

## Qualified Joint and Survivor Annuity Notice

**Note: This notice applies only to the Fidelity Money Purchase Pension Plan and also to any Fidelity Profit Sharing Plan from which a distribution will be paid in the form of a life annuity or which holds assets previously held in a pension plan.\***

The purpose of this notice is to provide you and your spouse, if you are married, information regarding the election of an annuity form of payment and optional forms of benefit under the Plan as well as information regarding the relative value for the available forms of benefit under the Plan. As the term is used below, the “Annuity Starting Date” is the first day of the first period for which an amount is payable as an annuity or in any other form of payment. Qualified Joint and Survivor Annuity (“QJSA”) includes a level monthly payment for your lifetime and a survivor benefit for your spouse after your death equal to the percentage designated of that monthly payment. A single life annuity would be paid to you as a level monthly payment for your lifetime with no payments to be made to your spouse or any other beneficiary after your death.

Your Employer’s plan requires that, unless you elect an optional form of payment, you must receive all or a portion of your plan benefit in the form of an annuity. You will receive a single life annuity if you are not married as of the Annuity Starting Date, or a QJSA if you are married as of the Annuity Starting Date.

### **Available Payment Forms**

Different payment forms available under the Plan may give you a larger retirement benefit, but might not pay your spouse any benefits after your death.

- Lump Sum (in cash or in kind) – A partial or complete distribution of your account.
- A series of substantially equal annual (or more frequent) payments (in cash or in kind). This is a periodic payment plan that will distribute your balance in installment payments over a specified period of time.
- Single Life Annuity – an immediate annuity for your life. The annuity payments will end upon your death.
- QJSA – an immediate annuity for your life, with a survivor annuity for the life of your spouse, which is not less than 50% and not more than 100% of the amount of the annuity, which is payable during the joint lives of you and your spouse. The Plan designates the 50% joint and survivor annuity as the QJSA.

- Qualified Optional Survivor Annuity (“QOSA”) – an immediate annuity for your life, with a survivor annuity for the life of your spouse which is equal to 75% of the amount of the annuity, which is payable during the joint lives of you and your spouse.
- Other Optional Joint and Survivor Annuities – an immediate annuity for your life, with a survivor annuity for the life of your spouse, which is equal to a percentage (other than 50% or 75%) of the amount of the annuity, which is payable during the joint lives of you and your spouse.

**A more accurate estimate of your actual benefit payments will be determined by the annuity provider that will pay out your annuity payment. Your Plan Administrator can provide you with the annuity provider’s contact information.**

### **Election of Payment Form:**

If you will be receiving an annuity form of distribution, then you will need to complete appropriate forms and return them to the Plan Administrator. If a QJSA is the primary form of distribution for you then you will be required to make an election pursuant to the Waiver Procedure described below before being allowed to receive a distribution other than a QJSA.

### **Right to Defer**

You generally are not required to commence your benefit until 60 days after the end of the year in which the latest occurs:

- normal retirement age,
- 10-year anniversary, or
- termination of employment.

If you defer your benefit, your account balance will continue to be subject to the investment gains and losses of the individual investment options that you elected to hold in your account. The amount of your account on the date you commence your benefit may be more or less in value than reflected in this notice.

Upon commencing your benefit, any amount withdrawn from the account will be subject to federal and state taxes, as applicable. If you are under 59½ years of age, your distribution may also be subject to a 10% early distribution penalty. Your benefit will also lose its tax-deferred status unless you transfer your benefit to another eligible, tax-deferred retirement account or individual retirement account.

The investment options and fees and expenses in another tax-deferred retirement account may be different than the applicable fees and expenses of your current plan.

\*Rolling over assets from a pension plan to a profit sharing plan would not generally trigger this notice requirement.

## **WAIVER PROCEDURE**

If a QJSA is your primary form of distribution under the Plan and you've elected another form of distribution, or if a QJSA is an optional form of distribution for you under the Plan and you've elected another form of annuity, then you must also complete a waiver of the Single Life or Joint and Survivor Annuity form of benefit. If you are married, your spouse must consent in writing to the waiver unless you are electing the QOSA or another actuarially equivalent alternative joint and survivor annuity that would otherwise satisfy the conditions to be a QJSA. A Notary Public must witness your spouse's signature on the waiver form. Your waiver election is not valid unless you make it within the 180-day period ending on your distribution date. You have the right to revoke your election until the later of the Annuity Starting Date or seven days after you receive this notice. This notice must be provided to you at least 30 days prior to the end of the election period. You may make a new waiver election following a revocation, as often as you wish before your Annuity Starting Date. If you are married you may revoke a waiver election without your spouse's consent, but your spouse will have to consent in writing to a new waiver election.

### **Information to Be Completed by Plan Administrator/ Plan Sponsor**

**Plan Name:**

**Plan Number:**

**Participant's Name:**

**Your Vested Account Balance:**

**Valued as of the close of business:**

**Date Generated:**

*The value of your account balance will continue to increase or decrease until fully distributed from the Plan or forfeited, as appropriate, based on the investment performance.*

### **Generic Example of the Relative Value of Annuity Compared to Other Plan Benefits:**

The information below is intended to provide you with a generic representation of an annuity. If you elect to purchase an annuity, the annuity provider for the Plan will calculate your actual payment based on your age, the rate of return, and the type of annuity you are purchasing. **The information below is only to be used as an example of how an annuity compares to the plan's other forms of distribution.**

The actual level monthly payments made under the annuity contract will depend on the annuity purchase rates used by the annuity provider, your age and your spouse's age (if you are married) at the time the distribution begins, and the amount of your vested Account balance at the time the Trustee purchases the contract.

Table 1 provides a hypothetical example of the amount of the financial effect of an annuity distribution at various ages. The table is separated into qualified joint and survivor and single life annuity information. The table reflects the amount of the monthly payment based on a \$1,000 vested account balance to purchase an annuity.

**TABLE 1. Sample Annuity Payment Table**

**Monthly Payment Table per \$1,000 of Vested Account Balance<sup>1</sup>**

Qualified Joint and Survivor Annuity			Single Life Annuity	
Participant's Age	Spouse's Age	Monthly Payment	Participant's Age	Monthly Payment
50	45	\$5.11	50	\$5.41
50	50	\$5.17	52	\$5.56
50	55	\$5.23	54	\$5.73
55	50	\$5.42	55	\$5.82
55	55	\$5.50	57	\$6.03
55	60	\$5.58	59	\$6.26
60	55	\$5.83	60	\$6.39
60	60	\$5.96	61	\$6.53
60	65	\$6.07	62	\$6.67
65	60	\$6.40	63	\$6.83
65	65	\$6.58	64	\$6.99
65	70	\$6.74	65	\$7.17
70	65	\$7.18	66	\$7.35
70	70	\$7.44	68	\$7.76
70	75	\$7.68	70	\$8.22

**SINGLE LIFE ANNUITY OR QUALIFIED JOINT AND SURVIVOR ANNUITY NOTICE**

**Information to Be Completed by Plan Administrator/Plan Sponsor**

Plan Name:

Plan Number:

Participant's Name:

Your Vested Account Balance: [participant vested balance]

Valued as of the close of business:

Date Generated:

The value of your account balance will continue to increase or decrease until fully distributed from the Plan or forfeited, as appropriate, based on the investment performance.

Table 2 provides examples of the financial difference between an annuity and the Plan's other forms of distribution based on a hypothetical \$1,000 vested account balance used to purchase an annuity. The information below is only to be used as an example of how an annuity compares to the plan's other forms of distribution.

**TABLE 2. Comparison of Financial Effect of the Forms of Distribution**

**Participant Age 55 (if applicable Spouse Age 55) Commencement<sup>1</sup>**

Form of Distribution	Benefit and Frequency of Payment	Survivor Benefit
Lump Sum <sup>2</sup>	\$1,000	None
Cash Installment Payments	Variable <sup>3</sup>	N/A
Single Life Annuity	\$5.82 per month	Reduced to zero
QJSA (Joint and 50% survivor annuity)	\$5.50 per month	Reduced to \$2.75 per month
QOSA (Joint and 75% survivor annuity)	\$5.36 per month	Reduced to \$4.02 per month
Joint and Survivor Annuity (not QOSA) (Joint and 100% survivor annuity)	\$5.22 per month	Remains \$5.22 per month

**Participant Age 60 (if applicable Spouse Age 60) Commencement<sup>1</sup>**

<b>Form of Distribution</b>	<b>Benefit and Frequency of Payment</b>	<b>Survivor Benefit</b>
Lump Sum <sup>2</sup>	\$1,000	N/A
Cash Installment Payments	Variable <sup>3</sup>	N/A
Single Life Annuity	\$6.39 per month	Reduced to zero
QJSA (Joint and 50% survivor annuity)	\$5.96 per month	Reduced to \$2.98 per month
QOSA (Joint and 75% survivor annuity)	\$5.76 per month	Reduced to \$4.32 per month
Joint and Survivor Annuity (Joint and 100% survivor annuity)	\$5.58 per month	Remains \$5.58 per month

**Participant Age 65 (if applicable Spouse Age 65) Commencement<sup>1</sup>**

<b>Form of Distribution</b>	<b>Benefit and Frequency of Payment</b>	<b>Survivor Benefit</b>
Lump Sum <sup>2</sup>	\$1,000	N/A
Cash Installment Payments	Variable <sup>3</sup>	N/A
Single Life Annuity	\$7.17 per month	Reduced to zero
QJSA (Joint and 50% survivor annuity)	\$6.58 per month	Reduced to \$3.29 per month
Joint and Survivor Annuity (Joint and 66 <sup>2</sup> / <sub>3</sub> % survivor annuity)	\$6.41 per month	Reduced to \$4.27 per month
QOSA (Joint and 75% survivor annuity)	\$6.32 per month	Reduced to \$4.74 per month
Joint and Survivor Annuity (Joint and 100% survivor annuity)	\$6.08 per month	Remains \$6.08 per month

<sup>1</sup>The monthly payments in the above table are based on the 94 Group Annuity Reserving Mortality Table projected, using scale AA, to 2002 assuming an interest rate of 5.17%, the 30-Year Treasury Weighted Average as of May 2004. Commencement means your age when you request and receive your initial benefit payment.

<sup>2</sup>Lump Sum includes all available distributions from your vested Account balance at one time, including lump sum, direct rollover, and a combination of a distribution and a direct rollover. This type of distribution immediately reduces your vested Account balance to zero. There is no benefit remaining after the distribution commences which could be paid to your surviving spouse (if you are married), upon your death so the change in the value column does not apply.

<sup>3</sup>Cash installment payments for the Plan are determined on a declining balance method or other method available under the Plan document and will be identified in the Plan document and based on your election of the number of years that your vested Account balance will be paid to you. For example, if you are 60 years old and elect annual installments over a 10-year period your first year's distribution would be 1/10<sup>th</sup> of your vested Account balance, your second year's distribution would be 1/9<sup>th</sup> of your remaining vested Account balance, etc. This amount cannot be determined in this notice.