

# ***SEAFARERS MONEY PURCHASE PENSION PLAN***

5201 Auth Way  
Camp Springs, Maryland 20746-4275  
(301) 899-0675

Margaret R. Bowen  
Administrator

Dear Beneficiary:

Enclosed are the Seafarers Money Purchase Plan's Tax Notice(s) and an Application for Death Benefit. Please review the documents carefully with your tax advisor. The Plan has summarized some of the information below.

Death benefit payments are subject to Federal Tax. Plan is required is to withhold 20%, of death benefit payments over \$200.00, as Federal Income Tax. If you receive the benefit and you are younger than age 59 ½, you may be subject to an additional 10% Federal Income Tax on an early distribution. Depending on your beneficiary type, a rollover of the benefit payments to an eligible account is the only exception to being subject to Federal Tax:

### **Taxation of a Death Benefit Payable to a Spouse or Former Spouse**

Death benefit payments to spouses or former spouses can be rolled over to an Individual Retirement Account (IRA) or another employer tax qualified plan that accepts rollovers. Unlike rollover options available to non-spousal beneficiaries, spouses or former spouses do not have to make a direct trustee to trustee transfer. If you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

### **Taxation of a Death Benefit Payable to Other Beneficiaries**

Death benefit payments to Beneficiaries other than a Participant's surviving spouse or former spouse can be rolled over provided the beneficiary elects a direct trustee to trustee transfer. Rollovers by non-spouse beneficiaries can only be made to an Inherited IRA. Inherited IRAs can be either a Traditional IRA (Pre-Tax) or a Roth IRA (Post-Tax). Inherited IRAs must be established in a manner that identifies it as an IRA with respect to the deceased Participant and the identity of the Beneficiary. Payments from an Inherited IRA are subject to the Required Minimum Distribution (RMD) rules applicable to post death distributions with respect to the Participant.

Please read the enclosed information carefully before completing the application. The Plan will process the death benefit once your application been received and approved. If you have any questions regarding your death benefit payment, please contact the Plan office at (301) 899-0675

Sincerely,

Margaret R. Bowen  
Administrator