

PIMCO Funds 403(B)(7) Distribution / Transfer Request Form

PIMCO Funds**CLASS A AND CLASS C SHARES****Contact Information:**

Phone: 800.426.0107

Website: www.pimco.com**Direct Mail:**

PIMCO Funds

P.O. Box 219294

Kansas City, MO 64121

Overnight Mail:

PIMCO Funds

801 Pennsylvania Avenue, Ste 219294

Kansas City, MO 64105-1307

You must complete this form to receive a distribution from your 403(b)(7) Plan. In order for this form to be effective, you must complete the required information indicated in each Section (1–7). You must sign this form in the space provided and your signature must be Medallion Signature Guarantee or Signature Validation Program Stamped by a U.S. commercial bank, a federally chartered savings and loan, a member firm of a national securities exchange (such as a major brokerage firm), or a trust company if the check for the proceeds is being mailed to an address other than your address of record.

Failure to complete and sign this form properly may result in a delay in your distribution. Amounts distributed are based on the aggregate value of your 403(b)(7) fund investments. If you have more than one fund investment, please provide this information in Section 1 of this form.

1. ACCOUNT INFORMATION

Please make a distribution from the 403(b)(7) account referenced. I understand that these amounts are taxable, and I am aware of the 10% tax penalty that the Internal Revenue Service assesses on distributions that occur before death, disability, separation from service after age 55, or attainment of age 59½ unless the distribution is rolled over to an IRA or another 403(b)(7) account or to another eligible retirement plan within 60 days or made in periodic payments. I am also aware that I am required to begin receiving distributions from my account by April 1 following the later of the calendar year in which 1) I reach Required Minimum Distribution age or 2) I retire from service with the employer offering the 403(b)(7) plan.

Name of Employee _____ Social Security Number _____ / _____ / _____

Employee's Address _____

City _____ State _____ Zip code _____

Telephone Number () _____

Name of Employer Sponsoring 403(b) _____ EIN _____

Employer Address _____

City _____ State _____ Zip code _____

Telephone Number () _____ Group Plan Name and Number (If available) _____

1. ACCOUNT INFORMATION (continued)

If you have more than one 403(b)(7) Plan Investment Fund, please indicate here from which funds distributions are to be made.

Fund/Account Number	\$ Amount or % From Each Account
1.	
2.	
3.	
4.	

2. EMPLOYMENT STATUS

Please sign if still employed.

Plan Administrator's or Employer's Confirmation is required, unless the box in Section 7.3(a) or 7.3(b) below is checked.

As Plan Administrator/Employer, I hereby certify that if a distribution is requested, the reason for a distribution checked in Section 3 below, is true. If a transfer is requested to an investment provider that is not currently receiving Plan contributions, I understand that the Employer must enter into a written agreement with the investment provider receiving this transfer as required by 403(b) regulations.

Plan Administrator's/Employer's Name (Please Print) _____

Plan Administrator's/Employer's Signature X _____ Date _____

3. REASON FOR DISTRIBUTION/TRANSFER (to be completed by employee)

☐ **Termination of Employment**

☐ **Termination of Plan**

☐ **Retirement**

☐ **Age at least 59½**

☐ **Disability:**

Date of event ____/____/____

☐ **Death:**

You must provide a certified copy of the decedent's death certificate. A photocopy is not acceptable. Alternatively, if your request clearly indicates that the transfer is being requested due to the death of the participant and is Medallion Signature Guarantee or Signature Validation Program Stamped, then you need only present proof of death to the guarantor.

☐ **Divorce:** (QDRO attached)

☐ **Check here if your account includes pre-1986 funds**

☐ **Required Minimum Distribution:** Generally, April 1 following the later of the calendar year in which you:

- reach age 72 (73 if you reach age 72 after Dec. 31, 2022), or
- retire (if your plan allows this).

☐ **Under age 59½:** distributions qualify for substantially equal periodic payments as defined under Internal Revenue Code 72(t)(2)(A)(iv)

☐ **Other:** _____

Note: To request a Hardship Distribution (available only to participants in plans sponsored by a government or governmental agency that allows this option), please complete a Hardship Distribution Form available on pimco.com/forms.

3. REASON FOR DISTRIBUTION/TRANSFER (to be completed by employee) (continued)

TRANSFER OPTIONS

- ☐ **1.** Transfer to other investment provider in an account under my Employer's 403(b) plan.
- ☐ **2.** Transfer to other investment provider in an account under another current or former employer's 403(b) plan.
- ☐ **3(a).** Transfer _____% of my account balance to a 403(b) plan account within my Plan at the investment provider identified in 3(d).
- ☐ **3(b).** Transfer _____% of my account balance to another 403(b) plan at the investment provider identified in 3(d), sponsored by my current or former employer.
- ☐ **3(c).** Direct Rollover of _____% of my account balance to a retirement account at the investment provider identified in 3(d).

PLEASE PROVIDE DIRECT ROLLOVER INFORMATION

(Must be an eligible rollover distribution—see "Special Tax Notice"):

Type of rollover account: ☐ IRA ☐ Roth IRA ☐ Qualified Plan ☐ Non-spouse Inherited IRA ☐ Other _____

☐ **3(d).** Investment Provider Name: _____

Address _____

City _____ State _____ ZIP Code _____

(A Medallion Signature Guarantee or Signature Verification Program Stamp is required on distributions/transfers sent to an address other than the address of record or transfer of ownership on account of the death of the shareholder).

Account Number with new custodian: _____

4. METHOD OF DISTRIBUTION

Select ONE method of distribution.

For detailed information on each of these methods refer to the Distribution Request letter accompanying this Form.

- ☐ Life-Expectancy Distributions ☐ 72(t) Distributions ☐ Periodic Distributions
- ☐ Fixed-Dollar Distributions ☐ Partial Distribution ☐ Lump-Sum Distribution

Complete only the section corresponding to the one method of distribution selected above:

1. Life-Expectancy Distributions

Check only one and also complete section 7.

☐ Single Life Expectancy—Periodic distribution over my life expectancy only. Date of birth ____/____/____

☐ Joint Life Expectancy—Periodic withdrawals over the joint life and last survivor expectancy of myself and my designated beneficiary.

Name of Beneficiary _____ Beneficiary Social Security Number _____

Date of birth ____/____/____ Beneficiary Date of birth ____/____/____

☐ Check if your sole beneficiary is your spouse and your spouse is more than 10 years younger than you.

2. 72(t) Distributions

Check only one, and also complete section 7.

☐ Life Expectancy ☐ Annuitization* ☐ Amortization* Amount \$ _____

* (403(b)(7) account holder will be responsible for method & calculation)

4. METHOD OF DISTRIBUTION (continued)

3. Periodic Distributions

Check only one and also complete section 7.

☐ Distributions over a period certain not to exceed my single life expectancy

Date of birth ____/____/____ Period (Years) _____

☐ Distributions over a period certain not to exceed the joint life and last survivor expectancy of myself and my designated beneficiary.

Name of Beneficiary _____ Beneficiary Social Security Number _____

Date of birth ____/____/____ Beneficiary Date of birth ____/____/____ Period (Years) _____

4. Fixed-Dollar Distributions

Specific dollar amount received over the frequency specified in section 7:

Amount of Distribution \$ _____

5. Partial Distribution

Non-periodic distributions from your account(s). A separate request is required for each distribution.

Financial hardship distributions are limited to the amount contributed.

Amount of Distribution \$ _____

6. Lump-Sum Distribution

The full liquidation of your account(s) or transfer of shares to your personal account(s).

☐ Single, lump-sum payment in cash _____ ☐ Transfer of shares to a PIMCO Funds Account Number _____

If the distribution is to be transferred to a new PIMCO Fund account, include a completed PIMCO Funds application.

7. If you checked methods 1, 2, 3 or 4, you must complete the following:

Frequency of distributions (check only one)

☐ Monthly ☐ Quarterly (January, April, July, October)

☐ Annual ☐ Semi-annual (January and July)

Date of distribution (periodic distributions can occur any day between the 7th and the 31st of each payment month).

Begin Distributions on (Month & Year) _____ Make Periodic Distributions on (Day of month) _____

If you are over age 72, and you have not taken your prior years' required minimum distributions, you may be subject to penalties.

☐ Yes, I need catchup distributions for the following years _____

☐ No, I do not need catchup distributions.

5. METHOD OF PAYMENT

Choose ONE method of payment:

☐ Send to the address listed on my account

☐ Transfer to my existing PIMCO Funds account: Account Number _____

☐ Transfer to my new PIMCO Funds account (attach a completed PIMCO Funds application).

☐ Send to my bank using FundLink (attach a completed PIMCO Funds FundLink application-Medallion Signature Guarantee or Signature Guarantee or Signature Verification Program Stamp is required).

☐ Send to the address listed below (a Medallion Signature Guarantee or Signature Verification Program Stamp is required on distributions sent to an address other than the address of record for the account— see section 6).

5. METHOD OF PAYMENT (continued)

Address _____

City _____ State _____ ZIP Code _____

Make check payable to:

Name _____

6. TAX WITHHOLDING

Federal Tax Withholding

Effective January 1, 2023 federal withholding selections must be made on the IRS Form W-4R (replacing Form W-4P). Additionally, all withholding instructions must be made in the form of a percentage. Specific dollar amount requests are no longer permitted. Any withholding selection requested that differs from the default percentage (including waiving withholding) must be accompanied by IRS Form W-4R. **If a percentage other than the default percentage is requested, but not accompanied by Form W-4R, we will automatically apply the default withholding rate. The IRS Form W-4R is available at the end of this form.**

This distribution is a periodic distribution or one of the conditions of the 402(f) notice (see Section 7) applies and is subject to the voluntary Federal Income Tax withholding rules. I understand that 10% of my 403(b) distribution will be withheld for federal income tax (20% for an eligible rollover distribution), unless I make a different election below. Please be aware the IRS may impose a penalty for under-withholding.

☐ I elect NOT to have federal income tax withheld*

☐ I elect to withhold federal income tax at the following percentage: _____% (whole percentage only)* ☐ Net ☐ Gross

Net=Amount after any applicable fees and CDSC and withholding (if elected).

Gross=Overall total, before deductions and CDSC. If no selection is made, your distribution will be processed as Gross.

If you have been notified by the IRS that you are subject to back-up withholding, you may not waive Federal Tax Withholding.

This is an Eligible Rollover Distribution (ERD) subject to the 20% mandatory withholding:

☐ Yes, take the 20% withholding from this distribution as required.

☐ No, do not take the 20% withholding from this distribution, as the proceeds are to be directly rolled over to another eligible retirement account.

* In order to withhold an amount other than the default amount, you must indicate the intended withholding percentage on line 2 of the IRS W-4R Form, located at the end of this form, and return it with this distribution request. **You must provide an updated Form W-4R with each distribution where you wish to deviate from the default withholding percentage unless you have elected to establish a periodic distribution plan in section 3 of this form.**

Note: You may elect 0-100% for 403(b) distributions being delivered within the United States and its territories, 20-100% for eligible rollover distributions, and 10-100% if your 403(b) distribution is being delivered outside of the United States and its territories or if a shareholder's SSN is incorrect or missing from the account.

6. TAX WITHHOLDING (continued)

State Tax Withholding

Check one of the following boxes to indicate whether you wish to have state income taxes withheld. State tax withholding may apply if you do not check a box below. Also, some states do not offer state tax withholding. Refer to the instructions for specific information concerning your state.

- ☐ I elect NOT to have state income tax withheld.
- ☐ Please withhold state taxes at the following percentage: _____% (whole percentage only)* ☐ Net ☐ Gross

*Net=Amount after any applicable fees and CDSC and withholding (if elected).
*Gross=Overall total, before deductions and CDSC. If no selection is made, your distribution will be processed as Gross.

If federal income tax withholding is applied to your distribution, your state may also require state income taxes to be withheld. Laws regarding tax withholding are subject to change at any time without notice. Please see your tax advisor for additional information. Depending on your state of residency, the following rules apply:

If your state of residence has:	Your options for state tax withholding are:
Mandatory State Withholding	If you elect federal tax withholding, state tax withholding will be applied, and will be calculated based on your state’s applicable minimum requirements. You may also elect a specific percentage, however, your requested amount must be equal or greater than your state’s minimum withholding requirement, otherwise we will apply your state’s applicable minimum withholding requirement.
Non-Participatory State Withholding	You may not elect state tax withholding. State tax withholding is not available even if your state has income taxes
Voluntary State Withholding	You may elect voluntary state income tax withholding. You must provide a specific percentage to be applied for state tax withholding.

Regardless of whether you elect to have federal, and if applicable, state tax withholding apply, you are liable for the payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution. You also may be subject for tax penalties under the estimated tax payment rules if your estimated tax payments and withholding are not adequate. IRS Publication 505 should be reviewed, especially by new retirees.

Note: You may be subject to a Contingent Sales Charge (CDSC). Please see the prospectus to determine if you are.

Withholding Notice:

If the distribution is not eligible for rollover, as outlined in the 402(f) notice in Section 7, then you may follow the voluntary Federal Income Tax withholding rules. In addition to Federal Income Tax withholding, you may be liable for payment of State Income Tax on the taxable portion of your 403(b)(7) distribution. For specific information regarding your responsibility, you should contact the state in which you reside. If you are a non-resident alien, you may instruct us not to withhold taxes from your distribution(s); however you may be subject to other taxes. In addition to this form, you must also send us a completed and signed IRS Form W-8 BEN, “Certificate of Foreign Status”. To obtain a copy of this form, call the IRS at (800) 829-1040 or visit the IRS Web site at www.irs.gov.

Non-mandatory distribution(s) you take from your 403(b)(7) custodial account may be subject to 20% Federal Income Tax withholding. If the distribution is an Eligible Rollover Distribution (ERD) and you do not intend to rollover the proceeds, we will withhold 20% in accordance with IRS regulations. If the distribution is not part of an ERD, you may elect not to have Federal withholding apply to your distribution according to the voluntary Federal Income Tax withholding rules. If you do not have enough Federal Income Tax withheld from your distribution, you may be responsible for payment of estimated income tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. To help determine how much you should withhold, please refer to IRS Publication 505 and Form W-4R located at the end of this form. PIMCO recommends you seek the advice of your legal or tax advisor if you have any questions regarding the tax consequences of a distribution.

If you have been notified by the IRS that you are subject to back-up withholding, you may not waive Federal Tax Withholding.

I have reviewed the above “Withholding Notice”. I understand my withholding election or default from this form stays in effect for all future distributions (if applicable) until I change it in writing. If CDSC applies, it will be taken above the amount requested. If the distribution you take is an Eligible Rollover Distribution (ERD) then we will withhold 20% per IRS regulations, unless you indicate the distribution is to be rolled over.

7. SIGNATURES

Read this section to make sure you understand your responsibilities regarding distributions from your 403(b)(7) custodial account. Please sign and date below to show that you have given PIMCO all the correct information and that you understand distributions will be made according to the instructions you have given us. Note: Amounts distributed from 403(b)(7) accounts for the purpose of satisfying the Participant's RMD are NOT eligible for rollover.

Instructions for Direct Rollover of Eligible Rollover Distributions: Notice 402(F)

If your distribution is eligible for a rollover, there are two ways you may be able to receive a 403(b)(7) custodial account distribution that is eligible for rollover: (1) certain payments can be made directly to a Traditional IRA or, if you choose, another eligible retirement account or annuity that will accept it (direct rollover), or (2) the payment can be paid to you. If you choose to have your 403(b)(7) distribution paid to you, you will receive only 80% of the distribution, because the Custodian is required to withhold 20% of the distribution and send it to the IRS as income tax withholding to be credited against your taxes. **You cannot waive that withholding.** Eligible rollover distributions are all distributions from the 403(b)(7) custodial account except the following:

- required minimum distributions;
- distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lives of you and your beneficiary) or for a specified period of 10 years or more;
- distributions to non-spouse beneficiaries of deceased participants;
- distributions of after-tax employee contributions; and
- distributions of elective deferrals due to hardship.

The Custodian has provided you a custodial agreement which describes your options in greater detail. If you want the Custodian to make a direct rollover of your 403(b)(7) payout to another 403(b)(7) account or annuity, or other qualifying retirement account, you must provide certain information about that 403(b)(7) account or annuity or other qualifying retirement account. The Custodian may ask you to complete and attach a Direct Rollover Request or similar form. NOTE: Your 403(b)(7) distribution cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an Education Savings Account.

Employee's Signature and Certification (Required)

- 1. Required for Distribution.** If I have requested a distribution or rollover from the Plan, I have read the "Special Tax Notice", attached hereto (unless previously provided to me by the Plan Administrator / Employer), and request the distribution or rollover from the retirement plan designated above. I wish to waive the 30-day notice period in order for my distribution or rollover to be processed immediately. I understand that a valid transfer to an account under the Plan listed above to an eligible investment provider not currently receiving Plan contributions, may require that my Employer enter into an information sharing agreement with the investment provider.
- 2. Required for Plan to Plan Transfer.** If a plan-to-plan transfer has been selected in section 3.3(b) above, I hereby certify that (1) I am a current or former employee of the sponsor of the Receiving Plan identified in section 3.3(d) above and the Receiving Plan agrees to accept the transfer; (2) the Receiving Plan satisfies the requirements of Section 403(b) of the Code and that acceptance of the transfer is permitted under the Receiving Plan; and (3) that the Receiving Plan shall impose restrictions on distributions that are not less stringent than those imposed under the Plan.
- 3. (a) Required to certify status as a former employee (if requesting a distribution or rollover due to retirement or termination of employment in Section 2 above).**
 - ☐ By checking this box I state under penalties of perjury that: (1) I am not currently employed by the Employer listed above, (2) I separated from employment with such Employer prior to January 1, 2009, and (3) I have made no contributions to my Custodial Account after December 31, 2008.
- 3. (b) Required to certify status as disabled (if requesting a distribution due to disability in Section 2).**
 - ☐ By checking this box I certify my status as disabled. I have ___ (i) provided proof to plan administrator or my employer (Section 7 must be completed) or ___(ii) attached a copy of a letter from a licensed physician or proof that I have been awarded Social Security disability benefits.

7. SIGNATURES (continued)

I certify under penalty of perjury that the Social Security/taxpayer identification number listed on this form is my correct taxpayer identification number, and that I have not been notified by the Internal Revenue Service that I am subject to backup withholding. If a non-resident alien: I certify that I am not a U.S. citizen, and (1) do not expect to be in the U.S. for 183 days each calendar year and I will not conduct business in the U.S. which would receive any gains from the fund, or (2) I am exempt under an income tax treaty. (You must attach a Form 1001 (Reduced Rate Certificate) if you are a non-resident alien.) Form W-8BEN also is required from a non-resident alien in order to be eligible for tax treatment as a non-U.S. person. I am aware of the tax consequences associated with my request and certify that I have read the notice below.

Signature of Employee / Account Owner X _____ Date _____

A Medallion Signature Guarantee or Signature Verification Program Stamp must be provided on all requests for distributions that are to be mailed to an address other than the address of record or if you are a beneficiary taking a death distribution.

Medallion Signature Guarantee or Signature Verification Program Stamp

I certify that I have read and completed the instructions on this form and that I have consulted with my tax advisor, or that I otherwise fully understand the tax and other legal consequences of this request for distributions from the PIMCO sponsored 403 (b)(7) custodial account listed at the end of this form. I understand that I am responsible for knowing whether this distribution complies with applicable tax laws; and that I am responsible for reporting and paying all applicable taxes on this distribution or distributions; and that if this distribution constitutes a "premature" distribution, I am aware of the applicable tax requirements and penalties. I also certify that if I have requested a transfer of shares of a PIMCO Funds account to my name, I am of legal age and capacity to own such shares. I understand that neither the Custodian, SS&C Global Investor & Distribution Solutions, Inc., nor PIMCO Funds, or their officers, employees or agents have provided, or are responsible to provide, tax or legal advice to me in connection with this request. I understand and agree that neither the Custodian, SS&C Global Investor & Distribution Solutions, Inc., nor PIMCO Funds shall be responsible for any tax due on account of this distribution(s) (including distributions based on life expectancy or required minimum distributions calculated using information I provided) or for any tax or other penalties I may pay or incur as a result of this request of any distribution(s) from this 403 (b)(7) custodial account. I have been advised of the distribution, termination, and maintenance fees that apply to PIMCO sponsored 403(b)(7) custodial account and agree to pay all applicable fees.

Form <b style="font-size: 24pt;">W-4R Department of the Treasury Internal Revenue Service	<b style="font-size: 18pt;">Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions Give Form W-4R to the payer of your retirement payments.	OMB No. 1545-0074 <div style="font-size: 36pt; font-weight: bold;">2025</div>
1a First name and middle initial	Last name	1b Social security number
Address		
City or town, state, and ZIP code		

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 between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2	Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	2	%
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Sign Here	Your signature (This form is not valid unless you sign it.)	Date
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General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

2025 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
15,000	10%	30,000	10%	22,500	10%
26,925	12%	53,850	12%	39,500	12%
63,475	22%	126,950	22%	87,350	22%
118,350	24%	236,700	24%	125,850	24%
212,300	32%	424,600	32%	219,800	32%
265,525	35%	531,050	35%	273,000	35%
641,350*	37%	781,600	37%	648,850	37%

* If married filing separately, use \$390,800 instead for this 37% rate.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2025, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$65,000 without the payment. Step 1: Because your total income without the payment, \$65,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$85,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$61,000 without the payment. Step 1: Because your total income without the payment, \$61,000, is greater than \$26,925 but less than \$63,475, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$81,000, is

greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. The two rates differ. \$2,475 of the \$20,000 payment is in the lower bracket (\$63,475 less your total income of \$61,000 without the payment), and \$17,525 is in the higher bracket (\$20,000 less the \$2,475 that is in the lower bracket). Multiply \$2,475 by 12% to get \$297. Multiply \$17,525 by 22% to get \$3,856. The sum of these two amounts is \$4,153. This is the estimated tax on your payment. This amount corresponds to 21% of the \$20,000 payment (\$4,153 divided by \$20,000). Enter "21" on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

PIMCO Funds 403(b)(7) Distribution/Transfer Request Form

Document

PIMCO Funds, on behalf of the Custodian (State Street Bank and Trust Company) of your PIMCO sponsored 403(b)(7) Plan Account, has prepared the following information to assist you in choosing a distribution method from your retirement plan.

Current Internal Revenue Service (IRS) regulations permit you to obtain a distribution from your 403(b)(7) Plan if the distribution is made after you attain age 59½, after you incur a disability, after a severance from employment, upon financial hardship (in the case of salary reduction contributions only), or after your death. All amounts distributed will be subject to ordinary income tax upon distribution. If you receive a distribution prior to attaining age 59½, there will also be a 10% premature distribution penalty unless the distribution is on account of death, attributable to a disability, or made upon separation of service after attaining age 55, or made in periodic payments over your life expectancy or the joint life expectancy of you and a beneficiary. If you receive a distribution and you wish to avoid current taxation and, if applicable, the premature distribution penalty, you must directly roll that distribution over to an Individual Retirement Account (IRA) or another 403(b)(7) account or to another eligible retirement plan within 60 days.

You are required by the Internal Revenue Code to begin distributions of any contributions made after 1986 to your 403(b)(7) Plan and all post-1986 earnings no later than April 1 of the calendar year following the year in which you attain age Required Minimum Distribution (RMD) age. If you attain age RMD age and fail to initiate post-1986 minimum distributions by the following April 1, you will be subject to a non-deductible tax penalty of 50% of the difference between the minimum distribution you were required to receive that year and the amount actually distributed to you. Distribution of amounts contributed prior to 1986 is not required until you attain age 75 but, if you wish, may also be distributed at RMD age. Special rules apply to distributions to beneficiaries upon the death of an account owner. Please see page 2 for a description of those rules.

This summary is not intended to advise you about the most advantageous method of distribution for you. Because your personal financial circumstances are unique, we recommend that you consult your tax advisor before making a decision.

The distribution payment methods (described more fully in the remainder of this document) available to you are:

- a. Payment of your full account balance in a lump-sum distribution of cash or shares;
- b. Distribution over a period of time not longer than your life expectancy or the joint life expectancy of you and your beneficiary; and
- c. Purchase of an annuity contract providing periodic income for your life or over the joint and last survivor lives of you and your beneficiary.

Lump-Sum Distribution

You may instruct the Custodian to liquidate the full balance of your account and issue a check payable to you, or you may request that the account balance of your retirement account be transferred “in-kind” to a non-retirement account. To initiate this transaction, you must write to PIMCO Funds requesting the liquidation or transfer of your account balance. Your letter of instruction must specify the reason for distribution (age 59½, disability, death, severance from employment, retirement, or financial hardship). You are responsible for the tax consequences of your distribution including the payment of income taxes and any premature distribution tax. Enclosed with this summary is a 403(b)(7) Distribution Form that may be used as your letter of instruction.

Your Distribution Form must list your proper name, address and Social Security number. If you elect to transfer the shares held in your 403(b)(7) Plan to a personal account, you will need to complete a PIMCO Funds Application or provide the account number of your existing PIMCO Funds personal account. Please also complete Section 6 of this form. In certain circumstances, your Distribution Form must contain a Medallion Signature Guarantee or Signature Validation Program Stamp of your signature by a commercial bank, a federally insured savings and loan, a principal brokerage firm, or a trust company. We cannot accept notarization as a substitute.

Periodic Distributions

You may request that periodic payments be made to you based on either life expectancy or a “period certain.” Payments based on a period certain are made for the number of years you specify which cannot exceed your life expectancy (e.g., 1, 5, 8, 10 years, etc.). Payments based on life expectancy are calculated using standard IRS tables of life expectancy. You must state on the Distribution Form which of the following distribution periods you wish:

1. Installments based on your life expectancy;
2. Installments based on the joint life expectancy of you and your designated beneficiary;
3. A “period certain” not to exceed your life expectancy; or
4. A “period certain” not to exceed the joint life expectancy of you and your designated beneficiary.

If you are not yet 59½, you may avoid the 10% premature distribution tax when you receive a distribution if your distribution is in the form of periodic payments for your life or life expectancy. You may choose to have the account balance distributed upon separation from service through at least annual installments over your life expectancy or the joint life expectancy of you and your beneficiary before you reach age 59½, without a premature distribution penalty, but ONLY if you continue the series of periodic payments until you attain age 59½, or for 5 years even though you attain age 59½ in that five-year period, whichever is longer.

72(t) Distributions:

A 403(b)(7) holder must set up payments to satisfy the exception to the 10% penalty and there are three alternative methods under which payments will be considered substantially equal periodic payments. Each is explained below:

1. Method 1 — Life Expectancy

A holder may determine the payment according to the rules determining required minimum distributions under Code Section 401(a)(9). Generally, payments may be based on the joint life expectancy of the 403(b)(7) holder and a designated beneficiary or the 403(b)(7) holder’s single life expectancy.

2. Method 2 — Annuitization

A 403(b)(7) holder may determine payments by dividing the 403(b)(7) account balance by an annuity factor. The annuity factor is the present value of an annuity of \$1 per year beginning at the individual’s age attained in the first distribution year and continuing for the life of the individual. The annuity factor must be derived using a reasonable mortality table and using an interest rate that is reasonable on the day payments commence.

3. Method 3 — Amortization

A 403(b)(7) holder may determine the payment by amortizing the 403(b)(7) account balance over either the joint life expectancy of the 403(b)(7) holder and a designated beneficiary or over the 403(b)(7) holder’s single life expectancy. A reasonable interest rate determined on the date payments commence must be used.

Generally, life expectancy for purposes of these calculations must be determined using IRS tables found in the regulations under section 401(a)(9) or in related IRS guidance.

The IRS will permit a 403(b)(7) holder who has elected Method 2 or Method 3 to make a one-time, irrevocable election to change to Method 1.

You may obtain monthly, quarterly, semi-annual or annual distributions. Your Distribution Form must state:

- The distribution period;
- Your date of birth, and if requesting a joint life expectancy calculation, the date of birth of your designated beneficiary;
- The frequency of distributions: monthly, quarterly, semi-annually, or annually.

Your Distribution Form must specify the reason for the distribution. You are responsible for the tax consequences of any distribution, including payment of income taxes and any premature distribution tax. Your Distribution Form must list your proper name, address and Social Security number, and in certain circumstances, your signature must be Medallion Signature Guarantee or Signature Validation Program Stamped by a commercial bank, federally insured savings and loan, principal brokerage firm or trust company. Please also complete Section 6 of this form.

The account owner is responsible for the method of distribution and the calculation.

Partial Distributions

Partial distributions can be requested in dollar or share amounts on a non-periodic basis. These requests are processed as independent transactions upon receipt. We require a Distribution Form which contains a Medallion Signature Guarantee or Signature Validation Program Stamp of your signature by a commercial bank, a federally insured savings and loan, a principal brokerage firm, or a trust company. The Distribution must also specify the reason for the distribution and the amount to be distributed. Please also complete Section 6 of this form. You are responsible for any tax consequences for each distribution request including the payment of income taxes and any premature distribution tax.

Annuity Purchase

If you elect to use the proceeds of your 403(b)(7) Plan to purchase an annuity, you must submit to our agent, SS&C Global Investor & Distribution Solutions, Inc., the completed insurance company annuity application along with your Distribution Form. We will forward a check for the proceeds of your account with the application to your insurance company.

Distribution Upon the Death of the Account Owner

The following information presents the distribution options available to a designated beneficiary.

If you are a designated beneficiary, your Distribution Form must specify the method of distribution you choose and your name, address and Social Security number. You must also include a certified copy of the death certificate, complete Section 6 of this form and in certain circumstances, a Medallion Signature Guarantee or Signature Validation Program Stamp of your signature.

If you are a designated beneficiary, distributions are subject to the following rules:

1. If the account owner dies after the date distributions are required by the Internal Revenue Code to begin (generally age 72) or while receiving distributions, the remaining portion of the 403(b)(7) payments will be made to the designated beneficiary, or, if none, to the owner's estate (See options below for further information). A beneficiary may accelerate distribution from the 403(b)(7) Plan or receive a lump-sum distribution of the Plan account balance.
2. If the owner dies before distributions have commenced or before the date such distributions are required under the Internal Revenue Code to begin (generally age 72), ONE of the following four payment options must be chosen:

Option A

The account owner's entire interest must be paid out to the designated beneficiary, or if there is none as of September 30 of the year following the owner's death, to the owner's estate by December 31 of the year which contains the fifth anniversary of the owner's death.

Option B

If there is a designated beneficiary and Option A above has not been chosen, then the entire 403(b)(7) Plan may be distributed in substantially equal installments over the life expectancy of the beneficiary. Distributions under this option must commence no later than December 31 of the year which contains the first anniversary of the account owner's death. The beneficiary can request that distributions be accelerated or paid out in a lump-sum distribution at any time.

Option C

If the account owner's spouse is the designated beneficiary, the spouse can elect Options A or B above. Alternatively, a spouse can elect to receive substantially equal distributions based on the spouse's life expectancy or a period certain, whichever is less, beginning no later than December 31 of the year following the year of death or the year in which the owner would have attained RMD age, if later. As above, accelerated distributions or a lump-sum distribution may be requested at any time.

Option D

If the account owner's spouse is the designated beneficiary,

the spouse may roll over the owner's 403(b)(7) Plan to the spouse's own IRA or establish a new IRA.

If you are a designated beneficiary, we request that you notify us of your distribution election at the time of the 403(b)(7) account owner's death, even if you are the owner's spouse or are electing Option A described above.

If the account owner did not designate a beneficiary or designated the owner's estate as beneficiary, the executor/executrix of the owner's estate must choose a method of distribution. The executor/executrix of the estate must also submit a certified copy of the Letters Testamentary appointing him or her as executor/executrix. The Distribution Form must include his or her signature with the title Executor/Executrix, which has been Medallion Signature Guarantee or Signature Validation Program Stamped according to the enclosed instructions. Furthermore, the executor/executrix must include the certified death certificate and must complete Section 6 of this form.

Taxes

All distributions from your 403(b)(7) Plan account will be reported to the IRS as distributions made in the current tax year on tax form 1099R. A copy for filing with your tax return will be mailed to you in January after the year of distribution.

Distributions from 403(b)(7) Plan accounts are currently subject to federal income tax withholding. We are required by the Internal Revenue Code to withhold from all distributions unless you are directly transferring assets to another Plan or to an IRA or if you are requesting a distribution due to a financial hardship. If you are requesting a check to be made payable to yourself, PIMCO is required to withhold the mandatory 20% federal income tax. Any taxes withheld will be reported on IRS tax form 1099R.

Your Distribution Form stating your choice of a distribution option should be returned to:

PIMCO Funds
P.O. Box 219294
Kansas City, MO 64121-9294

Special Tax Notice Regarding Plan Payments

Notice:

This notice:

- explains how you can continue to defer federal income tax on your retirement savings in the 403(b) or qualified plan you hold with your employer retirement plan (the “Plan”);
- is provided to you because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA, a Roth IRA, or an eligible employer plan;
- contains important information you will need before you decide how to receive your Plan benefits. However, a note that you also may need to review items such as your summary plan description or custodial agreement for any provisions and fees that may affect your options and choice of whether to leave retirement assets in the Plan, if the Plan offers this option;
- does not address any applicable state or local tax rules that may apply; and
- is provided to you on behalf of your Plan Administrator or Employer.

A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA. Paying your benefit as a rollover allows you to continue to postpone taxation of that benefit until it is later withdrawn and paid to you, or in the case of Roth amounts, to continue tax-free investment returns.

If you have made designated Roth contributions to an employer qualified retirement Plan, you may roll over your designated Roth 401(k) or Roth 403(b) account to a Roth IRA or, via a direct rollover, to an eligible employer plan that accepts Roth 401(k) or Roth 403(b) rollovers. An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan). Your payment cannot be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

A non-taxable rollover to a Roth IRA is allowed only in the case of a distribution of Roth amounts from the Plan, and a distribution of Roth amounts cannot be rolled over to any other type of IRA except a Roth IRA. A taxable rollover from your non-Roth account to a Roth IRA is allowed if you meet eligibility requirements for a Roth IRA conversion. See IRS Publication 590 for more details on Roth IRAs and eligibility, and also consult the disclosure statement from a Roth IRA provider of your choice.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not be allowed to, or may choose not to, accept rollovers of certain types of distributions, such as after-tax or Roth amounts. If this is the case, and your distribution includes after-tax or Roth amounts, you may wish instead to roll your distribution over to an IRA or split your rollover amount between the employer plan in which you will participate and an IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you should contact your Plan Administrator or Employer.

Summary

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

- Certain payments can be made directly to a traditional IRA and/or Roth IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit (“Direct Rollover”); or
- The payment can be paid to you.

If you choose a Direct Rollover:

- Your payment will not be taxed in the current year and no income tax will be withheld, unless you choose to request a taxable rollover from a non-Roth account to a Roth IRA. Any withholding for a taxable rollover to a Roth IRA is voluntary.
- You choose whether your payment will be made directly to your traditional IRA and/or Roth IRA, or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account. A non-taxable rollover to a Roth IRA is allowed only in the case of a distribution of Roth amounts from the Plan, and a distribution of Roth amounts cannot be rolled over to any other type of IRA except a Roth IRA. A taxable rollover to a Roth IRA is allowed if you meet eligibility requirements for a Roth IRA conversion. See IRS Publication 590 for more details on Roth IRAs and eligibility, as well as the disclosure statement from a Roth IRA provider. If you make a taxable rollover to a Roth IRA and later discover you are not eligible to convert to a Roth IRA, you may move the money to Traditional IRA, using the rules for Recaracterizations (also explained in Publication 590).
- The taxable portion of your payment will be taxed later when you take it out of a traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan. A “qualified distribution” of Roth amounts will not be subject to federal income tax provided certain requirements are met.

If you choose to have a Plan payment that is eligible for rollover paid to you:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax. A “qualified distribution” of Roth amounts will not be subject to federal income tax.
- You can roll over all or part of the payment by paying it to your traditional IRA and/or Roth IRA, or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you did not roll over the distribution from the Plan. Like a qualified distribution of Roth amounts from the Plan, a qualified distribution of such amounts from a Roth IRA or an eligible employer plan will not be subject to federal income tax.
- If you want to roll over 100% of the payment to an IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period.

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

More Information

- I. Payments that can and cannot be rolled over
- II. Direct Rollover
- III. Payment paid to you
- IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

I. Payments that can and cannot be rolled over

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA, Roth IRA, or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a SIMPLE IRA, or a Coverdell Education Savings Account. Only that portion of a payment (if any) that is drawn from a Roth account can be rolled over tax-free to a Roth IRA, and that portion of a payment cannot be rolled over to any other type of IRA except a Roth IRA. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution. If you meet certain income requirements, you also may be eligible to request a taxable rollover from a non-Roth plan account to a Roth IRA.

After-tax Contributions. If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

Rollover into a traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion. If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

Rollover into an Employer Plan. You can roll over your after-tax contributions to an eligible employer plan using a direct rollover if the other plan agrees to accept the rollover and provide separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can roll over after-tax contributions only to a qualified defined contribution plan under section 401(a) of the Internal Revenue Code, or, starting January 1, 2007, to either a qualified defined contribution or defined benefit plan under Code section 401(a) or a tax-sheltered annuity under Code section 403(b). You cannot roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to an IRA and then roll over that amount into an employer plan.

Roth Contributions. If you made Roth contributions to the Plan or a Roth rollover to the Plan, you may be able to roll the Roth amounts into either a Roth IRA or to certain employer plans that accept rollovers of Roth amounts. The following rules apply:

Rollover into a Roth IRA. You can roll over your Roth amounts to a Roth IRA either directly or indirectly. You cannot roll over Roth amounts to a traditional IRA or any other type of IRA. You may establish a Roth IRA to hold a rollover of Roth amounts even if you are not eligible to contribute to a Roth IRA at this time. Once you roll over Roth amounts to a Roth IRA, those amounts cannot be later rolled over to an employer plan.

You also may be able to roll over amounts from a standard (non-Roth) pre-tax account to a Roth IRA as a taxable rollover, subject to eligibility rules that apply to a conversion to a Roth IRA. Your employer or Plan Administrator is not required to determine whether you are or are not eligible under the rules for converting pre-tax amounts to a Roth IRA as a taxable rollover.

Under a Roth IRA, there is a five-calendar-year holding period that applies to determine whether the earnings portion of any distribution from the Roth IRA is taxable or not. If you roll over Roth amounts to a Roth IRA, you do not receive credit towards the Roth IRA five-calendar-year holding period for the time that the rolled-over Roth amounts were held under the Plan (or any prior employer plan). The “earnings” portion of any Roth IRA distribution will depend on whether the distribution from the Plan was a “qualified distribution” or not (this term is described later in this notice). If you roll over a qualified distribution, the earnings portion of the Roth IRA consists only of earnings while held under the Roth IRA. By contrast, if you roll over a non-qualified distribution, the earnings portion of the Roth IRA also includes the earnings portion under the Plan.

Rollover into an Employer Plan. You can roll over Roth amounts (including Roth contributions and earnings) to another qualified employer plan using a direct rollover if the other plan accepts such Roth rollovers, and provides separate accounting for amounts rolled over, including separate accounting of Roth contributions and earnings on those contributions. You can roll over non-taxable Roth amounts to either an employer plan that is qualified under Code section 401(a) or a tax-sheltered annuity under Code section 403(b). If you want to roll over non-taxable Roth amounts to an employer plan that accepts these rollovers, you must utilize a direct rollover method; you cannot have such amounts paid to you first.

If you receive a distribution of Roth amounts that is not a qualified distribution (as described later in this notice), the earnings portion of that distribution is taxable. In that case, you can have the distribution paid to you and roll over the taxable portion of the distribution using the 60-day rollover option, and you can make that rollover to any eligible employer plan that will accept this type of a rollover.

Payments That Cannot be Rolled Over. The following types of payments cannot be rolled over:

- **Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for (1) your lifetime (or a period measured by your life expectancy), or (2) your lifetime and your beneficiary’s lifetime (or a period measured by your joint life expectancies), or (3) a period of 10 years or more.
- **Required Minimum Distributions.** Beginning when you reach RMD age (generally age 72) or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum distribution” that must be paid to you. Special rules apply if you own 5% or more of your employer.
- **Hardship Distributions.** A hardship distribution cannot be rolled over.
- **ESOP Dividends.** Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.
- **Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.
- **Loans Treated as Distributions.** The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Plan Administrator of the Plan if distribution of your loan qualifies for rollover treatment.

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

II. Direct Rollover

A Direct Rollover is a direct payment of the amount of your Plan benefits to an IRA or an eligible employer plan that will accept it. You can choose a Direct Rollover of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a Direct Rollover until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a Direct Rollover. This Plan might not let you choose a Direct Rollover if your distributions for the year are less than \$200.

Any eligible rollover distribution that you receive from the Plan that is otherwise non-taxable, and that you wish to roll over to an eligible employer plan, can be rolled over only in a Direct Rollover. This includes any qualified distribution of Roth amounts or the portion of any non-qualified distribution that reflects Roth contributions.

Direct Rollover to a Traditional or Roth IRA. You can open a traditional IRA to receive the Direct Rollover of amounts other than from a designated Roth account. You can open a Roth IRA to receive the direct rollover of any designated Roth account. If you choose to have your payment made directly to a traditional or Roth IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a Direct Rollover to a traditional or Roth IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to make sure that the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements for more information on IRAs (including limits on how often you can roll over between IRAs).

Also, beginning on January 1, 2008, you may directly roll over amounts other than your designated Roth account to a Roth IRA with similar tax consequences as converting a traditional IRA to a Roth IRA (please consult with a tax professional before initiating such a rollover).

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

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

Change in Tax Treatment Resulting from a Direct Rollover. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your Direct Rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to 10-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a Direct Rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are Under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."

III. Payment Paid to You

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

Income Tax Withholding

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a Direct Rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

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

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA, Roth IRA, or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan. Special rules apply to distributions from Roth IRAs, which may be free from tax and penalty if certain requirements are met.

This 60-day rollover option is not available for a rollover to an eligible employer plan for the non-taxable portion of any distribution of Roth amounts from the Plan, but the option is available for a rollover to a Roth IRA. A rollover of Roth amounts to an eligible employer plan can be done only by a Direct Rollover. A taxable rollover to a Roth IRA may be done by either a direct rollover or by redepositing a payment you have received from your plan to a Roth IRA within 60 days.

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

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

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

Additional 10% Tax if You Are Under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to an IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Taxation of Roth Amounts — “Qualified Distributions” and Other Distributions. If you have made Roth contributions or a Roth rollover to a designated Roth account in the Plan, and you receive those amounts in a “qualified distribution,” then such amounts, including earnings while under this Plan, are not subject to federal income tax. A “qualified distribution” generally is a distribution that is made after a five-calendar-year period of participation in the Plan (or your prior employer’s plan from which you made the rollover to this Plan) starting with the year in which you first made a Roth contribution, and the distribution:

- is made on or after you reach age 59½;
- is made after your death; or
- is attributable to your being disabled (within the meaning of Section 72(m) of the Code).

If the distribution is not a qualified distribution, then the earnings portion of the distribution is included in your gross income for federal tax purposes. The actual Roth contributions you made to this Plan or a prior employer’s plan are never taxed at distribution. If you do not satisfy the requirements for a distribution to be a qualified distribution (for example, if you are under age 59½), a rollover to a Roth IRA or an eligible employer plan that accepts the rollover may preserve your ability to satisfy the requirements upon a later distribution from the Roth IRA or employer plan. However, you do not receive credit under the Roth IRA for any period of time the Roth amounts were held under this Plan (or the plan of a prior employer) towards meeting the Roth IRA’s five-calendar-year holding period when determining the tax treatment of a distribution from the Roth IRA.

Special Tax Treatment if You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to an IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a “lump sum distribution,” it may be eligible for special tax treatment. (See also “Employer Stock or Securities”, below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using “10-year averaging” (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

Employer Stock or Securities. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to “after-tax” employee contributions, if any. Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to an IRA or another eligible employer plan, either in a Direct Rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to an IRA or another eligible employer plan.

If the Plan includes employer stock, and if Roth amounts have been invested in employer stock, the special tax treatment of net unrealized appreciation may or may not be meaningful to you. A “qualified distribution” of Roth amounts is not subject to federal income tax, thus appreciation on employer stock is treated no differently than other earnings under the Plan. In the case of a qualified distribution of employer stock, your cost basis in the stock after distribution will equal the fair market value of the stock at the time of distribution, and any subsequent appreciation will be taxed as capital gains when the stock is sold. If the distribution is not a “qualified distribution,” then net unrealized appreciation may escape immediate tax at distribution under the rules described above. Your cost basis in that case will equal the amount of Roth contributions you invested in stock for purposes of determining the gain on later sale.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or “offset”) your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or an IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

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

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a Direct Rollover to an IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA or to an eligible employer plan. Thus, you have the same choices as the employee, including the choice of a taxable rollover to a Roth IRA if you are eligible under rules for a conversion to a Roth IRA. Starting January 1, 2007, a plan may, but is not required to, allow non-spouse beneficiaries to make a Direct Rollover of their share of an employee’s account. If you are a beneficiary other than a surviving spouse or a former spouse who is an alternate payee, you should check with the Plan Administrator to see whether the Plan allows you to make a Direct Rollover. This choice includes a taxable direct rollover to a Roth IRA if you are eligible under rules for a conversion to a Roth IRA.

If you are a beneficiary other than a surviving spouse, and if the Plan allows a non-spouse beneficiary to make a Direct Rollover, you may choose a direct rollover to an IRA which will be treated as an "inherited IRA." This choice includes a taxable direct rollover to an inherited Roth IRA, if you are eligible under rules for a conversion to a Roth IRA. You cannot roll over the payment yourself. You must instruct the Plan Administrator of the distributing plan to make a direct rollover to an inherited traditional IRA or inherited Roth IRA that you have established on your behalf. You will be required to receive annual payments from the IRA in accordance with IRS regulations. See IRS Publication 590, Individual Retirement Arrangements, for more information.

If you are a designated beneficiary other than a surviving spouse and you do not choose a direct rollover to an IRA, the taxable portion of your payment will be taxed in the current year and federal income tax will be withheld to the extent required. With respect to Roth amounts, the minimum distribution rules that apply to traditional IRAs apply to Roth IRAs in the same manner as if the Roth IRA owner died before his or her required beginning date.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

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

How to Obtain Additional Information

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

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