American Century Investments®

403(b) Tax-Deferred Retirement Plan Distribution Booklet

Learn about taking distributions from your plan

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Important Information About Distributions From Your 403(b) Plan

Federal tax law requires that most distributions from qualified retirement plans that are not directly rolled over to an IRA or other qualified plan be subject to federal income tax withholding at the rate of 20%.

The Custodian is required to provide you with a written notice explaining your 403(b) rollover options and how certain distributions may be taxed. You will find this notice in this booklet. Please read the tax notice carefully before removing money from your plan. If you have any questions about the tax consequences of the distribution you are taking from your plan, please consult your tax advisor before the distribution is made.

You may consider the distribution options under your 403(b) plan for a minimum waiting period of 30 days after receipt of this booklet. You have the right to use the entire waiting period to decide between your distribution options, or you may waive this waiting period by completing and returning the *403(b) Distribution Request* form. Once you return the *403(b) Distribution Request* form, your decision may not be changed.

The *Questions and Answers* section of this booklet provides brief answers to frequently asked questions about removing money from your 403(b) plan and possible rollover options.

American Century Investments® requires that any requests to remove money from your 403(b) plan be received on the most current version of American Century Investments' *403(b) Distribution Request* form.

If you have any questions, please call a Business Retirement Specialist at 1-800-345-3533.

This information is for educational purposes only and is not intended as tax advice. Please consult your tax advisor for more detailed information or for advice regarding your individual situation.

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Questions and Answers

Listed below are questions that are frequently asked about retirement plan distributions. If you have other questions, contact us at 1-800-345-3533.

When am I eligible to withdraw money from my 403(b) plan?

Your 403(b) plan is designed for your retirement. Generally, a distribution may be taken from your account only if one of the following qualifying events occurs:

- You have reached age 59½
- You no longer work for the employer
- You are permanently and totally disabled
- You have encountered certain financial hardships (if hardship withdrawals are permitted by your employer's plan)
- You have made excess contributions to the account
- In the event of your death
- Other qualifying events may apply in your 403(b) plan. Check with your employer to determine if you meet a qualifying event.

You must indicate on the *403(b) Distribution Request* form which qualifying event occurred before American Century Investments can proceed with your request.

How do I qualify for a financial hardship withdrawal?

To qualify for a hardship withdrawal, your employer's plan must permit hardship withdrawals, you must have an immediate and heavy financial need, and the amount of the withdrawal must not exceed the amount of the need. Unless your employer's plan provides otherwise, the withdrawal must be used for:

- Medical expenses already incurred or necessary that are not covered by insurance; these expenses may be incurred by you, your spouse, your dependents or primary beneficiary
- Purchase of your principal residence
- Payment of tuition, related educational fees, and room and board for the next 12 months of post-secondary education for you, your spouse, your primary beneficiary, children or dependents
- Payments to prevent eviction from or foreclosure upon the mortgage of your principal residence
- Expenses for the repair of damage of your principal residence that would qualify for the casualty deduction under Internal Revenue Code section 165
- Burial or funeral expenses for your deceased parent, spouse, primary beneficiary, children or dependents

How much may I withdraw for a financial hardship?

The amount you may withdraw is the lesser of your total salary reduction contributions (not including earnings) or the amount necessary to meet the financial hardship. Any amounts received as a direct rollover from a Traditional IRA or another eligible retirement plan will not be available for hardship withdrawal.

Can an alternate payee make a withdrawal?

An alternate payee is generally an ex-spouse who has been assigned an interest in a 403(b) plan account under a qualified domestic relations order (QDRO). The terms of the 403(b) plan and/or QDRO will determine when an alternate payee may take a distribution from the plan. Consult your employer to determine the alternate payee's distribution options. See the *Special Tax Notice* in this booklet for more information.

When must I begin withdrawals?

The IRS requires you to begin annual withdrawals, or "required minimum distributions," when you reach age 72 or when you retire, whichever is later. (Note: If you were born before July 1, 1949, your starting age was 70½ instead of 72.) Special rules may apply to pre-1987 accruals. Check with your employer to confirm withdrawal deadlines.

If I qualify for a 403(b) distribution, how will it be taxed?

If you receive a distribution and do not roll it over into an IRA or another eligible retirement plan, it will be subject to federal and state income tax unless it includes only after-tax or qualified Roth amounts. If you receive a distribution before you reach age 59½, you also may have to pay a penalty tax equal to 10% of the taxable portion of your distribution. See the *Special Tax Notice* in this booklet for more information.

When is a distribution subject to the 20% mandatory federal income tax withholding?

If a distribution is made payable directly to you, it is subject to 20% mandatory federal income tax withholding. You can elect a rate higher than 20%, but not a lower rate.

However, if a distribution is one of the exceptions listed below, the 20% mandatory withholding does not apply:

1. Your distribution is directly rolled over to an IRA or another eligible retirement plan
2. You are withdrawing only your required minimum distribution amount
3. You are withdrawing your benefit over your life expectancy, the life expectancy of you and your designated beneficiary, or a period of 10 years or more
4. You are withdrawing excess contributions
5. You are withdrawing due to a financial hardship.
6. Your withdrawal is a qualified birth or adoption distribution

If exception 1 above applies, tax will not be withheld. If exception 2, 3, 4, 5 or 6 above applies, distributions will be subject to federal income tax withholding at the IRS rate of 10%, unless you request a different rate through the W-4R election on our *403(b) Distribution Request* form. If federal income tax is withheld, then any mandatory state income tax also will be withheld.

What if I withdraw more than my required minimum distribution?

If you withdraw more than your required minimum distribution, the 20% federal income tax withholding rate, as well as any mandatory state income tax withholding, applies to the amount above your minimum distribution. Again, you may elect more than 20% for this amount, but not less.

Example: You are age 76 and your required minimum distribution is $1,000, but you withdraw $3,000. The minimum withholding rate of 10% applies to the first $1,000, and the 20% rate applies to the additional $2,000 withdrawn.

Can I roll over my 403(b) into a Traditional IRA or employer-sponsored plan?

Yes, unless your distribution is described in exception 2, 3, 4 or 5 on the previous page. A qualified birth or adoption distribution (exception 6) may be rolled over as an indirect rollover; the 60-day deadline does not apply, but the plan may not allow a rollover if you have separated from service. Special rules may apply to the employer-sponsored plan. Check with the plan sponsor to determine if the plan accepts rollovers. See the *Special Tax Notice* in this booklet for more information.

If you are eligible for a distribution, you may request a rollover by completing a *403(b) Distribution Request* form. A letter of acceptance also may be required; see the form for details.

Can I roll over my 403(b) into a Roth IRA?

Yes, unless your distribution is described in exception 2, 3, 4 or 5 on the previous page. A qualified birth or adoption distribution (exception 6) may be rolled over to a Roth IRA as an indirect rollover, and the 60-day deadline does not apply. However, certain rollover amounts may be treated as taxable income to you. See the *Special Tax Notice* in this booklet for more information.

If you are eligible for a distribution, you may request a rollover by completing a *403(b) Distribution Request* form. If your assets are being rolled over to a Roth IRA at another institution, a letter of acceptance is also required.

Are my distributions reported to the IRS?

Yes. American Century Investments will report all distributions, including direct rollovers, to you and the IRS on Form 1099-R. A transfer from American Century Investments to your 403(b) with another custodian will not be reported.

How do I remove an excess contribution?

On the *403(b) Distribution Request* form, check the "Excess contribution" box and indicate the exact dollar amount of the excess contribution. American Century Investments will calculate the gain or loss on the excess contribution, and any gains will be distributed with the excess amount. Taxes and penalties also may apply. Since special tax considerations may affect your situation, we suggest you contact a tax advisor before you remove excess contributions.

Does my spouse need to consent to the distribution?

If you are married and your 403(b) plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), you and your spouse may need to waive the Qualified Joint and Survivor Annuity (QJSA) requirement. Please contact your employer for more information.

Is employer approval required before I can receive a distribution?

In most cases, distributions require employer or Third Party Administrator (TPA) approval and an authorized individual from your employer or TPA must sign the *403(b) Distribution Request* form. Check with your employer or TPA to determine available distribution options in your 403(b) plan.

Special Tax Notice

For plan payments from qualified plans, 403(b) plans and governmental 457(b) plans

PART I: For Payments NOT from a Designated Roth Account

YOUR ROLLOVER OPTIONS

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

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules). If you also receive a payment from a designated Roth account in the Plan, refer to Part II of this *Special Tax Notice* for a separate tax notice regarding that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

You may be eligible to leave your retirement assets in the Plan. The Plan's investment options and fees may be different than those of other retirement plans, including IRAs and other employer plans. Check with your Plan administrator to determine the Plan options available to you, including the Plan's investment options and any associated fees.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

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

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

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

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

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death

- Hardship distributions
- Payments of employee stock ownership plan (ESOP) dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).
- Distributions of certain premiums for health and accident insurance

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution
- 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
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters
- Phased retirement payments made to federal employees

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

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

- 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 50 for qualified public safety employees) does not apply.
- The exception for QDROs does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- Additional exceptions apply to payments from an IRA, including:
  - Payments for qualified higher education expenses
  - Payments up to $10,000 used in a qualified first-time home purchase
  - 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 address any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

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

If you miss the 60-day rollover deadline

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 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 your payment includes employer stock that you do not roll over

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

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset.

Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If 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 you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

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

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

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

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

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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

If you are not a Plan 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 generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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

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

Payments under a QDRO. If you are the spouse or 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 to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

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%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040-NR 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 do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments). If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information 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 the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income;* IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans).* These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

PART II: For Payments FROM a Designated Roth Account

If the payment you are receiving is NOT from a designated Roth account in your employer's Plan, this Part II of the *Special Tax Notice* does not apply to you and you may disregard the following sections.

YOUR ROLLOVER OPTIONS

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

<u>This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account</u>. If you also receive a payment from the Plan that is not from a designated Roth account, refer to Part I of this *Special Tax Notice* for a separate tax notice regarding that payment, and the Plan administrator or the payor 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.

You may be eligible to leave your retirement assets in the Plan. The Plan's investment options and fees may be different than those of other retirement plans, including Roth IRAs and other employer plans. Check with your Plan administrator to determine the Plan options available to you, including the Plan's investment options and any associated fees.

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. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

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

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

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

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 or section 403(b) plan, or a 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, Roth IRAs are not subject to spousal consent rules, and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

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

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.

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

If you do not do a direct rollover, you may still do a rollover by making a deposit (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 a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death
- Hardship distributions
- Payments of employee stock ownership plan (ESOP) dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if S corporation stock is held by an IRA).
- Distributions of certain premiums for health and accident insurance.

The Plan administrator or the payor 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 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 from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation.
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution
- 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
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution.
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and 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 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.
- Additional exceptions apply for payments from a Roth IRA, including:
  - Payments for qualified higher education expenses
  - Payments up to $10,000 used in a qualified first-time home purchase
  - 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 address 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 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 your payment includes employer stock that you do not roll over

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

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

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset.

Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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

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

If you receive a nonqualified distribution, are an eligible retired public safety officer, and your payment is used to pay for health coverage or qualified long-term care insurance

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

If you are not a Plan 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 generally will 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 in the Plan. 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 deceased participant was born on or before January 1, 1936.

<u>If you are a surviving spouse</u>. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to 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 the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

<u>If you are a surviving beneficiary other than a spouse</u>. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited 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 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 the participant would have (for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it).

If you are a nonresident alien

If you are a nonresident alien, you do not do a direct rollover to a U.S. IRA or U.S. employer plan, and the payment is not a qualified distribution, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings 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 1040-NR 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 do 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 in the Plan) are less than $200, the Plan 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.

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information 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 the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

This information is for educational purposes only and is not intended as tax advice. Please consult your tax advisor for more detailed information or for advice regarding your individual situation.

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403(b) Distribution Request

American Century Investments®

Complete this form to request a distribution from your 403(b) plan. Please note the following:

- **Employer or Third Party Administrator approval is required for all distributions.**
- If you are married and your 403(b) plan is subject to ERISA, you may need to waive the qualified joint and survivor annuity (QJSA) requirement. Please contact your employer for more information.
- Before completing this form, you must read the *Special Tax Notice* and *IRS Form W-4R*.
- You may want to consult a tax advisor before requesting a distribution.
- For payments that represent less than 100% of the account balance, distributions are paid from each fund and money type proportionally unless you provide other instructions.

If you have questions, please call us at 1-800-345-3533.

1 Provide Information About Yourself

Please note: If you are a beneficiary, enter information about yourself in this step.

U.S. Social Security number · Date of birth (month-day-year)

First name · Middle initial · Last name

Street address

City · State · ZIP

Telephone number (daytime) · Email address

Plan ID number · Plan name

☐ Check here if this is a new address. If you are changing your address or have changed your address in the last 7 days, a signature guarantee is required on distributions over $100,000.

2 Select a Reason for Distribution — Qualifying Event

Distributions from a 403(b) plan may only be taken if one of the following qualifying events occurs. If you are planning to roll over your assets from this plan into another eligible retirement plan, you must still indicate which of the following qualifying events occurred before you can make a distribution.

Select only one reason from the following:

☐ Severance from employment
Provide effective date:

Date of severance (month-day-year)

☐ Over age 59½

☐ Permanent and total disability

☐ Qualified birth and adoption (QBAD)

☐ Required minimum distribution

☐ Excess contribution
For year: ______________
Contribution type (select one):
☐ Pre-tax elective deferrals
☐ Roth elective deferrals
☐ Employer contribution

☐ Death of plan participant
Provide plan participant's name:

☐ Financial hardship
(You also must complete step 6)

☐ Plan termination

☐ Divorce (alternate payee)

3 Select the Type of Distribution

Select the type(s) of distribution(s) you want to take. **Age 72 and Older:** If you are required to take a minimum distribution for the current year but have not taken it yet, you may need to complete "Required Minimum Distribution (RMD)" (option C below) in addition to any other type of distribution you request in this step. The RMD amount is not eligible for a rollover to an IRA or employer plan.

☐ **A. Total Distribution (Lump Sum Distribution)**

☐ **B. Automatic Distributions**

Please pay my benefit in equal installments until my plan account balance is zero. I understand that when I reach age 72 or retire, whichever is later, my installment payments must be large enough to meet certain minimum distribution requirements. I understand I may need to increase my installment payments at that time to avoid penalty taxes.

$ ____________________

Amount Start date (month-day-year)

American Century Investments® will make the distribution on the 15th of the month unless you specify another day in the space above. If the distribution date falls on a weekend or holiday, we'll make the distribution the next business day. We'll pay your distribution quarterly unless you select a different frequency below.

Payment frequency: ☐ Annually ☐ Semiannually ☐ Quarterly ☐ Monthly

☐ **C. Required Minimum Distribution (RMD)**

If you have selected an RMD in addition to another type of distribution in this step (options A, B, D or E), American Century Investments will calculate your RMD and mail you a check for the required amount before processing your other distribution. The check will be mailed to your address of record for this account unless you provide alternate payment instructions.

☐ One-time distribution: Distribute my RMD for tax year ____________________.

☐ Automatic distribution: Start an automatic distribution to satisfy my RMD for this year and all future years.

____

Start date (month-day-year)

American Century Investments will make the distribution on the 15th of the month unless you specify another day in the space above. If the distribution date falls on a weekend or holiday, we'll make the distribution the next business day. We'll pay your distribution quarterly unless you select a different frequency below.

Payment frequency: ☐ Annually ☐ Semiannually ☐ Quarterly ☐ Monthly

☐ **D. One-Time Partial Distribution**

$ ____________________

Amount

☐ **E. Annuity Distribution**

Qualified joint and survivor annuity (QJSA).

4 Provide Withholding Election (Not Required for Direct Rollovers)

If the entire amount of your distribution will be directly rolled over to an IRA or other eligible retirement plan, you may skip this step; taxes will not be withheld from the payment. For other distributions, please complete this step.

Federal Tax Withholding: Please review the enclosed *Special Tax Notice* and *IRS Form W-4R* and then complete the section below. Please consult a tax advisor if you need assistance determining the federal withholding rate that is appropriate for your situation. Exception: If you are a nonresident alien, do not use the W-4R form; call us for instructions.

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate from 0% to 100% below. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions. *(For American Century Investments 403(b) plans, "**nonperiodic payments**" include both one-time and automatic withdrawals that are **not rollover eligible.**)*
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering a rate below. You may not choose a rate less than 20%. *(Exception: Qualified birth and adoption distributions follow the 10% default withholding rate rules above.)*

If you would like a rate of withholding that is different from the default withholding rate, complete the line below. See the instructions and the Marginal Rate Tables on the enclosed IRS Form W-4R for additional information.

Enter the rate as a whole number (no decimals) ________% *(If left blank, or if you enter less than 20% for an eligible rollover distribution, the default rate will be withheld,)*

State Tax Withholding: State tax will be withheld according to state regulations if, at the time of your distribution, your tax residency is within one of the mandatory withholding states.

5 Provide Direction for Payment

Select a method of payment. If you select more than one method, indicate the dollar amount or percentage to be paid by each method.

Please note that required minimum distributions, hardship withdrawals and installment payments over a period of 10 years or more may be paid only by direct payment (option C) or transfer to a non-retirement account (option D).

☐ **A. Direct Rollover to Eligible Retirement Account at American Century Investments**

Roll over my distribution directly into my American Century IRA or other retirement plan at American Century Investments. [The amount of your investment must meet the stated minimum for the fund(s) you select.]

Tell us what type of account the money is going to (check one)[1]:

☐ Rollover/Traditional IRA[2] ☐ Roth IRA ☐ Employer-sponsored retirement plan[3]

Fund name	Account number	Percentage
		%
		%

[1] Check only one option unless you are rolling over both pre-tax and Roth assets. Roth assets must be rolled over to either a Roth IRA or a 401(k), 403(b) or 457(b) that accepts Roth contributions.
[2] Refer to Combining Contributions below.
[3] A letter of acceptance from the plan administrator is required in addition to this form.

Combining Contributions

Proceeds from certain retirement plans that are rolled over to an IRA are normally deposited in a separate account designated as a Rollover IRA. Maintaining a separate account for rollover funds generally makes it easier to roll over these funds to another qualified retirement plan in the future. If you do not wish to preserve this option, please check the box below.

☐ I have read the explanation above, and I understand the consequences of combining contributions. You may use this as your authority to combine my rollover with my Traditional IRA.

Beneficiary Designation

Your 403(b) beneficiary designation does not apply to the receiving account. Please update your designation online at americancentury.com or mail a completed *Designation of Beneficiary* form.

Provide Direction for Payment (continued)

☐ **B. Direct Rollover to Eligible Retirement Account at Another Institution**

Roll over my distribution directly into my IRA or other retirement plan at the financial institution named below. **I have attached a letter of acceptance from the receiving institution.**

Tell us what type of account the money is going to (check one)[1]:

☐ Traditional/Rollover IRA ☐ Roth IRA ☐ SEP, SARSEP or SIMPLE IRA

☐ State Teacher Retirement Plan ☐ Thrift Savings Plan ☐ 403(b), 457(b), 401(k), Profit Sharing or Other Employer-Sponsored Retirement Plan

[1] Check only one option unless you are rolling over both pre-tax and Roth assets. Roth assets must be rolled over to either a Roth IRA or a 401(k), 403(b) or 457(b) that accepts Roth contributions.

Tell us what to do with your shares:

(If no box is checked, we will sell your shares and send a check to the institution you name below.)

☐ Sell my shares and send a check to the institution named below.

☐ Transfer my shares to the institution named below (transfer in kind).

Name of Custodian/Trustee

Account number **OR** Plan name

Name of institution

Street address

City State ZIP

Plan contact name

Telephone number

☐ **C. Direct Payment to Participant**

Pay my distribution according to the method I selected below. (If neither box is checked, American Century Investments will pay your distribution by check.)

☐ By check mailed to the address in step 1 of this form.

☐ By automated clearing house (ACH) to my bank account on file with American Century Investments.*

* If you do not have bank information on file, please contact us. For your security, we will not transfer any money to that account until 7 days after your bank information has been received and accepted by American Century Investments.

☐ **D. Transfer to a Non-Retirement Account at American Century Investments**

Transfer to the non-retirement account(s) indicated below.*

Fund name Account number Percentage %

Fund name Account number Percentage %

* New accounts: To request a new non-retirement account in your name alone, provide the fund name and percentage; an application is not required. For other account types (e.g., joint, trust), set up the new account online at americancentury.com or print an application and attach it to this form. Your initial transfer must meet the stated minimum for the fund(s) you select.

6 Complete for Financial Hardship Distributions

Skip this section unless you are requesting a financial hardship distribution.

State the reason(s) for your request for a financial hardship distribution. You must provide all the information requested below.

This hardship distribution is necessary to satisfy an immediate and heavy financial need due to the following (please check all that apply):

- ☐ To prevent eviction from my principal residence or a foreclosure on the mortgage of my principal residence
- ☐ The payment of tuition, related educational fees or room and board for the next 12 months of post-secondary education for myself, my spouse, my primary beneficiary, my children under the age of 19 (or age 24 if a full-time student) or my dependents
- ☐ The purchase (excluding mortgage payments) of my principal residence
- ☐ Significant expenses incurred by me, my spouse, my primary beneficiary or my dependents for medical care or in order to obtain such medical care (not covered by insurance or other coverage)
- ☐ Expenses for the repair of damage of my principal residence that would qualify for the casualty deduction under Internal Revenue Code section 165
- ☐ Burial or funeral expenses for my deceased parent, spouse, primary beneficiary, child under the age of 19 (or age 24 if a full-time student) or dependent

I hereby certify that the distribution amount I have requested does not exceed the amount required to meet my immediate and heavy financial need, and that this cannot be satisfied from other reasonably available resources including, but not limited to, the following:

- By other distributions available from this plan or any other plan in which I participate
- By borrowing from commercial sources on reasonable commercial terms
- Through reimbursement or compensation by insurance or otherwise
- By reasonable liquidation of my assets (including assets of my spouse and minor children that are reasonably available to me)
- By cessation of tax-deferred contributions under the plan

I understand the following:

- Only salary deferrals are eligible for financial hardship distribution, and earnings on deferrals made after December 31, 1988, are not available for distribution
- Financial hardship distributions are not eligible for rollover
- A 10% early distribution penalty may be assessed by the Internal Revenue Service (IRS) if I am under age 59½
- I am responsible for satisfying any other IRS requirements relative to this hardship distribution; substantial penalties may be imposed if the financial hardship is disallowed by the IRS

7 Signature and Date Signed

I request a distribution in the manner indicated on this form. By signing below, I certify that:

- I am aware of the Plan's provisions and requirements relating to distributions, and I understand the tax consequences of this distribution.
- I have received, read and understand the *Special Tax Notice*. I acknowledge that I made an election to receive a benefit payment within 180 days of receipt of the *Special Tax Notice*. I waive the 30-day waiting period and request to have the distribution made now.
- I have received, read and understand the *IRS Form W-4R* that was provided to me with this distribution form, and my withholding election is based on the W-4R form's instructions and Marginal Rate Tables. I have independently verified that the W-4R form I received is the most current IRS version available. My signature and date on this distribution form also serves as my W-4R form withholding election signature.
- If I have elected a direct rollover, the Custodian/Trustee named in step 5 will accept the direct rollover of my distribution.
- I understand that if I have requested that my pre-tax funds be rolled over to a Roth IRA, the taxable amount rolled over is taxable income.

If I elected a direct rollover to an American Century Investments® Rollover/Traditional IRA or Roth IRA or a transfer to a new non-retirement account in step 5, I also certify that:

- I have received and read the *Disclosure Statement and Custodial Agreement.* (Does not apply to non-retirement accounts.)
- I am of legal age, or I am accepting the appointment of Responsible Individual for the IRA that is being established for an individual who is a minor.
- I have read and agree to be bound by the provisions of the prospectus for the fund(s) in which I am investing.
- I have read and understand the *Service Options* flier, which is part of this form by reference.
- I understand that providing my email address gives American Century Investments permission to send me information about products and services via email.
- I authorize American Century Services, LLC ("American Century"), its affiliated companies and agents, to act upon my instructions provided herein. I understand that I am authorized to transact business on this account by telephone, online, by fax, in writing, or by any other means acceptable to American Century. This authorization applies to all like registered current and future accounts in all investment companies in the American Century family, listed under the taxpayer identification number shown on this form.
- In consideration of American Century accepting this account application, I agree to defend, hold harmless and indemnify American Century and its officers, agents, employees, affiliates and successors from liability for any loss, claim or expense that I may sustain as a result of their acting on transaction instructions they believe to be genuine.
- I understand that American Century will use reasonable procedures to confirm that instructions submitted by any account owner or trustee online, by telephone, by fax, in writing, or by any other means acceptable to American Century, are genuine, including personal identification, recording of telephone conversations and providing written or electronic confirmation of each transaction. A failure on their part to employ such procedures may subject them to liability for any loss due to unauthorized or fraudulent instructions.
- I understand that neither American Century nor its affiliated companies or agents shall be responsible or liable for any damages related to online services including but not limited to those caused by theft, unauthorized access, failure of electronic or mechanical equipment, communications line failure or telephone or interconnectivity problems or other occurrences beyond their control.
- I acknowledge that State Street Bank and Trust Company and American Century shall not be liable for any tax or other consequences in connection with contributions to my IRA. (Does not apply to new non-retirement accounts.)
- **Important Information About New Accounts:** A federal law, established to help stop the funding of terrorism and money laundering activities, requires financial institutions to verify the identity of each person who opens an account. American Century will verify your identity using the name, street address, date of birth and Social Security number that you provide in this application. In some instances, we may request additional documentation.

NOTE: A signature guarantee is **required only if** you redeem more than $100,000 and your address on file has changed within 7 days of the redemption.

Signature **Date**

Signature Guarantee (if required)

A signature guarantee is a warranty by the guarantor that the signature is genuine and that the person signing is competent and authorized to sign. The signature must correspond in every particular, without alteration, with the name printed on the current account registration. The guarantee must be issued by a participant in a Securities Transfer Association Signature Guarantee Program. Many domestic banks, trust companies, credit unions, brokers, dealers, national securities exchanges, registered securities associations, clearing agencies and savings associations participate in such programs. The guarantee must be an original ink stamp that states "Signature Guaranteed/Medallion Guaranteed" and must be signed on behalf of the guarantor by an authorized person. **Acknowledgment of signature by a notary public is NOT acceptable. Please affix signature guarantee ink stamp below with appropriate signature and title of officer.**

8 Obtain Employer or Third Party Administrator Signature (required)

This section must be completed by your employer or Third Party Administrator (TPA).

Participant Vesting

If the Plan includes a vesting schedule, I confirm the participant is ________% vested. (If left blank, I confirm the participant is 100% vested.)

(If the participant is less than 100% vested, we will automatically transfer the non-vested amount to a forfeiture account for the Plan, unless you instruct us otherwise.)

Authorization

- If the participant has requested a financial hardship distribution, I acknowledge the participant's elective deferral contributions must be suspended for at least six months. I also acknowledge that I have received the proper supporting documentation from the participant.
- I hereby confirm the qualifying event indicated in step 2 and acknowledge the participant has met all requirements under the 403(b) plan.

☐ Check this box if the distribution is mandatory upon severance from employment because the vested account balance is $5,000 or less. No participant signature is necessary.

____
Printed name of employer or TPA

____
Printed name and title of employer representative or TPA

____
Employer representative or TPA's signature **Date**

Custodial Acceptance for IRAs. If all required forms and information are properly submitted, State Street Bank and Trust Company will accept appointment as Custodian of the Custodial Account. However, this Agreement is not binding upon the Custodian until the Depositor has received a statement confirming the initial transaction for the Custodial Account. Receipt by the Depositor of a confirmation of the purchase of the Fund shares indicated in the Depositor's Application will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Custodial Account.

STATE STREET BANK AND TRUST COMPANY, CUSTODIAN

For Overnight Deliveries:

American Century Investments
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