

# ***EXPLANATION FOR PRE-RETIREMENT DEATH BENEFIT ELECTION***

It is important that you complete a Pre-Retirement Death Benefit Election Form for your potential death benefit under our "Retirement Plan". Submit your completed election form to the Personnel Office, or the office of the Plan Administrator for our Plan. Please note that the Summary Plan Description does name persons who are responsible for our Plan.

You have the right to designate one or more beneficiaries for the benefit which will be payable if you die before you begin receiving your retirement benefit. The beneficiary(ies) may be one or more individuals, a trust, or your estate. Also, there are two types of beneficiary. *Primary Beneficiaries* will first divide up the death benefit. *Secondary Beneficiaries* only share in the death benefit when there are no Primary Beneficiaries available to receive the death benefit. As example, Bob is married with 2 kids. Typically, he will list his wife as Primary Beneficiary for 100% and his children as Secondary Beneficiaries with 50% each.

**Important Note: If you are married, your spouse must be the sole Primary Beneficiary unless your spouse consents to the designation desired.**

Our Plan uses the "Lump Sum Payment Form". This means that the total amount of your benefit entitlement is paid out to your beneficiary as a single payment. (If you have more than one Primary Beneficiary, the available sum will be divided up given percentages used on your election, so that each receives the appropriate single sum payment.) This form of payment typically offers special tax advantages to your beneficiary, depending upon the relationship that person had with you (*spouse vs. other*). Additional details discussing the benefits of this payment form will be furnished to your beneficiary prior to the time of payment, reflecting tax rules in effect at that time.

To complete the attached election form you must (1) Print the name of your Employer, (2) Print the Name of the Plan for which this election applies, (3) Print your Name and Social Security Number, (4) Complete the section listing data for Primary Beneficiaries (% values must equal 100), (5) Complete the section listing data for Secondary Beneficiaries (% values must equal 100), and (6) Sign and date as Participant.

Under federal law, if a Participant is married when he or she dies, the death benefit must be paid in full to the surviving Spouse. If a married Participant wants to pay the benefit (*or portion thereof*) to a beneficiary other than his or her spouse, the participant's election must have the spouse's written consent. Please be advised that the preceding requirement supersedes any conditions stated in a pre-nuptial agreement or marital contract.

With the preceding in mind, if you are married and your spouse is not the sole Primary Beneficiary, then the "Consent of Spouse for Married Participant" listed on the bottom of the Form must be completed. Please note that the spousal signature must be witnessed by either a Notary Public or a Plan Representative. (Notary services are typically available at most banks.) We suggest that if married, this section should always be completed, insuring that your election is valid. Lastly, if you have a change of marital status, you should complete a new election as soon as possible.

# PRE-RETIREMENT DEATH BENEFIT ELECTION FORM

(Complete All Sections)

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

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

Name of Participant: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

## Beneficiary Election

Complete the chart below by identifying your **Primary Beneficiaries**, including how that person is related to you, and how any death benefit due from the plan should be divided between these beneficiaries. (Benefits are paid to each person as a single lump sum.) Please note that if any one of these people die prior to payment of the death benefit, that person's share shall be proportionally divided between the remaining Primary Beneficiaries. If more space is needed attach page labeled "Primary Beneficiary Data".

<u>Name and Address</u>	<u>Relationship</u>	<u>Percentage</u>
_____	_____	_____ %
_____	_____	_____ %

In the event that none of your Primary Beneficiaries are living at the time that the benefit is payable, **Secondary Beneficiaries** should be defined in the chart found below. If more space is needed attach page labeled "Secondary Beneficiary Data".

<u>Name and Address</u>	<u>Relationship</u>	<u>Percentage</u>
_____	_____	_____ %
_____	_____	_____ %

## Participant Signature

This election is made with respect to any death benefit that may be payable from the Plan in the event of my death. I understand that this election cancels any prior election which I may have made previously with respect to the death benefit. **If I am married, and my spouse is not sole Primary Beneficiary listed above, my spouse's signature (with witness) is found below.** If no spousal signature is found below, and my spouse is not the sole Primary Beneficiary, I hereby attest that I am not married.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Date

## Consent of Spouse for a Married Participant

I have reviewed, understand, and consent to this election made by my spouse with regard to the pre-retirement death benefit under the Plan. I understand that the Plan would normally provide me the entire death benefit in the form of a lump sum, and the above election changes that; meaning, I will not receive 100% of the entire death benefit. In summary, I fully understand how this election reduces or eliminates the benefit and/or changes the benefit form I will receive from the Plan if my spouse dies before me.

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
NOTARY PUBLIC (With Seal) or Plan Representative

\_\_\_\_\_  
Date