

# Easy-to-Follow Instructions for Completing the Termination Form

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| <b>ADP Prototype Plan</b>                                | <b>Termination Form - 206</b>                                |
| Phone #: <input style="width: 100%;" type="text"/>       | Social Security #: <input style="width: 100%;" type="text"/> |
| Employee Name: <input style="width: 100%;" type="text"/> |  |
| Address: <input style="width: 100%;" type="text"/>       |  |
| City   | State  |
| Street   | Apt. # / PO Box#   |
| City   | Zip Code   |

**Participant must be provided with the Special Tax Notice Regarding Plan Payments.**

**I. Instructions**

The Termination Form is used to process all types of plan distributions due to termination of employment including retirement and disability, and in the event of Plan termination. All sections must be completed in full for your request to be processed.

**Section II:** Check (✓) one box to identify the reason for termination. Identify the effective date of the termination.

**Section III:** Check (✓) one box to identify the method of distribution and complete any additional requested information. The "Installments" and "Deferred" options are not available if reason for termination is "Termination of Plan" or account value (excluding any rollover account) is \$5,000 or less. If Section III is not completed and the account balance (excluding any rollover account) exceeds \$5,000, then the distribution of the account balance will be deferred. Note: As required by law, a lump sum distribution requires 20% federal income tax withholding on the distribution amount, excluding the portion of your account attributable to after-tax contributions. Installment payments, where the payment period is 10 years (120 months) or more, are not subject to the mandatory 20% federal income tax withholding. For other installment payment periods, 20% federal income tax will be withheld from the distribution amount. If your account balance is \$199 or less, mandatory federal income tax withholding will not be required on your distribution. Please note that your distribution may be subject to a 10% excise tax on premature distributions.

**Section IV:** Read the acknowledgment then sign and date the form. Return the completed form to your prior employer for review and approval.

**II. Distribution Type (check one)**

Reason for Termination:  Employment Termination  Termination of Plan  Retirement  Resignation  Disability

Employment Termination Date: / /

**III. Funds Disbursement Election (check only one)**

Lump Sum (paid by check to the participant)

Direct Transfer  Both Direct Transfer & Lump Sum

Account type to which direct transfer is being made:  Traditional IRA  Employer Plan (Qualified Plan, 403(a) Qualified Annuity, §457 Plan, or 403(b) Tax-Sheltered Annuity)

Make check payable to:

Name of Institution/Trustee

**If you have chosen Both Direct Transfer & Lump Sum, please provide the dollar amount or percent to be transferred. The remaining amount will be paid to you in a lump sum.**

Direct transfer amount: \$  (Must be at least \$500) or  %

**NOTE:** Before-tax amounts in your account balance are treated as included in your direct transfer before any after-tax money. "After-tax" means only the money in your account which was taxed before it was contributed.

Installments (Only available if account value excluding any rollover account exceeds \$5,000.) Please contact your plan administrator if you would like your installments direct deposited. The number of payments may not exceed your life expectancy, or the joint life expectancy of you and your beneficiary.

Start Date: / /  Number of payments:   Monthly  Quarterly  Semi-annually  Annually

Deferred Distribution (Only available if account value excluding any rollover account exceeds \$5,000.) Distribution will be deferred until you elect to commence distribution, attain 70½, or in the event of your death.

**IV. Acknowledgment and Signature**

I hereby authorize the distribution of funds from my account according to the directions identified above. I understand that there may be certain penalties and/or taxes due. By signing this form, I certify that within the last 90 days I have received a notice describing the tax consequences of my distribution options and the material features of the optional forms of payment available under the Plan. I am aware that I have the right under the Plan to defer distribution until I attain age 70½ if my account balance excluding any rollover account is greater than \$5,000. I am aware that the Internal Revenue Service recommends that I take 30 days to consider my distribution options; however, by returning this signed form prior to the expiration of the 30-day period, I hereby waive the 30-day waiting period. Further, I certify that no portion of the benefits to which I am entitled from the Plan is subject to a qualified domestic relations order which would affect the payment of any benefits from the Plan.

Signature of Employee/Participant:  Date:

**FOR PLAN ADMINISTRATOR USE ONLY (MUST BE COMPLETED)**

Recordkeeping Plan #:  Date Received:

Company Code:  Plan Administrator Approval:

Place a check in the box next to the reason for termination.

Check here if the entire account balance (minus applicable withholding taxes) is to be made payable by check to the employee.

Check here if the entire account balance is to be transferred to an IRA or other qualified plan.

Check here if multiple disbursements are being requested (e.g. IRA/qualified plan and employee).

The employee must sign here.

PA must enter your Recordkeeping Plan number here.

PA must enter your Company Code.

Insert the month, day and year here.  
Example:

Fill in the name of the institution or qualified plan to which the check is to be made payable.  
Note: The name of a participant is not valid here.

Note: Any remaining balance (minus applicable withholding taxes) will be paid by check to the employee.

Enter the percentage of the balance to be transferred to an IRA or other qualified plan.

(or)  
Enter the amount (in dollars and cents) to be transferred to an IRA or other qualified plan.

PA must sign here.

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