

**INSTRUCTIONS – APPLICATION FOR BENEFITS FOR RETIREMENT PLANS  
NOT SUBJECT TO QUALIFIED JOINT AND SURVIVOR ANNUITY REQUIREMENTS**
***When can I expect to receive my distribution?***

Your Plan is on a *Daily* valuation schedule. Your distribution will be processed as soon as administratively feasible according to the terms of the Plan.

***What Forms are included with this packet?***

- Application for Benefits

***What Disclosures and other information are included with this packet?***

- Special Tax Notice
- CCTC IAT Brochure

***How do I complete the Application for Benefits?***

SECTION	INSTRUCTIONS
<b><u>Section I:</u> Plan Name</b>	This field should be pre-filled with the name of the plan from which you are requesting a distribution. If this section is not pre-filled, or the name of the plan that appears here is incorrect, please contact us.
<b><u>Section II:</u> Participant Information</b>	<b><i>All fields in this section should be completed. Failure to do so may delay your distribution.</i></b> If you reside in the Elmira, NY area, you may pick up the check at our office on Baldwin Street. Please provide your telephone number, and check the “Please call” box if this is your preference. We will require a photo ID.
<b><u>Section III:</u> Distribution Reason</b>	Check the option applicable for your situation. Please note that if you are requesting a distribution due to “Disability”, additional documentation will be required to process your request. Contact our offices to review the documentation required.
<b><u>Section IVa and IVb:</u> Direct Payment</b>	<p>This section should be completed <b><u>ONLY</u></b> if you are requesting to have all or part of your distribution paid directly to you.</p> <ul style="list-style-type: none"> <li>• If you wish to have 100% of your balance paid directly to you in one lump sum, check the first box.</li> <li>• If you would like to have a portion of your balance paid directly to you and the remaining balance paid in a direct rollover (see Section VI), check the second box and indicate the dollar amount you would like to have paid directly to you.</li> </ul> <p>Distributions are typically paid by check and mailed to you. If you prefer a direct deposit to your account with Chemung Canal or Capital Bank, please complete Section IVa. If you wish to have your funds transferred via ACH to another institution, please complete Section IVb.</p>

<b><u>Section V: Withholding Notice</u></b>	Complete this section if you have elected to have all or a portion of your benefits paid directly to you. If you would like to have an amount other than 20% withheld from the distribution, it must be <b>more than</b> 20%.
<b><u>Section VI: Direct Rollover</u></b>	<p>Complete this section <b>ONLY</b> if you would like all or a portion of your balance paid directly to another employer’s qualified plan or to an Individual Retirement Account in your name.</p> <ul style="list-style-type: none"> <li>• If you would like your entire balance paid in a direct rollover, check the first box.</li> <li>• If you would like a portion of your balance paid in a direct rollover, check the second box and indicate how much you would like to have paid in a direct rollover (please note that if, in Section V, you named a specific amount to be paid to you directly, you may insert the phrase “remaining balance” in the amount area).</li> </ul> <p>In the bottom of this Section provide information regarding the IRA or the qualified plan to which you would like to have your plan benefits paid.</p>
<b><u>Section VII: Participant’s Signature</u></b>	<p>Read the section carefully and sign and date at the bottom.</p> <p>In order to move forward with your distribution request we must receive authorization from your employer. You may return the form with this section incomplete and we will secure the necessary authorization OR you may have the appropriate representative from your employer sign and date this section before you return the form to us.</p>
<b><u>Section VIII: Plan Representative Signature</u></b>	<p>This section should be completed and signed by an Authorized Plan Representative. Your employer should provide us with your hours worked in your final year of service in order to confirm your vested balance. The date of your final salary deferral deposit is required if your paperwork is completed within 2 months of your employment termination. <b>Your distribution cannot be processed prior to the deposit of your final salary reduction.</b></p>

***What documentation do I return and where do I send it?***

The only documentation that you must return is the completed Application for Benefits. You may fax the completed form to (607) 737-3850, or send it by **encrypted** e-mail to [RSG@chemungcanal.com](mailto:RSG@chemungcanal.com) with the Subject line: *Application for Benefits – Burnt Hills-Ballston Lake Central Schools 403(b) Plan*. If you do not have access to e-mail encryption software, please contact our offices and we will assist you.

***How can I get help if I have questions on the paperwork or need guidance on the disposition of my distribution?***

Just call our offices at 607-737-3790 (800-836-3711 ext. 3790).

<b>I</b>	<p><b>APPLICATION FOR BENEFITS</b></p> <hr/> <p><b>BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOLS 403(b) PLAN</b></p>
<b>II</b>	<p><b>PARTICIPANT INFORMATION</b></p> <p>SSN.: _____ - _____ - _____      Date of Birth: _____ / _____ / _____</p> <p>Name: _____</p> <p>Home Address: _____</p> <p>City: _____ State: _____ Zip: _____</p> <p>Telephone No.: _____      [ ] <i>Please call to pick up check at 100 Baldwin Street, Elmira, NY</i></p>
<b>III</b>	<p><b>DISTRIBUTION REASON</b></p> <p>[ ] Termination of Employment (date of termination) _____</p> <p>[ ] Retirement (date of retirement) _____</p> <p>[ ] Attainment of Age 59.5 (in-service withdrawal)</p> <p>[ ] Disability (provide appropriate documentation)</p> <p>[ ] Death</p> <p style="padding-left: 40px;">Beneficiary Name: _____</p> <p style="padding-left: 40px;">Beneficiary Soc. Sec. No.: _____</p>
<b>IVa</b>	<p><b>DIRECT PAYMENT TO PARTICIPANT</b></p> <p><i>I choose to have my plan benefits paid directly to me in the following form:</i></p> <p>[ ] Lump Sum Payment of entire vested balance</p> <p>[ ] Partial Distribution – Amount \$ _____</p> <hr/> <p>Distributions are typically paid by check and mailed to you unless you elect to pick it up at our main branch in Elmira, NY by checking the box in Section II. If you would prefer a direct deposit into a <b>Chemung Canal</b> or <b>Capital Bank</b> checking or savings account, please provide the following information:</p> <p>_____      _____</p> <p>Account Number      Type of Account (<i>checking or savings</i>)</p>

**Automated Clearing House Transfer (ACH):** If you would prefer a direct deposit to a financial institution other than Chemung Canal or Capital Bank, please read the IAT Brochure and complete the following. *If you elect to have your funds transferred electronically via ACH, Chemung Canal Trust Company will not transmit funds to a financial agency located outside the territorial jurisdiction of the United States. Furthermore, you are not permitted to forward any proceeds from your distribution to an institution located outside the territorial jurisdiction of the United States.*

**By providing the following information, you are certifying that the funds received from this distribution will not be forwarded to a financial institution outside the territorial jurisdiction of the United States.**

\_\_\_\_\_  
Account Holder's Name

\_\_\_\_\_  
Bank Routing Number (9 digits)

\_\_\_\_\_  
Name of Institution

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

- Checking Account
- Savings Account

**Please attach a voided check for a checking account  
or a deposit slip for a savings account.**

**Failure to include the voided check or deposit slip will result in the  
check being mailed to the Retirement Plan Participant.**

**The Retirement Plan Participant name and the Account Holder's  
name should match**

**WITHHOLDING NOTICE**

*Eligible rollover distributions paid directly to the participant are subject to **mandatory 20% withholding**. See **Special Tax Notice and Instructions attached**.*

*Additional state and local taxes may also apply.*

Withhold the mandatory 20%

If you select one of the options below, it must be at least 20% of the gross distribution.

Withhold at \_\_\_\_\_%

Withhold a fixed amount: \$ \_\_\_\_\_

IVb

V

**DIRECT ROLLOVER**

*I choose to have my plan benefits paid in a direct rollover in the following form:*

- Lump Sum Payment of entire vested balance
- Partial Distribution – Amount: \$ \_\_\_\_\_

I choose to have my benefits paid to the following IRA:

Name of IRA: \_\_\_\_\_

Account Number (if applicable): \_\_\_\_\_

Name of Custodian or Trustee: \_\_\_\_\_

Address of Custodian or Trustee: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

I choose to have my benefits paid to the following Qualified Retirement Plan:

Name of Plan: \_\_\_\_\_

Name of Employer: \_\_\_\_\_

Address of Employer: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**PARTICIPANT CONSENT AND SIGNATURE**

I have received the “Special Tax Notice” provided to me by the Plan Administrator. I hereby request payment from the Plan in the manner indicated. I hereby waive my right to a 30-day period in which to consider the decision of whether or not to elect a direct rollover.

I certify under penalties of perjury that all information provided by me is true and accurate, and that no tax advice has been given to me by the Plan Administrator and/or Plan Sponsor and that all decisions regarding this withdrawal are my own. I expressly assume the responsibility for any adverse consequences which may arise from this withdrawal and I agree that the Plan Administrator and/or Plan Sponsor shall in no way be responsible for those consequences.

PARTICIPANT’S SIGNATURE \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**VI**

**VII**

**TO BE COMPLETED BY PLAN REPRESENTATIVE**

Hours worked in year of separation from service: \_\_\_\_\_ *(may be required to confirm vesting)*

If the Participant's employment terminated within 2 months of the completion of this Application for Benefits, please provide the date the final salary deferral was, or will be deposited to the plan:

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

PLAN REPRESENTATIVE SIGNATURE \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**VIII**

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOLS 403(B) PLAN  
SPECIAL TAX NOTICE**

**YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from Burnt Hills-Ballston Lake Central Schools 403(b) 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.

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 59 1/2 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 59 1/2 (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 59 1/2 (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:

- Required minimum distributions after age 70 1/2 (or after death)
- Hardship distributions
- 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)

The 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 59 1/2, 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 made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- 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

## **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 59 1/2, 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 for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

## **Will I owe State income taxes?**

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

### **SPECIAL RULES AND OPTIONS**

#### **If 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 included in the payment so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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

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 and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan 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-A, Contributions to Individual Retirement Arrangements (IRAs).

#### **If your payment includes Employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59 1/2, disability, or the Participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Administrator can tell you the amount of any net unrealized appreciation.

#### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the 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**

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).

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 59 1/2 (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

### **If you 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 does 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 59 1/2 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 70 1/2.

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 70 1/2.

**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 your payments for the year are less than \$200, 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 will be directly rolled over to an IRA chosen by the 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 Administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.