

AFL HOTEL AND RESTAURANT WORKERS TRUST FUNDS

560 N. Nimitz Hwy., Suite 209 • Honolulu, Hawaii 96817 • Fax (808) 537-1074

Phone (808) 523-0199 • Neighbor Islands Dial Direct 1 (866) 772-8989

HEALTH & WELFARE • PENSION • TRAINING

RE: HOTEL UNION & HOTEL INDUSTRY OF HAWAII PENSION PLAN
CASH LUMP-SUM SETTLEMENT - PENSION APPLICATION

Dear Member:

Pursuant to your request, we have enclosed an Application for your Cash Lump-Sum Settlement Retirement Benefits.

Please complete the following forms:

1. CASH LUMP-SUM SETTLEMENT - PENSION APPLICATION
 - APPLICATION FOR PENSION BENEFITS
 - BENEFIT OPTIONS
 - DATE SET LETTER
 - LIST OF ACCEPTABLE DOCUMENTS
2. LETTER OF UNDERSTANDING
3. SUBMISSION OF EVIDENCE OF GOOD HEALTH TO TRUSTEES
4. AFFIDAVIT OF RENOUNCING RESIDENCY
5. PROOF OF RESIDENCY (2 DOCUMENTS REQUIRED) AND A PHOTOCOPY OF A VISA OR OTHER APPLICABLE DOCUMENT ISSUED BY THE GOVERNMENT OF THE APPLICABLE COUNTRY
6. TAX WITHHOLDING/TRANSFER ELECTION FORM

Upon completion, please attach copies of the necessary documents and return, to the Trust Fund Office in the enclosed self-addressed return envelope.

Please be aware that it may take several months to process your pension application.

Upon completion of your Retirement Benefit estimates, we will send you the Election form which you will then elect the type of benefit form you would like to receive.

If you have any questions regarding your retirement, please feel free to contact the Trust Fund Office, Pension Department.

Sincerely,

Pension Department

Enclosures

cc: File

HOTEL UNION & HOTEL INDUSTRY OF HAWAII PENSION PLAN

APPLICATION FOR BENEFITS

NAME: _____
LAST FIRST MIDDLE

PREVIOUS NAME, IF ANY: _____
LAST FIRST MIDDLE

ADDRESS: _____
STREET or P.O. BOX NO. CITY STATE ZIP CODE

SOCIAL SECURITY NO.: _____ - _____ - _____ PHONE: (____) _____

DATE OF BIRTH: ____/____/____ SEX: MALE FEMALE

U.S. CITIZEN: YES NO DATE LAST WORKED IN COVERED POSITION: _____

MARTIAL STATUS: MARRIED DIVORCED WIDOWED SINGLE

HAVE YOU EVER BEEN DIVORCED? YES NO
IF YES, PLEASE PROVIDE A FILED COPY OF THE DIVORCE DECREE

IS THERE A **DOMESTIC RELATIONS ORDER/PROPERTY SETTLEMENT** IN EFFECT AWARDING A PORTION OF YOUR POSSIBLE PENSION BENEFITS TO YOUR FORMER SPOUSE? YES NO
IF YES, PLEASE PROVIDE A FILED COPY OF THE **ORDER**

IF YOU ARE MARRIED, COMPLETE THE FOLLOWING INFORMATION ON YOUR SPOUSE:

NAME: _____ SOC. SEC. NO.: _____

DATE OF BIRTH: _____ DATE OF MARRIAGE: _____

ONE-TIME BENEFICIARY DESIGNATION. If there are any pension benefits payable to you that remain unpaid at the time of your death, the person named below shall be paid those benefits:

FULL NAME: _____ SOC. SEC. NO.: _____

DATE OF BIRTH: _____ SEX: _____ RELATIONSHIP TO PARTICIPANT: _____

ADDRESS: _____
Street or P.O. Box Number City State Zip Code

PARTICIPANT/APPLICANT'S STATEMENT: I certify that the information contained in this application is true and complete to the best of my knowledge and belief. I hereby apply for a benefit under and subject to the provisions of the Hotel Union & Hotel Industry of Hawaii Pension Plan.

Participant / Applicant's Signature

Date

BENEFIT OPTIONS

Your benefits will be paid to you in the normal form, at such times as provided for you in the Plan, unless you elect to waive this form of benefit (with your spouse's consent if you are married).

IF YOU ARE NOT MARRIED, the normal form is a **Single Life Annuity Benefit** which provides you with the monthly payments for your life. The benefit payments will cease with the benefit payment for the month of your death.

IF YOU ARE MARRIED, the normal form is an **Automatic Contingent Annuity Benefit** which provides you with a reduced monthly payment for your life, and, upon your death, a monthly payment for your spouse's life equal to 50% of the monthly payment you received prior to your death. If your spouse dies before you, no payments will be made after your death. The amount of reduction is determined based on the age difference between you and your spouse.

You may elect not to receive your benefits in the normal form and instead choose to receive your benefits in one of the optional distribution forms listed below. Your spouse's consent is needed if you elect not to receive your benefits in the normal form.

Your optional forms are as follows:

- (1) **Single Life Annuity Benefit.** Under this optional form, you are provided with a monthly pension for your life. The benefits payments will cease with the benefit payment for the month of your death.
- (2) **Husband and Wife Pop-Up Benefit.** Under this optional form, you are provided with a *reduced monthly pension for your life and, upon your death, a monthly payment for your spouse's life equal to 50% of the monthly payment you received prior to your death. This option form is similar to the Automatic Contingent Annuity Benefit with the additional feature that if your spouse dies before you, your monthly pension reverts to the full amount of the Single Life Annuity benefit (see Optional Form (1) above). As a result of this "pop-up" feature, there is an additional reduction to the pension amount that is payable while your spouse is living.
*The amount of the reduction is based on the age difference between you and your spouse.
- (3) **Qualified Optional Joint & Survivor Pension (for married Participants).** Under this optional form, you are provided with a *reduced monthly pension for your life. When you die, monthly payments will be provided for your spouse's life equal to 75% of the monthly pension you received prior to your death. If your spouse dies before you, payments will cease with the payment for the month in which you die.
*The amount of the reduction is based on the age difference between you and your spouse.
- (4) **Contingent Annuity Option Benefit.** Under this optional form, you are provided with a *reduced monthly pension for your life. When you die, monthly payments will be provided to your designated beneficiary, if living. He or she will receive a monthly pension for his or her lifetime equal to 50%, 66 2/3%, or 100%, of the pension amount that you had been receiving prior to your death. Your designated beneficiary may be limited by the Trustees to certain classes of persons but, you choose the person who is to receive the survivor benefit. You also choose the percentage of your monthly pension to be paid to your designated beneficiary (restrictions may apply if the beneficiary is not your spouse). If your designated beneficiary pre-deceases you, the pension payments will cease with the pension payment for the month in which you die. If prior to your actual retirement, you should die or your designated beneficiary pre-deceases you, the election of the option shall become null and void and of no effect.
*The amount of the reduction is based on the age difference between you and your spouse.
- (5) **Social Security Option Benefit.** Under this optional form, you are provided with an actuarially adjusted benefit which will provide a greater amount during the period before you become eligible for Social Security benefits (age 62 in most cases) and a reduced amount thereafter so that, as nearly as possible, you will receive a level monthly income for life (taking into account your estimated Social Security benefits). The benefit payments will cease with the benefit payment for the month of your death.
- (6) **Cash Lump-Sum Settlement.** This optional form is available only if you leave the United States for **permanent** residence in a foreign country other than Canada. Under this optional form, and upon proper application, you are provided with a lump-sum payment in lieu of a monthly pension. The lump-sum payment is equal in value to the actuarial equivalent of a monthly pension that you would otherwise be entitled to receive. (Proper application for a Cash Lump-Sum Settlement must have been made before retirement to be effective upon your retirement and requires that you have submitted medical evidence satisfactory to the Trustees that you are in reasonable health for a person of your age and documentation of proof of change in your permanent residency.)

HOTEL UNION & HOTEL INDUSTRY OF HAWAII PENSION PLAN

TO THE BOARD OF TRUSTEES:

This is to confirm that I, _____
(PRINT NAME)

Social Security Number: _____

(CHECK ONE)

- THE FIRST DAY OF THE (MONTH) _____ (YEAR) _____ AT AGE _____
- WISH TO RETIRE ON THE FIRST DAY OF THE MONTH, SIX MONTHS PRIOR TO THE DATE OF THIS APPLICATION
- DO NOT WISH TO SET A RETIREMENT DATE AT THIS TIME (REQUIRED MINIMUM DISTRIBUTION)

PENSION BENEFIT APPLIED FOR: (CHECK ONE)

- EARLY (AGE 55 – 64)
- NORMAL (AGE 65)
- POSTPONED (OVER AGE 65)
- DISABILITY (PLEASE CONTACT THE ADMINSTRATIVE OFFICE FOR ELIGIBILITY)
- REQUIRED MINIMUM DISTRIBUTION (PLEASE CONTACT THE ADMINSTRATIVE OFFICE FOR ELIGIBILITY)

INDICATE BELOW THE BENEFIT OPTIONS FOR WHICH YOU WOULD LIKE TO HAVE ESTIMATES DONE:

- SINGLE LIFE ANNUITY BENEFIT
- HUSBAND AND WIFE POP-UP BENEFIT
- QUALIFIED OPTIONAL JOINT & SURVIVOR PENSION (for married Participants)
- CONTINGENT ANNUITY OPTION BENEFIT (Provide Birth Certificate & Marriage Certificate if applicable)

Name of Contingent Beneficiary: _____

Date of Birth: _____ Soc. Sec. No.: _____ Relationship: _____

Address: _____

- SOCIAL SECURITY OPTION BENEFIT (Provide Earnings Statement from Social Security Administration)
- CASH LUMP-SUM SETTLEMENT (PLEASE CONTACT THE ADMINSTRATIVE OFFICE FOR ELIGIBILITY)

Signature

Date

LIST OF ACCEPTABLE DOCUMENTS

**PROOF OF AGE MUST BE FURNISHED BEFORE RETIREMENT BY ALL APPLICANTS
THE SAME IDENTIFICATION RULES APPLY TO YOUR SPOUSE AND YOUR CONTINGENT BENEFICAIRY.
YOU WILL ALSO NEED TO PROVIDE A COPY OF YOUR MARRIAGE CERTIFICATE.**

ITEMS ARE LISTED BY ORDER OF PREFERENCE. IF YOU ARE UNABLE TO SUPPLY A **DOCUMENT** SHOWN UNDER GROUP I, **SUBMIT AT LEAST TWO OF THE OTHER DOCUMENTS SHOWN UNDER GROUP II.** (THE FUND MAY REQUEST ADDITIONAL PROOF IF A CONFLICT EXISTS WITH OTHER INFORMATION OBTAINED).

I SUBMIT THE FOLLOWING PROOF OF AGE:

GROUP I (ONE PROOF REQUIRED)

- BIRTH CERTIFICATE
- BAPTISMAL CERTIFICATE, SIGNED BY CHURCH OFFICIAL
- CERTIFIED BIRTH REGISTRATION
- CERTIFICATION OF RECORD OF AGE BY THE U.S. CENSUS BUREAU
- HOSPITAL BIRTH RECORD, SIGNED BY THE HOSPITAL ADMINISTRATION
- FOREIGN CHURCH OR GOVERNMENT RECORD
- SIGNED STATEMENT OF PHYSICIAN OR MIDWIFE IN ATTENDANCE
- NATURALIZATION RECORD
- IMMIGRATION RECORD

GROUP II (TWO PROOFS REQUIRED)

- MILITARY RECORD
- PASSPORT
- CERTIFIED SCHOOL RECORD
- CERTIFIED VACCINATION RECORD
- INSURANCE POLICY SHOWING DATE OF BIRTH OR AGE
- CERTIFIED MARRIAGE RECORD, SHOWING DATE OF BIRTH OR AGE
- OTHER RECORDS SUCH AS SIGNED STATEMENTS FROM PERSONS WHO HAVE KNOWLEDGE OF THE DATE OF BIRTH.

ALL APPLICANTS MUST COMPLETE THIS EMPLOYMENT SECTION FULLY

Employers	Hotel Property Address	Local Union #	Dates of Employment From (Mo/Yr) To		Position Held (Housekeeper, Maintenance, Wait help)

NOTE: IF YOU HAVE ANY BREAKS IN SERVICE DUE TO MILITARY SERVICE, BE SURE TO FURNISH DISCHARGE PAPERS SHOWING **BOTH INDUCTION AND DISCHARGE DATES.**

ARE YOU CURRENTLY EMPLOYED? (CHECK ONE) YES NO

IF YES, NAME OF EMPLOYER: _____

EMPLOYER VERIFICATION

Instruction to Plan Participant Submitting Employment Verification:

In order to obtain approval of the Trustees (as required by the Plan) for you to receive benefits you must have your Human Resources Department complete this form before you submit with your completed pension application.

=====

Instructions to **Employer:**

Please indicate the hire date, last day worked and termination date (if applicable). Job Classification (bargaining and/or non-bargaining) should also be noted, as well as any excused leave of absences **without pay** or any unauthorized leave of absences. If the participant has been terminated, please note any vacation or sick leave hours that will be reported upon termination of employment. If space is insufficient, please use the reverse side of this sheet.

EMPLOYEE'S NAME: _____ SSN: _____

HOTEL EMPLOYER NAME: _____

JOB CLASSIFICATION	DATE HIRED	LAST DAY WORKED

TERMINATION DATE: _____

PLEASE INDICATE THE APPLICABLE PERIOD(S) AND NUMBER OF NON-WORK HOURS PAID, IF ANY, **AFTER** LAST DAY WORKED:

SICK LEAVE: PERIOD: _____ HOURS: _____ DATE PAID: _____
HOLIDAY: PERIOD: _____ HOURS: _____ DATE PAID: _____
VACATION TAKEN: PERIOD: _____ HOURS: _____ DATE PAID: _____
TERMINAL VACATION: PERIOD: _____ HOURS: _____ DATE PAID: _____

Please indicate reason(s) for absences (i.e. Industrial, Military Leave, Sick Leave, T.D.I., Workers Compensation, etc.)

EXCUSED LEAVE OF ABSENCES WITHOUT PAY

Periods	Reason	Actual Dates From/Through

EMPLOYER CERTIFICATION

I certify that the above-named information is true and correct to be the best of my knowledge and on record.

Authorized Person Name: _____ Date: _____

Signature of Authorized Person: _____

Title: _____ Telephone #: _____

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HEALTH & WELFARE • PENSION • TRAINING

LETTER OF UNDERSTANDING

Date: _____

Board of Trustees:

I request that my pension benefit through the Hotel Union and Hotel Industry of Hawaii Pension Plan be paid in one Lump Sum Settlement.

I understand that once I am entitled to receive this Lump Sum Settlement, effective _____, I will have no other benefits due me through the Pension Fund.

I understand that to be eligible to retire with a Lump Sum Settlement that I must leave the United States for permanent residence in a foreign country other than Canada.

Further, I understand that my medical coverage through the AFL Health & Welfare Plan will be cancelled effective _____.

I also understand that any communication from the Trust Fund Office would be sent to my attention to my foreign resident address. My foreign resident address is:

I certify that I intend to reside **PERMANENTLY** in _____.

By signing below, I acknowledge that the Trust Fund Office has explained to me all of the above.

Retiree's Name (Print or Type)

Social Security Number

Retiree's Signature

Witnessed by

Date

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SUBMISSION OF EVIDENCE OF GOOD HEALTH TO TRUSTEES

Instruction to Plan Participant Submitting Evidence:

In order to obtain approval of the Trustees (as required by the Plan) for you to receive benefits in the form you have chosen, you should take this form, including the signed HIPAA authorization, to your investigating physician for completion and submission by that physician to the Trustees, and provide your investigating physician, at your expense, with such timely information as may be needed for this purpose (your physician may examine you and/or obtain the results of recent examinations and tests you may have undergone).

****THIS FORM IS TO BE TRANSMITTED VIA MAIL BY THE DOCTOR AND SENT DIRECTLY TO THE TRUST FUND OFFICE. DO NOT TRANSMIT THROUGH THE PARTICIPANT OR ANY OTHER PARTY.**

Instructions to Investigating Physician:

The purpose of your investigation of this plan participant (see signature attached) is to enable you to provide the Trustees of the Hotel Union & Hotel Industry of Hawaii Pension Plan with your opinion that said participant is or is not likely to live as long as the average person of the same age and sex. Your report to the Trustees may be made by signing the statement to the Trustees of the Hotel Union & Hotel Industry of Hawaii Pension Plan as provided below, crossing out words in two places in the last sentence as appropriate, or you may write and sign a statement for this purpose which you deem to be suitable. Please submit your report (and this form, if separate) to the Trustees at the address shown below.

Statement to the Trustees of the Hotel Union & Hotel Industry of Hawaii Pension Plan

Date: _____

RE: Medical Evaluation of _____
to determine likelihood of normal longevity

I have investigated the health of the above-named person through examination by me and/or review of timely medical reports prepared by other persons that I judge to be qualified. As a result of my investigation, I am able to form an opinion about the health of the above-named person based on medical facts which would be known to a prudent investigating physician acting in a like capacity and in like circumstances. In my opinion the above-named person is / is not of at least normal health (for persons of the same age and sex) and may be / may not be expected to have at least an average life expectancy.

Signature of Investigating Physician

Please submit this form to the Trustees at the address shown below:

Board of Trustees
Hotel Union & Hotel Industry of Hawaii Pension Plan
560 N. Nimitz Hwy., Suite 209
Honolulu, HI 96817

If you have any questions, please call us at Phone: (808) 523-0199

HIPAA Authorization to Release Protected Health Information

I, _____, (*Participant or Beneficiary's Name*), hereby authorize _____ (name of medical provider) to use and disclose in any form or format a copy of records concerning me to the Hotel Union and Hotel Industry of Hawaii Pension Plan for purpose of determining my eligibility for a lump sum pension benefit. I specifically authorize you to use and disclose the following types of protected health information: a statement regarding my longevity (*i.e.* whether or not I am in normal health and expected to have at least average life expectancy).

I understand that:

- my records may be subject to re-disclosure by Recipient and unprotected by federal or state law;
- this Authorization remains effective until the following date: _____ (*insert expiration date or event*) or until the trust actually receives a signed revocation from me or until the records retention period required under federal and state law has expired, whichever first occurs;
- I have been given an opportunity to ask questions about this release;
- I have received a copy of the signed Authorization;
- the Trust has not conditioned provision of services to or treatment of me upon receipt of this signed Authorization; and
- I may refuse to sign this Authorization. My refusal to sign will not affect my eligibility for benefits or enrollment, payment for or coverage of services, or ability to obtain treatment, except as provided on this form. If the purpose of this Authorization is for the use and/or disclosure of health information for a research study, and I refuse to sign this Authorization, the Trust reserves the right to deny treatment associated with such research. If the purpose of this Authorization is for the health plan's eligibility or enrollment determinations relating to its underwriting or risk determinations, and I refuse to sign this Authorization, the Trust reserves the right to deny enrollment and eligibility for benefits so long as this Authorization is not for the use or disclosure of psychotherapy notes. If the purpose of this Authorization is to disclose health information to another party based on health care that is provided solely to obtain such information, and I refuse to sign this Authorization, the Trust reserves the right to deny that health care.
- I may inspect or copy the information that is used or disclosed.
- I may revoke this Authorization at any time by notifying the Trust in writing, except:
 - to the extent that action has been taken in reliance on this Authorization;
 - if this Authorization is obtained as a condition of obtaining insurance coverage, other law provides the insurer with the right to contest a claim under the policy or the policy itself.

Participant or Beneficiary Signature: _____

Date _____

AFFIDAVIT OF RENOUNCING RESIDENCY

That I _____ of legal age, married, legal residence of the United States and postal address of _____, U.S.A., after being duly sworn to in accordance with law do hereby depose and say:

That under penalty of perjury I am renouncing my residency within the United States and has chosen permanent residency within the _____.

IN WITNESS WHERE OF I have hereunto set my hand this _____ day of _____, in the City & County of _____, State of _____, U.S.A.

Member's Signature

Social Security Number

On this _____ day of _____, before me personally appeared _____, known to be the person described in and who executed the foregoing, instrument, as principal and acknowledged that he/she executed that same as his/her free act and deed.

Notary Public

My Commission Expires

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PROOF OF RESIDENCY CHANGE

Set forth below is a list of criteria for determining whether a pension applicant has changed residency from Hawaii, U.S.A., to another country (such as the Republic of the Philippines).

Any applicant seeking a lump sum form of benefit must furnish proof of a change of residency. **This proof must include the following:**

A photocopy of a visa or other applicable document issued by the Government of the applicable Country that allows the applicant to remain within the applicable Country as a permanent resident, and not as a visitor or tourist.

In addition, the applicant must submit additional proof of a change of residency. This additional proof must consist of at least **two (2) of the items listed below:**

1. A photocopy of a drivers license or official identification card issued by the applicable Country showing a residence address for the applicant within the applicable Country;
2. A photocopy of a United States Internal Revenue Service personal income tax return for a period following applicant's change in residency, indicating the applicant's residence address as being within the applicable Country;
3. A photocopy of an applicable Country annual tax return for a period following the change in residency, indicating the applicant's residence address as being within the applicable Country;
4. A deed or certificate of title indicating the applicant's ownership of a real property residence or automobile within the applicable Country with an acquisition date following the applicant's change in residence;
5. A lease agreement for residence or agreement for living in a retirement or other community within the applicable Country;
6. A copy of a bank statement mailed to the applicant at his/her applicable Country residence, indicating the existence of a bank account with the branch of the applicable Country. The bank statement must bear the applicant's residence address;
7. A copy of a telephone bill mailed to the applicant at his/her applicable Country residence indicating the applicant's establishment of a telephone at such residence. The telephone bill must bear the applicant's residence address;

8. A copy of a governmental property or income tax bill mailed to the applicant at his/her applicable Country residence. The tax bill must bear the applicant's residence address;
9. A copy of a governmental voter registration card mailed to the applicant at his/her applicable Country residence. The voter registration card or certificate must bear the applicant's residence address;
10. With respect to registered aliens of the United States, a copy of a letter addressed to the U.S. Immigration and Naturalization Service and signed by the applicant stating that the applicant has terminated his/her status as a registered alien of the United States.

In addition, in all circumstances, the applicant must submit a photocopy of an airline or cruise ticket indicating passage of the applicant to the applicable Country before receiving his/her Cash Lump-Sum Settlement check.

TAX WITHHOLDING/TRANSFER ELECTION FORM

The benefits that you will or are receiving from the Hotel Union & Hotel Industry of Hawaii Pension Plan may be eligible for transfer into a traditional Individual Retirement Account ("IRA") or an eligible employer plan. Please read the SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS which has been enclosed with this form to determine if your benefits would be eligible for this treatment.

If, after you read the notice, you find that the benefit form you have selected could be transferred to a traditional IRA or an eligible employer plan, please complete below and return this form to the Trust Fund Office for processing.

1. Please check one of the following options:

- (A) I want all of my plan distribution transferred to the eligible employer plan or traditional IRA listed in 2 below.
- (B) I want a portion of my plan distribution transferred to the eligible employer plan or traditional IRA listed in 2 below, and the remainder paid to me in the form of a check. The amount that I want transferred to the eligible employer plan or traditional IRA is \$ _____ (or _____%) (must be at least \$500) and I understand the remaining amount will be subject to a minimum 20% federal income tax withholding. Complete 2. and 3. below.
- (C) I want all of my plan distribution paid to me in the form of a check. I understand that all of my distribution will be subject to a minimum 20% federal income tax withholding if the amount I receive in a calendar year is greater than \$200.00. Complete 3. below.

NOTE: In the case of Age 72 distributions, the option above applies only to the portion of your distribution which is not subject to the required minimum distribution rules under IRC 401(a)(9).

2. If you checked 1.(A) or 1.(B) above, please provide the following additional information.

(A) The transfer is being made to a _____ Traditional IRA or _____ Eligible Employer Plan.

(B) Institution or Plan accepting transfer:

Institution or Plan Name: _____

Address: _____

Check Made Payable To: _____

Account Number: _____

Contact Person: _____ Phone Number: (____) _____

3. If you have checked 1.(B) or 1.(C) above, federal income taxes will be withheld from any direct payment to you based on your withholding election below. [NOTE: if this section is not completed, a mandatory 20% will be automatically withheld from your direct payment and sent to the IRS as federal income tax withholding.]

20% tax withholding, or

Other tax withholding (must be at least 20%), equal to a flat amount of \$ _____ or _____%

4. Under penalty of perjury, I hereby certify that my name, resident address, social security number and date of birth as shown below are correct. I have received the tax notice regarding plan distributions and chosen the election shown above. I also understand that the election made above shall continue to apply to all future distributions (if any) of this type from this retirement plan until such time that I make a new election.

Furthermore, I do do not wish to waive the 30-day notice period that I must wait before my election above is processed. (Failure to answer will be treated as an election to retain your 30-day election period rights.)

Name (Type or Print): _____

Social Security No.: _____ Date of Birth: _____

Street Address: _____

City/State/Zip Code: _____

Your Signature: _____ Date _____

Special Tax Notice Regarding Plan Payments

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the HOTEL UNION AND HOTEL INDUSTRY OF HAWAII PENSION PLAN (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules).

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception to the 10% additional income tax applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover (must be at least \$500). Any payment from the Plan is eligible for rollover, **except**:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary); and
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments made due to disability;
- Payments after your death;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation does not apply;
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not address any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½ (if the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a spouse

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a QDRO

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.