

APPLICATION FOR BENEFITS

As a Participant in the _____ retirement plan, I hereby request payment of my benefit as provided below:

- 1. Company Name: _____
Name: _____
Street Address: _____
City, ST, Zip: _____
Social Security No: _____ Birth Date _____

2. **Reason for Payment**

- Termination of Employment Date of Termination: _____
- Attainment of age 59-1/2
- Plan Termination

3. **Date for Payment**

- As soon as administratively feasible subject to Employer's approval
- Defer payment until _____
(date cannot be later than April 1 of year following retirement)

4. **Form of Payment***

- Lump Sum (NOTE: Plan must withhold 20% in Federal Income Tax)
- Direct Rollover to a qualified plan or I have established an IRA account.
(NOTE: You must complete election form designating the new plan or IRA).
- I would like assistance in establishing an IRA account please contact us @ (480) 596-4015.
We can assist you in opening an IRA account to rollover your qualified plan assets.

If you would like us to call you regarding an IRA, please give us a daytime phone number in the space provided and let us know best time to contact you.

Daytime Phone #: _____ Best time to call: _____

* Plan may provide a lump sum distribution if your account value is \$5,000 or less.

Participant's Signature

Date

Please Return to:
Personalized Pensions, Inc.
7349 Via Paseo Del Sur
Suite 515-435
Scottsdale, AZ 85258

Spouse's Consent:

Note: If your distribution is over \$5,000 and you are married, your spouse must sign.

I, the undersigned, am the legal spouse of the Participant. I hereby consent to the single-sum payment as elected by my spouse, the plan participant, as I have read and understand the ramifications of this transaction as outlined in this package.

Signature of Spouse

Certification if no Spouse:

I hereby certify that I am not now married and that there are no Plan benefits payable to a former spouse under a qualified domestic relations order.

Participant's Signature

Signed and Sworn before me

this _____ day of _____, 19 ____.

Signature of Notary Public or Plan Representative

Please Return to:
Personalized Pensions, Inc.
7349 Via Paseo Del Sur
Suite 515-435
Scottsdale, AZ 85258

**PARTICIPANT'S ELECTION FOR DIRECT ROLLOVER OF ELIGIBLE
ROLLOVER DISTRIBUTION TO INDIVIDUAL RETIREMENT ACCOUNT**

I, _____, hereby elect to make a direct rollover of:

() all of my eligible rollover distribution, or

() a portion of my eligible rollover distribution in the amount of \$_____ from _____
_____.(the "Old Plan") to the individual retirement account
listed below (the "IRA"). To the extent that I do not elect a direct rollover of all of my eligible
rollover distribution, the portion not transferred by direct rollover shall be paid directly to me. I
understand that the amount paid directly to me shall be subject to mandatory withholding in the
amount of 20 percent.

In making this election, I certify to the following:

1. I have established my individual retirement account ("IRA") with an authorized bank or other financial institution.
2. The IRA is, or is intended to be, an individual retirement account under section 408(a) of the Internal Revenue Code.
3. The IRA will accept the direct rollover for my benefit.
4. If so requested, I have provided a copy of a written statement evidencing the above items to plan administrator of the Old Plan.

Therefore, I hereby direct the plan administrator of the Old Plan to make payment of my eligible rollover distribution to the following IRA:

Check Payable to: _____

Acct # _____

Address: _____

Participant's Signature

Date

Please Return to:
Personalized Pensions, Inc.
7349 Via Paseo Del Sur
Suite 515-435
Scottsdale, AZ 85258

*SPECIAL TAX NOTICE REGARDING PAYMENTS FROM
YOUR EMPLOYERS' QUALIFIED RETIREMENT PLAN*

This notice contains important information you will need before you decide how to receive your benefits from your employer's qualified retirement plan.

SUMMARY

A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your payment either 1) **PAID IN A "DIRECT ROLLOVER"** or 2) **PAID TO YOU**. A rollover is a payment of your Plan benefits to your individual retirement arrangement (IRA) or to another employer plan. This choice will effect the tax you owe.

If you choose a *DIRECT ROLLOVER*:

- * Your payment will not be taxed in the current year and no income tax will be withheld.
- * Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.
- * Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your Plan benefits *PAID TO YOU*:

- * You will receive only 80% of the payment, because the Plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- * Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 1/2, you may also have to pay an additional 10% tax.
- * You can roll over the payment by paying it to your IRA or to another employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- * If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% 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.

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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 an IRA or to another employer plan that accepts rollovers. Your Plan administrator should be able to tell you what portion of your payment is an eligible distribution. The following types of payments cannot be rolled over:

Non-taxable Payments. In general, only the “taxable portion” of your payment is an eligible rollover distribution. If you have made “after-tax” employee contributions to the Plan, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions made from your own pay that were already taxed.)

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:

- * your lifetime (or your life expectancy) or
- * your lifetime and your beneficiary’s life time (or life expectancies), or
- * a period of ten years or more.

Required Minimum Payments. Beginning in the year you reach age 70 1/2, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you.

II. DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an “eligible rollover distribution,” as described above. In a direct rollover, the eligible rollover is paid directly from the Plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the employer plan.

Direct rollover to an IRA. You can open an IRA to receive the direct rollover. (The term “IRA,” as used in this notice, includes individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an 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 consider whether the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on IRAs (including limits on how often you can rollover between IRAs.)

Direct Rollover to a Plan. If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA.

Direct Rollover of a series of payments. If you receive eligible rollover distributions that are paid in a series for less than ten years, your choice to make or not to 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.

III. PAYMENT PAID TO YOU

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it, unless, within 60 days, you roll it over to an IRA or another 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 the payment to you is an eligible rollover distribution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is \$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, you will report the full \$10,000 as a payment from the Plan. You will report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Voluntary Withholding. If any portion of your payment is not an eligible rollover distribution but is taxable, the mandatory withholding rules described above do not apply. In this case, you may elect to have withholding apply to that portion. To elect out of withholding, ask the Plan administrator for the election form and related information.

Sixty-Day Rollover Option. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to rollover, you must make the rollover 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 IRA or the employer plan.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60 -day period to contribute to the IRA or the employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that was received, you will be taxed on the 20% that was withheld.

Example. Your eligible rollover distribution 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 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, when you file your income tax return you may get a refund 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 59 1/2. If you receive a payment before you reach age 59 1/2 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 does not apply to you payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over you life or life expectancy (or you and your beneficiary's lives or life expectancies), or (4) used to pay certain medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment. If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution," it may be eligible for special tax treatment. 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 because you have reached age 59 1/2 or have separated from service with your employer (or, in the case of a self-employed individual, because you have reached age 59 1/2 or have become disabled). For a payment to qualify as a lump sum distribution, you must have been a participant in the Plan for at least five years. The special tax treatment for lump sum distribution is described below:

Five-Year Averaging: If you receive a lump sum distribution after you are age 59 1/2, you may be able to make a one-time election to figure the tax on the payment by using "5-year averaging". Five-year averaging often reduces the tax you owe because it treats the payment as if it were paid over five years.

Ten-Year Averaging If You Were Born Before January 1, 1936. 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) instead of 5-year averaging (using current tax rates). Like the 5-year averaging rules, 10-year averaging often reduces the taxes you owe.

Capital Gain Treatment If You Were Born Before January 1, 1936. In addition, if you receive a lump sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan (if any) 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. If you have previously rolled over a payment from the Plan (or certain other similar plans of the employer), you cannot use this special tax treatment for later payments from the Plan. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to a IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more 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 (or participation in the Plan), 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 (including any net unrealized appreciation) can be rolled over into an IRA or another employer plan either in a direct rollover or a rollover that you make yourself.

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 5-year averaging also may apply. See IRS Form 4972 for additional information on these rules.)

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 a legal separation. Some of the rules summarized above also apply to a deceased employee’s beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA but you cannot roll it over into an employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as a direct rollover or paid to you. If you have it paid to you, you can keep or roll it over yourself to an IRA or another employer plan that accepts rollovers. If you are a beneficiary other than the surviving spouse, you cannot choose a direct rollover, and you cannot rollover the plan yourself.

If you are the surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described in Section III above, even if you are younger than age 59 1/2.

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 Section 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 5 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 a professional tax advisor before you take a payment of your benefit from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement 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 or by calling 1-800-TAX-FORMS.