

## **457(b) Information for Terminated Participants**

When you terminate employment, it is critical that your Plan Administrator promptly notify Principal by providing your termination date via the Plan Administrator website. A Retirement Benefit Choices Guide will be mailed within five days, after notification, to your home address which contains important information regarding your distribution options from the 457(b) plan.

You will have the options to:

1. Elect a distribution now as a lump sum.
2. Elect annual installment payments not to exceed ten years
3. Elect to defer distribution until a later date. The election to defer payment is irrevocable and cannot be accelerated.

Please review the information provided in the Retirement Benefit Choices Guide and complete your elections using Sections 1-6. ***Please return your completed form to your former employer within 30 days.*** Your former employer is responsible for completing Section 7 on your distribution form and submitting it to ACCE/Principal.

### **Important Notes:**

1. Whether you choose to elect a distribution now or defer your distribution to a later date, you must complete and return your election forms. ***Completed election forms must be received by Principal within 90 days of your termination date. Failure to complete your election on time will result in a full and immediate distribution from the plan.***
2. Account balances in a 457(b) plan remain a general asset of the employer and are available to general creditors until the participant receives constructive receipt (i.e., full distribution has occurred).
3. If at any time a plan termination occurs, all remaining participants will receive an immediate lump sum distribution regardless of the election on file. Please note that a plan termination can be caused by the termination of ACCE membership by the employer.
4. Distributions from a 457(b) are not eligible for rollover and will be fully taxable for the year in which they occur. Principal is required to withhold 25% of all 457(b) distributions and will forward to the IRS as pre-payment of taxes owed.

**Please read the Retirement Benefit Choices Guide carefully and consult with your tax advisor regarding the financial consequences of your choices.**

