

Clarifications to PBGC Form 703MP for your Roth Account Only

- ✓ If you also have a non-Roth account in the plan, you must elect a lump sum payment of both accounts, before a lump sum may be paid.
 - If you have a non-Roth account, you will also receive a Form 703MP for the non-Roth account.
 - If you don't elect a lump sum for both accounts and complete both Form 703MP (with spousal consent if married) you cannot receive a lump sum.
- ✓ Without the lump sum election(s), you will receive a life-time annuity from both accounts, payable for your lifetime, or as a joint-and 50% survivor form if you are married at the time you retire.
 - You will receive information about other annuity options when you retire.
- ❖ There are some special rules that apply to the payment of your Roth Account.
- ❖ Some of these special rules require clarification of the Form 703MP for payment of Roth Accounts, as follows:

CLARIFICATIONS

Form 703MP Section 5 Payment Election – clarifications applicable to Roth payments underlined

- **Introduction:** Please read the enclosed Special Tax Notice Regarding Non-Periodic PBGC Payments From Designated Roth Account. Be sure you understand the tax implications of having PBGC pay the lump sum directly to you or to a Roth individual retirement arrangement (IRA) or a designated Roth account in a qualified retirement plan.

Please elect only one option - A or B. If you do not elect an option or if you elect more than one option, PBGC will pay you according to option B.

- **Option A** –for your direct rollover, you may transfer to a Roth IRA or a designated Roth account in a qualified retirement plan.
- **Option C** – Do not elect. The “**Split my payment**” option is NOT available for your Roth account payment.
- **Last Sentence on page 4:** If you selected option A, complete **Section D** on page 5.
- **D. Rollover Information** -
 - Do not elect. The “Traditional IRA” option is not available for your Roth Account payment
 - Qualified retirement Plan option is to a Roth Account in a qualified retirement plan



Application for Elective Lump-Sum Payment - Roth Account

PBGC Form 703MP

Pension Benefit Guaranty Corporation.
P.O. Box 151750, Alexandria, Virginia 22315-1750

For assistance, call 1-800-400-7242

Plan Name: FX.PrismCase.CaseTitle.XF
Plan Number: FX.PrismCase.CaseldNmbr.XF
Date Printed:
Date of Plan Termination: FX.PrismCase.DOPT.XF

Participant Name: FX.PrismCust.FullName.XF

INSTRUCTIONS: Use this form to request a lump-sum payment. As proof of your date of birth, enclose a copy of your birth or baptism certificate, or U.S. Passport. If you are a deceased participant's spouse, enclose a copy of your marriage certificate if you have not already sent it to us. Please make sure that proof documents are legible before sending to PBGC. If you have questions about other documents we accept as proof, call our Customer Contact Center at 1-800-400-7242. Print clearly with blue or black ink.

1. General information about you

Last Name		First Name	
Middle Name	Other Last Name(s) Used		
Social Security Number		Date of Birth (PROOF REQUIRED)	Gender MALE ☐ FEMALE ☐
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Mailing Address		Apartment / Route Number	
City		State	Zip Code
Country		Province	
Daytime Phone		EXTENSION	Evening Phone
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If you are the participant and worked after the date the plan terminated, what year did you stop working for the employer who sponsored your pension plan?			Year

2a. Marital status – Please complete both 2a. and 2b.

Are you currently married? Yes ☐ No ☐			
Spouse's Last Name		Spouse's First Name	
Spouse's Middle Name		Other Last Name(s) Used	
Spouse's Social Security Number		Spouse's Date of Birth	Date of Marriage (PROOF REQUIRED)
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2b. Court order related to the participant's benefit

Is there a court order (for example - domestic relations order, divorce decree, child support order, etc.) that requires some or all of your benefit be paid to a spouse, former spouse, child, or other dependent?	Yes ☐
	No ☐

CONTINUE ON BACK ➡

3. Lump-sum payment election – If you are the participant, you and your spouse have to make an important decision about how your benefit is paid.

Important Information about Your Benefit Choices

You need to decide whether you want to receive your benefit as a single lump-sum payment now or as a monthly annuity benefit at some future date. If you are currently married and want a lump-sum payment, your spouse's consent is needed for PBGC to comply with your election.

If you complete this application and your spouse consents on the next page to your election, PBGC will pay your entire benefit to you in a lump-sum. No future benefits will be payable to you or your spouse. If you would prefer to receive your benefit in a monthly annuity form, *call PBGC and do not submit this application.*

Annuity Benefit Form

At the time that you are eligible to retire, PBGC will pay your benefit as an annuity, generally monthly, for your life. The form of your annuity benefit will depend on your marital status at retirement. If you are married, you will receive a joint-and-survivor benefit unless your spouse consents to your waiver of this form of benefit in writing. The joint-and-survivor form provides a benefit for your life and, if you die before your spouse, at least 50% of your benefit amount will be paid to your spouse for the rest of your spouse's life. To help pay for your spouse's benefits, your payment will most likely be reduced. If your spouse consents to your waiver of the joint-and-survivor benefit, or if you are not married, you may select from a number of PBGC optional benefit forms.

Lump-Sum Payment

You will receive a single payment now of your entire benefit. No future annuity benefits will be payable to you or your spouse.

An example of your choices:

- ***Lump-sum payment:*** Sam elects a lump-sum payment and Carol consents to it (Carol signs in front of a notary public), and Sam receives \$7,000 in the form of a single lump-sum benefit, with interest. No future payments will be payable to Sam or Carol.
- ***Joint-and-50% survivor annuity:*** Sam (age 65) and Carol (age 61) are married when Sam retires. Sam receives a payment of \$260 for the rest of his life. After Sam dies, Carol receives \$130 a month for the rest of her life. If Carol dies first, Sam will continue to receive \$260 a month for the rest of his life.
- ***Other annuity choices:*** If Sam waives a joint-and-survivor annuity when he retires, and Carol consents to his waiver, other annuity benefit forms are available. To learn more about your specific annuity benefit choices, call PBGC at 1-800-400-7242.

CONTINUE 

Application for Elective Lump-Sum Payment**Form 703MP - Roth Account, page 3 of 6**

Plan Number: FX.PrismCase.CaseldNmbr.XF

Participant Name: FX.PrismCust.FullName.XF

- 4. Spousal consent for a participant to receive an elective lump-sum benefit.** If you are married and want to receive your benefit in a lump sum or single payment, your spouse must complete this section. Your spouse's consent must be signed in the presence of or acknowledged by a notary public.

By signing below, I consent to my spouse's election to receive his/her benefit in a lump-sum or single payment. My consent is voluntary. I have read and I understand the information provided with this application. In particular, I understand all of the following:

- I have a right **not** to consent to my spouse's election.
- If I **do not** consent, my spouse's benefit will be paid in the plan's automatic form for married participants. Under that automatic form, if my spouse dies before me, I would receive a benefit equal to at least 50% of my spouse's benefit for the rest of my life.
- If I **do** consent to my spouse's election, I cannot revoke my consent after PBGC makes the payment to my spouse.

SPOUSE'S SIGNATURE (MUST BE NOTARIZED)_____
DATE**Must be signed by a Notary Public****To be completed by Notary Public:**

Subscribed and sworn to before me this _____ day of _____, Year _____

DATE MY COMMISSION EXPIRES_____
NOTARY PUBLIC NAME_____
CITY / COUNTY_____
STATECONTINUE ON BACK 

5. Payment Election – Please read the enclosed *Special Tax Notice Regarding Non-Periodic PBGC Payments*. Be sure you understand the tax implications of having PBGC pay the lump sum directly to you or to an individual retirement arrangement (IRA) or a qualified retirement plan.

Please elect only one option - A or B or C. If you do not elect an option or if you elect more than one option, PBGC will pay you according to option B.

A. Roll over my payment to an IRA or a plan – Send my entire payment, plus interest, directly to an IRA or a qualified retirement plan. I understand that PBGC will not withhold taxes from my payment. ☐

B. Pay me directly – Send the entire payment, plus interest, directly to me. I understand that PBGC **will withhold** 20% of the taxable amount of my payment for federal income tax. ☐

*Complete Section E if you want the payment to be sent directly to your bank account.

C. Split my payment - Send some of the money, plus interest, directly to me, and send some directly to an IRA or a qualified retirement plan, as follows: ☐

1. Send this much directly to me:

\$.

I understand that PBGC **will withhold** 20% of the taxable amount for federal income tax.

*Complete Section E if you want the payment to be sent directly to your bank account.

2. Send this much to an IRA or a qualified retirement plan.

\$.

I understand that PBGC **will not withhold** taxes from this part of my payment.

Note: the amount must be at least \$500.

***Note:** PBGC does not transfer funds to financial institutions outside the United States and its territories. *If you live outside the United States or its territories and do not have a U.S bank account, PBGC will send your payment to your mailing address.*

If you selected option A or C, complete **Section D** on page 5.

PLEASE SIGN THE FORM ON PAGE 6.

CONTINUE 

Application for Elective Lump-Sum Payment

Plan Number: FX.PrismCase.CaseldNmbr.XF

Form 703MP - for Roth Account, page 5 of 6

Participant Name : FX.PrismCust.FullName.XF

Payment Election (continued)**D. Rollover Information**

Name of IRA or Plan:

Type of IRA or Plan:

- ☐ Traditional IRA
- ☐ Roth IRA
- ☐ Qualified retirement plan

Account Number

Name of the Institution / Trustee

Daytime Phone

() -

Mailing Address

City

State

Zip Code

 -

E. Direct Payment Information Only. Complete this section to send your payment directly to your bank.

All fields requiredName(s) on the Account **(Your name must be on the account)**

Routing Number*

Account Number – Numbers only

Account Type

Checking

☐

Savings

☐

***This nine-digit number is on the lower left side of your check.**

CONTINUE ON BACK ➞

Application for Elective Lump-Sum Payment**Form 703MP - for Roth Account, page 6 of 6**

Plan Number: FX.PrismCase.CaseldNmbr.XF

Participant Name: FX.PrismCust.FullName.XF

- 6. Signature** – Sign and date this application in the presence of or acknowledged by a Notary Public. Knowingly and willfully making false, fictitious or fraudulent statements to the Pension Benefit Guaranty Corporation is a crime punishable under Title 18, Section 1001, United States Code.

I declare under penalty of perjury that all of the information I have provided on this form is true and correct.

SIGNATURE_____
DATE**To be completed by Notary Public:**

Subscribed and sworn to before me this _____ day of _____, Year _____

DATE MY COMMISSION EXPIRES_____
NOTARY PUBLIC NAME_____
CITY / COUNTY_____
STATE

SPECIAL TAX NOTICE REGARDING NON-PERIODIC PBGC PAYMENTS from Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because you are receiving a payment from PBGC, and all or part of it is eligible to be rolled over to a Roth IRA or a designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from PBGC that are from a designated Roth account. If you also receive a PBGC payment that is not from a designated Roth account, PBGC will send you a different notice for that payment and will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution or a nonqualified distribution.

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

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

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

What types of retirement accounts and plans may accept my rollover?

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

SPECIAL TAX NOTICE REGARDING NON-PERIODIC PBGC PAYMENTS from Designated Roth Account

subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

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

How do I do a rollover?

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

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

60-day rollover option: If you do not do a direct rollover, you may still do a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment.

You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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

How much may I roll over?

If you wish to do a rollover, you must roll over all of the amount eligible for rollover. Any payment is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary); and
- Required minimum distributions after age 72 (age 70½ if you were born before July 1, 1949) or after death.

PBGC can tell you what portion of a payment is eligible for rollover.

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

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that

SPECIAL TAX NOTICE REGARDING NON-PERIODIC PBGC PAYMENTS from Designated Roth Account

you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over. The 10% additional income tax does not apply to the following payments:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments made due to disability;
- Payments after the death of the plan participant;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments for certain distributions relating to certain federally declared disasters.

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

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

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe state income taxes?

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

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a

SPECIAL TAX NOTICE REGARDING NON-PERIODIC PBGC PAYMENTS from Designated Roth Account

written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you receive a nonqualified distribution and you were born on or before January 1, 1936

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

If you are not a participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

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

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

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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

Payments under a qualified domestic relations order (QDRO). If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment as described in this notice).

SPECIAL TAX NOTICE REGARDING NON-PERIODIC PBGC PAYMENTS from Designated Roth Account

If you are a nonresident alien

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

Other special rules

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

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with a professional tax advisor. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.