



**403(b)(7) DISTRIBUTION FORM**  
*(Do not use for Traditional IRA distributions)*

**1. Participant Information**

Date: \_\_\_\_\_

Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

Address: \_\_\_\_\_

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

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**2. Distribution Event**

- |                                           |                                                                   |
|-------------------------------------------|-------------------------------------------------------------------|
| <input type="checkbox"/> Age 59½ or older | <input type="checkbox"/> Separation from service after age 55     |
| <input type="checkbox"/> Disability       | <input type="checkbox"/> Separation from service prior to age 55* |
| <input type="checkbox"/> Death**          | <input type="checkbox"/> Financial Hardship*                      |

\* *Note: A 10% federal tax penalty may apply to distributions under these events.*

\*\* *(Beneficiary must furnish a certified copy of the Death Certificate)*

**3. Method of Distribution**

- 1. The entire account balance.
- 2. Single Sum Cash Payment – Amount \$ \_\_\_\_\_
- 3. Required Minimum distribution *(Additional paperwork is needed.)*
- 4. Direct Rollover of Eligible Rollover Distribution to: *(Please check one.)*
  - Traditional IRA
  - 403(b)

List name and address of Issuer, Custodian or Trustee accepting the Direct Rollover.

\_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_  
 City State Zip

**4. Withholding Election** *(See Notice of Withholding on back page.)*

This Withholding Election section only applies (for Federal withholding purposes) to distributions that are not eligible rollover distributions. If you do not check off a withholding election, then 10% will automatically be withheld.

- 1. Withhold Federal Income Tax of \_\_\_\_\_ (not less than 10%).
- 2. I elect not to have Federal Income Tax withheld.

**5. Participant’s Certification & Authorization**

I certify under penalty of perjury that all information contained herein is true and correct. I hereby acknowledge that I have received and read the Special Tax Notice regarding plan distributions, and waive the 30-day period that I may use when electing my distribution option.

\_\_\_\_\_  
 \*Signature of Participant Date

\*Your signature must be guaranteed if your distribution is over \$25,000 or your funds are to be sent to an address other than the address of record.

## SPECIAL TAX NOTICE REGARDING PLAN DISTRIBUTION

The Internal Revenue Code (the "Code") provides several complex rules relating to the taxation of the amounts you receive from the Plan. This notice contains important information you will need before you decide how to receive your benefits from your Plan.

### AUTOMATIC 20% WITHHOLDING

For distributions made after 1992, the payer of your retirement plan distribution is required to withhold 20% for Federal income tax purposes unless the distribution is not eligible for rollover treatment. Examples of distributions that may be rolled over are:

1. periodic payments over life expectancy or a period of not less than 10 years;
2. payments required under the minimum distribution rules; or
3. nontaxable distributions (such as a return of after-tax employee contributions).
4. the distribution of elective deferrals due to financial hardship

However, the required withholding does not apply if an eligible rollover distribution is rolled over directly to an IRA or another qualified retirement plan or 403(b) plan.

### ROLLOVER TREATMENT

You are permitted under the Code to avoid current taxation on any portion of the taxable amount of an eligible distribution if you rollover that portion into a retirement plan that accepts rollovers. A rollover of all or any portion of your distribution may be accomplished in one of two ways:

- I. Direct Rollover – This is where you direct the administrator or payer under your current plan to pay your distribution directly to an IRA or another employer plan that accepts rollovers.
- II. You complete the Rollover – This is where you receive the distribution, less 20% withheld for Federal tax purposes (as explained above). You will have 60 days from the date of receipt to complete a rollover of all or part of the distribution to an IRA or another employer plan. For example, if your eligible rollover distribution is \$10,000, you will receive \$8,000. If you wish to roll over the full amount of the distribution (\$10,000), you would have to come up with the missing \$2,000 from other sources, such as your savings. When you file your income tax return, depending on your tax liability, you may receive a refund of all or part of the \$2,000 withheld.

In either case, you will receive a Form 1099R from the payer of your distribution and you will need to reflect your rollover on your tax return. You will not be subject to taxes on the portion rolled over.

### NOTICE OF WITHHOLDING

As discussed above, your distribution is subject to 20% Federal income tax withholding unless the distribution is not eligible for rollover treatment or it is directly rolled over to an IRA or to another employer plan that accepts rollovers.

Even if your distribution is exempt from 20% mandatory withholding, taxable distributions are still subject to withholding at the rate of 10%. You are required to elect out of withholding in order for no withholding to apply to your distribution.

For periodic payments, your election will remain in effect until you revoke it. You may revoke your withholding election by sending a signed letter to the payer, at least 15 days prior to the effective date of the revocation. You may change your withholding status by completing IRS Form W-4P, referencing the appropriate retirement plan account, and sending it to the payer. You may revoke or change your withholding election as often as you wish.

### EARLY DISTRIBUTION PENALTY

If you are under age 59½, an additional 10% Federal penalty tax may apply to your distribution unless it is rolled over. However, this penalty tax does not apply if you separate from service during or after the year you reach age 55, or are permanently disabled [as defined under 72(m)(7) of the Code]. Other exceptions to the penalty tax include (but are not limited to) distributions used to pay for deductible medical expenses, substantially equal periodic payments over your single or joint life expectancy, and the proceeds your beneficiary receives upon your death. Obtain IRS Form 5329 for further information on this 10% penalty tax.

### SPECIAL TAX TREATMENT

A "lump sum distribution" is the payment within one taxable year of all remaining benefits under a qualified retirement plan [excluding 403(b) plans] on account of the participant's death, permanent disability (only for self-employed individuals), separation from service (except for self-employed individuals), or attainment of age 59½. If you are at least 59½, have participated in the plan for at least five years, and receive a lump sum distribution you may make a one-time election to have the distribution taxed using special 5-year forward averaging rules, provided no part of the distribution is rolled over. 5-year forward averaging allows the tax on your distribution to be calculated as if the distribution were spread over a five year period. If you were age 50 prior to 1986, you may be able to elect 10-year forward averaging using 1986 tax rates, whether or not you have attained age 59½.

Please be aware that the rules governing taxation of Plan distributions are complex. This summary, required by law, is very general and does not explain all of the factors that must be considered in determining what election to make with respect to a particular distribution. Also, the impact of state taxation is not discussed. You should obtain IRS Publication 57S (Pension & Annuity Income) from your local IRS office or consult with a tax advisor for further guidance.

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