouses and alternate payees, non-spouse beneficiaries do not have the same choices as the employee. Because of this difference, the mandatory withholding rules described in Number 4 above that typically apply to payments that are not rolled over, do not apply to payments made to non-spouse designated beneficiaries.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59 1/2.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments, as described in Number 4 above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

How to Obtain Additional Information

The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

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