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Use this Plan Distribution Form to request an account distribution if the reason for the distribution is:

- Termination of Employment
- Retirement
- Permanent Disability
- Death

If you are still employed with the plan sponsor, you are not able to take a distribution from your account (to include rollovers out) unless your distribution is due to a qualifying financial hardship or a qualifying loan. A separate form is required to request for hardship distributions or loans.

For more information, see the Summary Plan Description or call the ASC Saipan Office at (670) 235-2724/5.

Northern Mariana Islands Retirement Fund Plan Distribution Form

You are about to make a decision that could greatly affect your plans for retirement. Please read this brochure, as well as the Special Tax Notice very carefully before completing the attached distribution request form.

When terminating from your company, you really have four options for your retirement account balance:



- Rollover to your new Employer
- Rollover to an IRA
- Lump Sum Distribution (If you are not 59 ½ years old, you will be subject to a 10% penalty for the distribution)

If you are like most plan participants, you might think that there is little harm in taking the balance of your distribution in cash. **Think Again!**

Did you know for every **\$1,000** you take out of your plan on your 30th birthday, you could be costing yourself **\$16,000** of retirement income (assumes you earn 9.74% per year and retire at age 65). **That's right!**



For an idea on how much your current balance could grow to by the time you retire, please see the following chart:

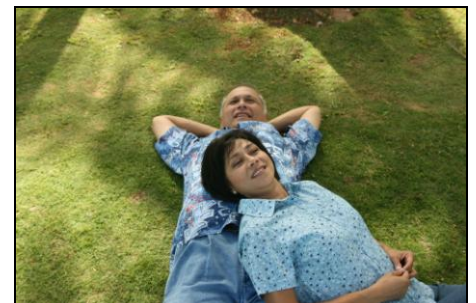
The Potential Growth of \$1,000

Years To Retirement	Conservative Investor 5.03%	Moderate Investor 7.44%	Aggressive Investor 9.74%
5	\$1,278	\$1,431	\$1,591
10	1,633	2,049	2,533
15	2,088	2,934	4,032
20	2,669	4,200	6,416
25	3,410	6,014	10,212
30	4,359	8,609	16,253
35	5,571	12,325	25,868
40	7,120	17,645	41,172

With this in mind, be very careful before you take your money in cash. If you are considering taking your balance in cash, ask yourself the following two questions:

- ▶ What is the reason you are considering taking this money in cash?
- ▶ Is this reason going to be important to you in 10 years?

If it is, take the money in cash. If not, roll your money over to your next employer or to an IRA and keep your retirement savings working for you.



Information contained herein has been obtained from sources believed reliable, but it is not necessarily complete and cannot be guaranteed. For specifics about the Plan, please refer to the governing Plan Document. Plan participants should seek advice based on the taxpayer's circumstances from a tax advisor.



A valid photo ID must be attached to this request.

Please read the attached "Special Tax Notice Regarding Plan Payments" before completing this form.

Government Agency Name

Your Name (Last Name, First Name)

Social Security Number

Mailing Address

City

State/Territory

ZIP

Contact Number(s)

E-mail Address

Marital Status: Not Married Married - Spouse Name: _____

A. Request for a Rollover to Your Next Employer

- I would like to rollover \$ _____ or _____ % of my vested balance to another qualified retirement plan¹.
- My new employer has a plan maintained by ASC, **please waive all fees associated with this distribution.**
 - My new employer's plan is not maintained by ASC, **please debit my account \$25.00 for processing.**

Check Payable: Trustee / Third Party Administrator / Plan Name

Plan Account Number

Check Mailed To: Mailing Address

City

State/Territory

ZIP

B. Request for a Rollover to an IRA (Roth or Traditional Individual Retirement Acct)

- I would like to rollover \$ _____ or _____ % of my vested balance to an IRA Rollover¹.
- Please waive all fees.** I would like to Rollover my Balance to the ASC Trust IRA Program. With this, please transfer my existing account balances into my own personalized account using the same or like investment options as I am currently invested in. ASC Trust will send me the appropriate paperwork on my account.
 - I would like to transfer my account balance to the following IRA Account, **please debit my account \$25.00 for processing.**

Check Payable: Trustee / Third Party Administrator / IRA Account Name

IRA Account Number

Check Mailed To: Mailing Address

City

State/Territory

ZIP

C. Request for a Direct Payment to You

- Please issue a distribution paid directly to me equal to \$ _____ or _____ % of my vested balance. **I understand that there is a \$25.00 processing fee for distributions.**
- I would like a check issued to me.
 - I would like an automatic deposit to my bank account (ACH). By electing payout by ACH, I understand and agree to all ACH rules. I have attached a **bank certification** or **voided check** that contains the valid ACH routing number and bank account number. My bank account
(S) Savings Account # _____ Routing # _____
() Checking Account # _____ Routing # _____

By electing a Direct Deposit (ACH) and by signing below, I hereby authorize **ASC TRUST LLC 1.)** to initiate credit entries to the depository financial institution named above 2.) to initiate debit entries to adjust for processing errors. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

Further, I understand that my distribution may be subject to 20% Mandatory Federal Income Tax Withholding. Read the Special Tax Notice for more details.

Certification: I have read this payment request and affirm that the above information and elections made are accurate and any payments made by the Trustee pursuant to the above (subject to terms of the plan of the above name employer) will relieve the Trustee of any liability. I have also read the "Special Tax Notice Regarding Plan Payments", and understand that Federal Tax will be withheld at 20% on the taxable portion unless I elect a Direct Rollover of my "eligible rollover distribution". I certify that the above information is true and correct to the best of my knowledge.

Signature of Participant or Beneficiary**

Date

Signature of Spouse

Date

Plan Administrator Signature/Notary as Witness to Signature

Date

Plan Representative/Notary as Witness to Spousal Signature

Date

* If I have requested less than 100% of my vested balance to be rolled over, the remainder of my distribution will be issued as a separate check made payable to me with Federal Tax Withheld at 20% on the taxable portion.

** If distribution is for a Beneficiary, please provide information on SS#, date of birth, etc.



Government Agency Name _____

Your Name (Last Name, First Name) _____

Social Security Number _____

_____/_____/_____
Date of Birth
(mm/dd/yy)

Section 1 Human Resources Administrator Use Only:

***Please list all dates of hire and terminations if more than one.

Original Date of Hire
(mm/dd/yy)

Date of Rehire
(mm/dd/yy)

Date of Rehire
(mm/dd/yy)

Reason for Distribution: () Termination of Employment/Resignation
() Retirement
() Disability
() Death
() Termination of the Plan

Date of Termination
(mm/dd/yy)

Date of Termination
(mm/dd/yy)

Date of Termination
(mm/dd/yy)

HR Personnel Signature

_____/_____/_____
Date

Section 2 For ASC Use Only:

To Plan Administrator:

Based on the information above and prior census information provided to ASC, our records reflect that this participant is

Employer Match: VESTED at _____%.

Employer Base Contribution: VESTED at _____%.

Confirmation of Vesting Percentage

Section 3 (for Plan Administrator to complete and return to ASC for processing):

[____] As Plan Administrator or Authorized Signatory, I agree with the above vesting percentage and authorize ASC to process this distribution request at the indicated vested percentage rate above.

[____] As Plan Administrator or Authorized Signatory, I do not agree with the above vesting percentage and authorize ASC to process this distribution request at a **Vested Percentage Rate of _____% for Employer Match** and **Vested Percentage Rate of _____% for Employer Base Contribution.**

Plan Administrator Signature

_____/_____/_____
Date

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS FOR PARTICIPANTS

YOUR ROLLOVER OPTIONS

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

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for 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.

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 applies).

Where may I roll over the payment?

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, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

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

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 lives or joint life expectancy of you and your beneficiary)
 - Required minimum distributions after age 70½ (or after death)
 - Hardship distributions

- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator 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 is in addition to the regular income tax on the payment not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
 - Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
 - Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are 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
 - Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
 - Payments made directly to the government to satisfy a federal tax levy
 - Payments made under a qualified domestic relations order (QDRO)
 - Payments up to the amount of your deductible medical expenses
 - Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
 - Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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 from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early

distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
 - The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
 - The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
 - There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments 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 income taxes?

The taxable portion of your eligible rollover distribution is subject to a 20% federal income tax withholding. You may not waive this withholding. For example, if you elect to receive a taxable eligible rollover distribution of \$5,000, the Plan will pay you only \$4,000 and will send to the applicable tax jurisdiction (IRS, the Guam Department of Revenue and Taxation, or the CNMI Revenue and Taxation) as income tax withholding. You will receive a Form 1099-R from the Plan reporting the full \$5,000 as a distribution from the Plan. The \$1,000 withholding amount applies against any federal income tax you owe for the year. The direct rollover is the *only* means of avoiding this 20% withholding. Note that taxes and penalties with regard to the distribution may exceed the 20% withheld.

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

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

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

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements (IRAs)*.

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 amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the

10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If 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 you roll over your payment to a Roth IRA

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

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

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

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

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 will generally 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 participant was born on or before January 1, 1936.

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

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

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

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

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a

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

If you are a nonresident alien

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

Other special rules

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

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

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

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

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or 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, *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.