

File No. 230993

Committee Item No. 3

Board Item No. 28

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date October 4, 2023

Board of Supervisors Meeting Date October 17, 2023

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Information Form                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Acceptance of Funds 2/10/2022</u>                          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>ADM and Fed Reserve Benefits Center Communication 2/2/2021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Distribution of Payment 12/1/2021</u>                          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Check Stub 12/1/2022</u>                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Financial Interest 3/23/2022</u>                               |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Health Commission Resolution No. 22-09 3/1/2022</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Retroactive Statement 9/20/2023</u>                        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <u> </u>  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <u> </u>  |

Completed by: Brent Jalipa Date September 28, 2023

Completed by: Brent Jalipa Date October 5, 2023

1 [Accept and Expend Gift - Retroactive - Bequest from the Estate of Janet D. Kramer - Support  
2 of Laguna Honda Hospital - \$79,231.32]

3 **Resolution retroactively authorizing the Department of Public Health to accept and**  
4 **expend a cash gift in the amount of up to \$79,231.32 from the Estate of Janet D. Kramer**  
5 **through the Federal Reserve in support of the Laguna Honda Hospital for the period of**  
6 **July 1, 2022, through June 30, 2032.**

7

8 WHEREAS, Janet D. Kramer was a former employee of the Federal Reserve and  
9 passed away on May 30, 2020; and

10 WHEREAS, The San Francisco Public Administrator’s Office notified Laguna Honda  
11 Hospital and Rehabilitation Center (LHH) of Ms. Kramer’s passing and that she had named  
12 LHH as beneficiary to her Thrift Plan retirement account (Thrift Plan) with the Federal  
13 Reserve; and

14 WHEREAS, The bequest is held in a Thrift Plan that was transferred to LHH on  
15 February 11, 2021; and

16 WHEREAS, The value of the Thrift Plan as of February 7, 2022, was \$81,065.86 and  
17 continued to fluctuate based on performance of the investments of the Thrift Plan; and

18 WHEREAS, The Estate of Janet D. Kramer (The Estate) has agreed to donate to the  
19 Department of Public Health (DPH) the Thrift Plan totaling \$82,157.26 in support of LHH on  
20 February 11, 2021; and

21 WHEREAS, As a beneficiary of a participant in the Thrift Plan, federal law requires  
22 LHH to receive minimum distributions from the Thrift Plan; and

23 WHEREAS, Gross distributions of \$20,874.15 and \$58,357.17 for a total gross  
24 distribution amount of \$79,231.32 were sent to the Department of Public Health on November  
25 1, 2021, and December 1, 2022, respectively, where total taxes in the amount of \$23,706.19

1 were withheld from the distributions for a total net payment amount of \$55,525.13, and the  
2 account was effectively liquidated with the December 1, 2022 distribution; and

3 WHEREAS, LHH is part of the San Francisco Health Network operated by the  
4 Department of Public Health and is a safety net and community hospital, with a mission to  
5 provide a welcoming, therapeutic, and a healing environment that promotes the individual's  
6 health and well-being; and

7 WHEREAS, The uses of the gift may include but are not limited to, expenditures for  
8 musical entertainment, cultural celebrations, holiday meals, newspaper subscriptions, and  
9 community outings for all Laguna Honda residents; and

10 WHEREAS, On March 1, 2022, the San Francisco Health Commission passed a  
11 Resolution (Health Commission Resolution No. 22-09) recommending that the Board of  
12 Supervisors authorize the Department of Public Health to accept the total value of the Thrift  
13 Plan of Janet D. Kramer upon liquidation and deposit those funds into the Laguna Honda Gift  
14 Fund, and to expend the funds to support resident programs at LHH; and

15 WHEREAS, The accept and expend was not done timely; and

16 WHEREAS, Annual reporting to the Board of Supervisors was not made per San  
17 Francisco Administrative Code, Section 10.100-305; now, therefore, be it

18 RESOLVED, That the Board of Supervisors approves the bequest of cash, and  
19 authorizes DPH to accept and expend the gift of cash proceeds from the Thrift Plan valued in  
20 the amount of \$79,231.32 donated by The Estate; and, be it

21 FURTHER RESOLVED, That the proceeds of the gift by The Estate will be accepted  
22 and expended consistent with the San Francisco Administrative Code sections governing the  
23 acceptance of gifts to the City and County of San Francisco, including the San Francisco  
24 Administrative Code, Section 10.100-305; and, be it

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1            FURTHER RESOLVED, That the Board of Supervisors extends its gratitude to the  
2 Estate for the generous gift to the City and County of San Francisco in support of LHH.

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1 Recommended:

Approved: /s/\_\_\_\_\_

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Mayor

3 /s/\_\_\_\_\_

4 Dr. Grant Colfax

Approved: /s/\_\_\_\_\_

5 Director of Health

Controller

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**File Number:** 230993  
(Provided by Clerk of Board of Supervisors)

**Gift Resolution Information Form**  
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend gift funds.

The following describes the gift referred to in the accompanying resolution:

- 1. Gift Title: **Bequest from the Estate of Janet D. Kramer**
- 2. Department: **Department of Public Health  
Laguna Honda Hospital**
- 3. Contact Person: **Lily Conover** Telephone: **415-602-6258**
- 4. Gift Approval Status (check one):  
  - Approved by funding agency
  - Not yet approved
- 5. Amount of Gift Funding Approved or Applied for: **Approximately \$79,231.32 with \$20,874.15, and \$58,357.17 of this amount sent to Laguna Honda Hospital as mandatory distributions on November 30, 2021, and December 1, 2022, respectively. The distributions effectively liquidated the retirement account.**
- 6a. Matching Funds Required: **\$0**  
  - b. Source(s) of matching funds (if applicable):
- 7a. Gift Source Agency: **Estate of Janet D. Kramer**  
  - b. Gift Pass-Through Agency (if applicable): **The Federal Reserve**
- 8. Proposed Gift Project Summary: **As a donation to the Laguna Honda Gift Fund, this gift will be used to purchase services and amenities in all hospital programs designed to enhance resident well-being and quality of life. The uses of the gift may include but are not limited to expenditures for musical entertainment, cultural celebrations, holiday meals, newspaper subscriptions, and community outings.**
- 9. Gift Project Schedule, as allowed in approval documents, or as proposed:  
  - Start-Date: **7/1/22** End-Date: **6/30/32**
- 10a. Amount budgeted for contractual services: **N/A**  
  - b. Will contractual services be put out to bid? **N/A**
  - c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **N/A**
  - d. Is this likely to be a one-time or ongoing request for contracting out? **N/A**
- 11a. Does the budget include indirect costs?  Yes  No  
  - b1. If yes, how much? **N/A**
  - b2. How was the amount calculated? **N/A**

c1. If no, why are indirect costs not included?

Not allowed by gifting agency

To maximize use of gift funds on direct services

Other (please explain):

c2. If no indirect costs are included, what would have been the indirect costs? **N.A.**

12. Any other significant gift requirements or comments:

**We respectfully request for approval to accept and expend these funds retroactive to July 1, 2022. Laguna Honda Hospital was listed as a beneficiary on the Thrift retirement account belonging to Janet D. Kramer, who passed away on May 30, 2020. The Thrift retirement account consisted of investments and thus the value of the investments in the account fluctuated with time, with a valuation of \$81,065.86 on February 7, 2022. Total gross distributions of \$20,874.15 and \$58,357.17 for a total amount of \$79,231.32 were sent to the Department of Public Health on November 1, 2021, and December 1, 2022, where taxes in the amount of \$6,212.84 and \$17,493.35 respectively were withheld from the distributions for net payment amounts of \$14,661.31 and \$40,863.82 for a total of \$55,525.13. The account was effectively liquidated with the December 1, 2022 distribution, according to the Federal Reserve. The bequest has been presented to the San Francisco Health Commission by resolution No. 22-09 on March 1, 2022.**

Fund: **22150**  
Department: **207690**  
Project Desc: **HL Miscellaneous Gift Fund**  
Project Code: **10000321**  
Authority: **10001**  
Activity: **0001**

**\*\*Disability Access Checklist\*\*\*(Department must forward a copy of all completed Gift Information Forms to the Mayor's Office of Disability)**

13. This Gift is intended for activities at (check all that apply):

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Existing Site(s) | <input checked="" type="checkbox"/> Existing Structure(s) | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s)       | <input type="checkbox"/> Rehabilitated Structure(s)       | <input type="checkbox"/> New Program(s) or Service(s)                 |
| <input type="checkbox"/> New Site(s)                 | <input type="checkbox"/> New Structure(s)                 |   |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

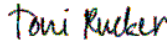
Toni Rucker, PhD

(Name)

DPH ADA Coordinator

(Title)

Date Reviewed: 8/16/2023 | 12:15 PM PDT

DocuSigned by:  
  
704292F7331F44D...  
 (Signature Required)

**Department Head or Designee Approval of Gift Information Form:**

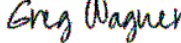
Dr. Grant Colfax

(Name)

Director of Health

(Title)

Date Reviewed: 8/17/2023 | 4:55 PM PDT

DocuSigned by:  
  
7052752458285F...  
 (Signature Required)  
 Greg wagner, COO for





## San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

To: Honorable Dan Bernal, President, San Francisco Health Commission and the Members of the Health Commission

Through: Grant Colfax, MD, Public Health Director

From: Michael Phillips, Chief Executive Officer  
Lily Conover, Chief Financial Officer  
Laguna Honda Hospital and Rehabilitation Center

Date: February 10, 2022

Subject: Acceptance of Funds from the Estate of Janet Kramer

The Office of the Public Administrator for the City and County of San Francisco notified Laguna Honda and Rehabilitation Center (Laguna Honda) of the passing of Janet D. Kramer and that Ms. Kramer had named Laguna Honda as the beneficiary to her retirement account with the Federal Reserve Benefits Center. Ms. Kramer's connection to the hospital is unknown. As of February 7<sup>th</sup>, the value of her retirement plan was eighty-one thousand sixty-five dollars and 86 cents (81,065.86). That amount will continue to fluctuate based on the performance of the investments of the retirement plan. Laguna Honda would deposit the funds upon liquidation into the Laguna Honda Gift Fund.

Laguna Honda requests that the San Francisco Health Commission recommend to the Board of Supervisors acceptance and expenditure the total of Ms. Kramer's retirement plan as a gift to the Laguna Honda Hospital Gift Fund. Expenditure of the proceeds would be consistent with the purpose of the Laguna Honda Gift Fund to provide support to, and enhance the well-being of, the residents of Laguna Honda. Expenditures of the proceeds will also be consistent as provided for through the San Francisco Administrative Code Sections governing the acceptance of gifts to the Department of Public Health, including San Francisco Administrative Code Section 10.100-201.

We are grateful to the memory of Janet D. Kramer, whose generous gift will enable Laguna Honda to further enhance the quality of life and care for our residents.



### San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor



Department of  
**PUBLIC HEALTH**

[Date]

[Donor Name]

[Address]

To Whom it may Concern,

Thank you for your generous contribution to the San Francisco Department of Public Health (DPH). In order to help DPH comply with the San Francisco Sunshine Ordinance,\* we ask that you please complete this form and return it as soon as possible to: Department of Public Health, 101 Grove St #110, San Francisco CA 94102.

Contributor & Contribution Information:

Name: Janet Kramer (deceased)

Phone: 415-751-2482

Money, Goods, or Services (description):

Death benefit payable to Lagunda Honda Hospital

Date: 03/23/2022

Address: 435 Euclid Apt 24

San Francisco CA 94118

Estimated Value: \$59,619.32 (RMD already paid in 2021 \$20,874.15)

The above address is a:  Business  Residence

Financial Interest:

The San Francisco Sunshine Ordinance requires that a department that receives a gift of money, goods, or services worth more than \$100 in the aggregate to report any financial interest that the contributor has involving the City and County of San Francisco (the City). Please check the appropriate box or boxes that describe your financial interest in the City.

- Contract with City (Please describe): \_\_\_\_\_
- Grant from the City (Please describe): \_\_\_\_\_
- Lease of Space to or from the City (Please describe): \_\_\_\_\_
- City License, Permit, or Entitlement for Use (Please describe): \_\_\_\_\_
- Other Financial Interest (Please describe): \_\_\_\_\_
- Pending Financial Interest (Please describe): \_\_\_\_\_
- No Financial Interest

\*San Francisco Administrative Code Chapter 67 section 67.29-6 (Sources of Outside Funding) provides:

No official or employee or agent of the City shall accept, allow to be collected, or direct or influence the spending of, any money, or any goods or services worth more than one hundred dollars in aggregate, for the purpose of carrying out or assisting any City function unless the amount and source of all such funds is disclosed as a public record and made available on the website for



## San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

the department to which the funds are directed. When such funds are provided or managed by an entity, and not an individual, that entity must agree in writing to abide by this ordinance. The disclosure shall include the names of all individuals or organizations contributing such money and a statement as to any financial interest the contributor has involving the City.

*Jean Marshall*  
Signature

03/23/2022  
Date



Statement Date: December 1, 2021

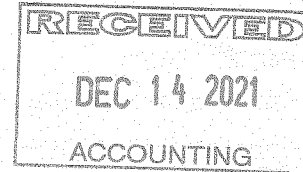


SmartBenefits  
www.federalreservebenefits.org



A003149

LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116



## Thrift Plan - Confirmation of Payment

Location: San Francisco  
Status at Payment: Enrolled Beneficiary  
Payment Type: December Required Minimum Distribution

This statement describes how your **November 30, 2021** distribution from the Thrift Plan was paid and provides you with the information you need to calculate the taxes you may owe. Because the legal and tax rules for a payment can be different for each person based on individual circumstances, please see your attorney or tax advisor.

If your Thrift Plan account contains both Roth 401(k) monies and monies other than Roth 401(k) amounts, you will need to process separate, Roth 401(k) only payments and will receive separate statements describing the distribution of your Roth 401(k) and other non-Roth 401(k) amounts.

### Payment Information

#### Cash Payment

Your total cash payment was calculated as follows:

<b>Gross Cash Payment</b>	<b>\$20,874.15</b>
Less Federal Withholding	0.00 -
Less California Withholding	0.00 -
<b>Net Cash Payment</b>	<b>\$20,874.15</b>

Your check will be mailed separately within 2 business days from the distribution date above. Please allow an additional one to three business days for postal delivery. If you chose direct deposit for your payment, the net cash payment amount should be deposited in your account two to three business days from the distribution date above.



**Tax Information****Gross Distribution**

Your gross distribution for tax return preparation is as follows:

Gross Cash Payment	\$20,874.15
<b>Gross Distribution</b>	<b>\$20,874.15</b>

**Federal Taxable Amount**

Your federal taxable income for your 2021 tax return is as follows:

Gross Distribution	\$20,874.15
Less Nontaxable Amount Received	\$164.70-
<b>Reported Federal Taxable Income</b>	<b>\$20,709.45</b>
Ordinary Income	\$20,709.45

**Remaining Rollover**

As a non-spousal beneficiary of the Plan, any portion of your payment paid directly to you is not eligible for indirect rollover.

**State Taxable Amount**

Your state taxable income for your 2021 tax return is as follows:

California Taxable Income	\$20,709.45
---------------------------	-------------

**Balance Information****Transaction Detail**

Fund	Value	Units	Unit Value
<b>Government Securities</b>	<b>\$20,874.15-</b>	<b>1,135.694429-</b>	<b>18.380076</b>
Deferred Compensation	12,362.95-	672.627806-	
Savings	2,966.80-	161.413949-	
Pre-July 2007 Employer Match	5,544.40-	301.652674-	
<b>Total Payment</b>	<b>\$20,874.15-</b>		

**Closing Balance as of November 30, 2021**

<b>Fund</b>	<b>Value</b>	<b>Units</b>	<b>Unit Value</b>
Government Securities	\$60,913.11	3,314.083971	18.380076
<b>Total Thrift Plan Balance</b>	<b>\$60,913.11</b>		

**Withholding Information**

The taxable portion of your payment that is not eligible for rollover is subject to federal income tax withholding unless you elect not to have withholding apply.

You may elect not to have federal withholding apply to the taxable portion of your payment that is not eligible for rollover, or change your withholding, by calling the Federal Reserve Benefits Center. Your election will remain in effect for any subsequent payments that are part of the same payment stream until you revoke it. You may make and revoke your election not to have withholding apply as often as you wish. Any election or revocation will be effective as soon as administratively possible after your election or revocation is received.

If the payment is a periodic payment, withholding will be taken according to the wage withholding tables as if you were married, claiming three allowances. If the payment is a nonperiodic payment, withholding will be taken at a flat 10% rate.

If you elect not to have withholding apply, or if you do not have enough federal income tax withheld, you may be responsible for the payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

**Tax Form Timing**

Please retain this statement for your tax records. In early 2022, you'll receive your applicable tax form(s) for this payment.

**For More Information**

**Online**  
SmartBenefits website  
at [www.federalreservebenefits.org](http://www.federalreservebenefits.org)



**Phone**  
Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



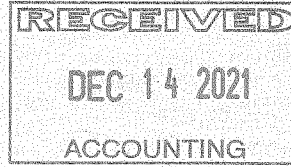


# STATE STREET.

FEDERAL RESERVE BENEFIT CENTER  
ATTN: FRS BENEFITS PROCESSING TEAM  
P. O. BOX 1405  
LINCOLNSHIRE, IL 60069-1405

TO CHANGE YOUR PERSONAL INFORMATION PLEASE  
CALL THE FEDERAL RESERVE BENEFITS CENTER AT  
1-877-377-2255 (8AM - 6PM ET M-F).  
WRITTEN CHANGES WILL NOT BE ACCEPTED.

LAGUNA HONDA HOSPITAL  
375 LAGUNA HONDA BLVD.  
REHABILITATION CENTER  
LAGUNA HONDA HOSPITAL AND  
SAN FRANCISCO CA 94116



ACCOUNT ID FRS -THRF- PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS

PAYEE INFORMATION			
PAYMENT DATE	CHECK NO.	PAYEE SOC SEC NO.	PAYEE
Nov 30, 2021	005048254	*****	LAGUNA HONDA HOSPITAL

PAYMENT INFORMATION		TAX REPORTING INFORMATION	
GROSS PAYMENT AMOUNT	20,874.15	TAX YEAR	2021
FEDERAL TAX WITHHELD	6,212.84	EMPLOYER ID NO.	04-3581074
STATE TAX WITHHELD -		DISTRIBUTION AMOUNT	20,874.15
NRA TAX WITHHELD -		FEDERAL TAXABLE AMOUNT	20,709.45
OTHER DEDUCTIONS		STATE TAXABLE AMOUNT	20,709.45
NET PAYMENT AMOUNT	14,661.31	TAXES WITHHELD	6,212.84
		AFTER TAX EE CONTRIBUTIONS	164.70
		CAPITAL GAINS	
		ORDINARY INCOME	20,709.45
		NET APPRECIATION	
		IRS DISTRIBUTION CODE	4
		TYPE OF DISTRIBUTION	

MESSAGE: (PARTICIPANT)

THIS STUB IS THE TAX REPORT PERTAINING TO THE ATTACHED DISTRIBUTION. RETAIN THIS PORTION FOR YOUR INCOME TAX RECORDS. THIS INFORMATION IS BEING REPORTED TO THE INTERNAL REVENUE SERVICE.

DATE Nov 30, 2021 PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS CHECK NO. 005048254

5-2  
110

PAY *Fourteen thousand six hundred sixty one and 31/100 Dollars*

TO THE ORDER OF LAGUNA HONDA HOSPITAL  
375 LAGUNA HONDA BLVD.  
REHABILITATION CENTER  
LAGUNA HONDA HOSPITAL AND  
SAN FRANCISCO CA 94116

AMOUNT  
\$14,661.31  
NOT VALID AFTER 180 DAYS  
FRS -THRF-



# STATE STREET.

Payable at: State Street Bank & Trust  
Boston, MA 02101

*Carol A. Johnson*

⑈005048254⑈ ⑆011000028⑆ 99060048⑈



Statement Date: March 11, 2022



SmartBenefits  
www.federalreservebenefits.org



A000066

LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116

*Janet Kramer*

## Thrift Plan - Account Statement

Here is a summary of your Thrift Plan account as of **March 10, 2022**.

### Personal Information

Birth Date	01-01-1800
Location	San Francisco
Vested Years of Service	0.00000

### Your Year-to-Date Employee Contributions

Post-86 Employee After-Tax Contributions	\$0.00
Deferred Before-Tax Contributions	\$0.00
Roth 401(k) After-Tax Contributions	\$0.00

### Your Year-to-Date Employer Contributions

Post-June 2007 Employer Contributions	\$0.00
---------------------------------------	--------

RCVD Human Resources LHH  
2022 APR 6 AM 10:01





**Activity From January 1, 2022 through March 10, 2022**

	<b>Government Securities</b>	<b>Total</b>
<b>Opening Balance</b>	<b>\$60,785.06</b>	<b>\$60,785.06</b>
Investment Results	-917.05	-917.05
<b>Closing Balance</b>	<b>\$59,868.01</b>	<b>\$59,868.01</b>
Closing Units	3,314.083971	
Unit Value	\$18.064723	

**Closing Balance Summary**

	<b>Government Securities</b>	<b>Total</b>
Deferred Compensation	\$35,457.51	\$35,457.51
Savings	8,508.91	8,508.91
Employer Match	15,901.59	15,901.59
<b>Total</b>	<b>\$59,868.01</b>	<b>\$59,868.01</b>

**Minimum Distribution**

Your remaining required minimum distribution is \$11,918.64.

**Protect Your Data**

Maintaining the security of your account is important. In addition to the strict security measures and procedures we take to limit risk, below are commonsense steps you can follow to protect your account:

- **Keep all contact information (including mobile number) up to date** so that we may contact you quickly if we suspect suspicious activity.
- **Update security software on any device you use to access your account.** Use a private device and a protected wireless connection.
- **Choose a password that you'll only use for this account.** Don't save your logon information on a device.
- **Do not share your account access or logon information** with anyone, including friends and family.
- **Contact us immediately if:**
  - Your account logon information was compromised or your account-related information was affected by identity theft (for example, if someone's using your credentials to impersonate you).
  - You receive any communications about suspicious account activity.

## For More Information



**Online**  
SmartBenefits website  
at [www.federalreservebenefits.org](http://www.federalreservebenefits.org)



**Phone**  
Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.

RCVD Human Resources LHH  
2022 APR 6 AM 10:00



City and County of San Francisco  
LONDON BREED, Mayor



Department of Aging and Adult Services  
SHIREEN MCSPADDEN, Executive Director

Office of the Public Administrator  
CARRIE WONG, Assistant Public Administrator

February 2, 2021

Laguna Honda Hospital  
Attn: Charitable Bequest Department  
375 Laguna Honda Blvd.  
San Francisco, CA 94116

RE: **THE ESTATE OF JANET D. KRAMER**  
DOB: 03/10/1933; DOD: 05/30/2020; SSN XXX-XX-0015  
SF Public Administrator No.: 31846-Z

Dear Laguna Honda Hospital:

The Public Administrator for the City and County of San Francisco is administering the estate of JANET D. KRAMER. We learned that Janet has a Thrift Plan retirement account due to her employment with the Federal Reserve. The Thrift Plan has informed us that **Janet named Laguna Honda Hospital as the beneficiary on her Thrift Plan retirement account.**

We have been informed that this account mandates a Required Minimum Distribution. Please contact the Thrift Plan at your earliest convenience. You may contact them at:

FEDERAL RESERVE BENEFITS CENTER (THRIFT PLAN)  
PO BOX 661086  
DALLAS, TX 75266  
Phone 877-FRS-CALL (877-377-2255)  
Fax 847-554-1258

Please contact me if I can be of any further assistance. You may reach me at 415-793-2537 (work cell, *preferred*), 415-355-7004 (desk), [kat.kozik@sfgov.org](mailto:kat.kozik@sfgov.org) and the address below.

Regards,

A handwritten signature in blue ink that reads "Kat Kozik".

KAT KOZIK  
Deputy Public Administrator  
City and County, San Francisco

1650 Mission Street ▪ 4<sup>th</sup> Floor ▪ San Francisco ▪ CA 94103  
Telephone (415) 355-3555 ▪ Fax Number (415) 355-6738





Statement Date: February 12, 2021



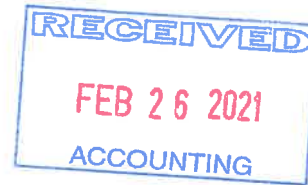
SmartBenefits

www.federalreservebenefits.org



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LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116



## Thrift Plan Confirmation of Beneficiary Asset Transfer

Location: San Francisco

This statement is to confirm the monies that were recently transferred to you for the Thrift Plan.

Based upon the participant's beneficiary designations, a total of \$82,157.26 was transferred as of February 11, 2021 to an account established in your name. Please note that in order to access your account, you will need the Password that was sent to you under separate cover. Your account will continue to be adjusted for gains and/or losses, based on the funds in which the money is invested, until you take your money from the Plan. You may transfer or reallocate your account balance among the available investment options at any time.

You may request a payment at any time. To request a payment from the Plan, access *SmartBenefits* online at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or call the Federal Reserve Benefits Center.

As a beneficiary of a participant in the Thrift Plan, federal law requires that you receive minimum distributions from the Plan. If the participant for whom you are a beneficiary passed away before his or her required beginning date, you are required to receive your entire account balance by December 31 of the year containing the fifth anniversary of the participant's death. If the participant passed away on or after his or her required beginning date, you are required to receive minimum distributions by December 31 of the calendar year following the calendar year of the participant's death.

### Closing Balance as of May 30, 2020

Fund	Value	Units	Unit Value
Government Securities	81,992.78	4,449.778400	18.426262
<b>Total Thrift Plan Balance</b>	<b>\$81,992.78</b>		



## The Importance of Diversifying Your Retirement Savings

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

For more information about individual investing and portfolio diversification, visit the Department of Labor's website at [www.dol.gov/ebsa/investing.html](http://www.dol.gov/ebsa/investing.html).

Please refer to the enclosed Payment Rights Notice, which provides important information regarding any rights that you may have associated with your payment.

## For More Information



### Online

SmartBenefits website  
[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



### Phone

Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



Statement Date: February 12, 2021



SmartBenefits

[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



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LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116

## Thrift Plan Payment Rights Notice

Location: San Francisco

Federal law requires that you receive information about any rights that you may have associated with a payment from the Thrift Plan. Please review the following information regarding your rights.

You have at least 30 days to consider whether to:

- Consent to this payment;
- Consent to a form of payment other than the normal form of payment; and
- Elect a direct rollover or accept the tax consequences of not electing a rollover.

If you are separated from service and your vested balance at that time does not exceed \$1,000, you have 90 days to consider whether to elect a direct rollover or accept the tax consequences of not electing a rollover. The tax and/or withholding consequences of electing or not electing a direct rollover are explained in the Withholding Notice and Special Tax Notice Regarding Plan Payments set forth below.

If you wish to receive your payment rather than leave it in the Thrift Plan, you must confirm your payment request. By confirming a payment request, you are consenting to a distribution before the 30-day notice period expires. If you wish to receive a payment at any subsequent time, the same procedure of confirming a payment request will apply. Please note that your decision to confirm the request for payment before the 30-day notice period ends does not obligate the Thrift Plan to make the payment within 30 days.

Also, by confirming a payment, you are acknowledging that you have received, reviewed, and comprehend the information contained in the following sections of this Notice:

- Notice Regarding Commencement of Benefits;
- Withholding Notice (applies to the portion of a payment that is not eligible for rollover); and
- Special Tax Notice Regarding Plan Payments (applies to the portion of a payment that is eligible for rollover).



**Notice Regarding Commencement of Benefits**

You may choose to delay the commencement of your benefits until your first distribution calendar year.

You Turned Age 70.5 Prior to 01/01/2020	You Turn(ed) Age 70.5 After 12/31/2019
Your first distribution calendar year is the later of: The year you turn age 70.5 or The year you separate from service	Your first distribution calendar year is the later of: The year you turn age 72 or The year you separate from service

If you choose to delay commencement, you may continue to invest in any of the available investment options under the plan. You may also lose the ability to receive tax free earnings on amounts attributable to your Roth 401(k) contributions if you take your payment before you're age 59½ and before your plan Roth 401(k) account is five years old. For information about the investment options available to you under the plan, as well as any associated restrictions, you can access the *SmartBenefits* online at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or call the Federal Reserve Benefits Center at **877-FRS-CALL (877-377-2255)**.

**Explanation of the Optional Forms of Payment**

Below are the payment options and a description of each of those options under the Thrift Plan. Whether you are eligible for a particular payment option may depend on your employment status, your financial need, and/or your account balance.

**Payment Options While Employed by The Federal Reserve**

While you are employed by The Federal Reserve, the following payment options may be available to you:

- Nonhardship Withdrawal - You may request a nonhardship withdrawal at any time, even if you do not have an immediate and heavy financial need. A nonhardship withdrawal will reduce the following accounts, in the order listed, up to the amount that is available in each account:
  - After-Tax Account;
  - Rollover Account;
  - Vested Employer Matching Account; and
  - Before-Tax Account (only if you are age 59½ or older).

*Note: If you have less than 5 years of participation, then your vested employer matching account balance will not include employer contributions that were made in the last 24 months.*

You may also request a withdrawal of your IRA/DEC or Roth 401(k) account balances.

- Hardship Withdrawal - If you have an immediate and heavy financial need, based on plan requirements, and you have no other resources reasonably available to you to meet that need, you may request a hardship withdrawal. A hardship withdrawal will reduce the before-tax contributions, any pre 1989 earnings on your before tax contributions, and Roth 401(k) contributions, which are in your Before-Tax Account. Your withdrawal amount cannot exceed the amount that is necessary to satisfy your need, plus any additional amounts necessary to pay any federal, state, and local income taxes or penalties reasonably expected to result from the withdrawal. You must provide the documentation required by the Plan to prove your immediate and heavy financial need and the amount necessary to satisfy that need. A hardship withdrawal will be made only in cash.



**Payment Options After Total and Permanent Disability or Separation From Service With The Federal Reserve**

If your vested account balance is greater than \$1,000 after you have become totally and permanently disabled or separated from service with The Federal Reserve, you may have one or more of the following payment options available to you. The normal form of payment is a lump-sum distribution.

- Partial Distribution - You may request to have a portion (flat dollar amount or a percentage) of your vested account balance paid to you, in a single payment, at any time. A partial distribution will reduce the following accounts, in the order listed:
  - After-Tax Account;
  - Rollover Account;
  - Vested Employer Matching Account; and
  - Before-Tax Account

You may also request a withdrawal of your IRA/DEC or Roth 401(k) account balances.

- Lump-Sum Distribution - You may request to have your entire vested account balance paid to you in a single payment. If you have an IRA/DEC and/or Roth account, you will request each separately and receive a separate check for that amount.

*Example: If you had a vested account balance of \$100,000, you could take the entire vested balance in a single payment.*

- Pension Purchase Option (PPO) - You may request (if eligible) to rollover an eligible portion of your Thrift Plan account balance to purchase an additional annuity under the Retirement Plan during the annual election window. The PPO requires a minimum of \$25,000 to be rolled over to the Retirement Plan. (Note: PCO distributions from the Retirement Plan that are rolled over into the Thrift Plan after October 1, 2010 and balances from your Savings Account (except earnings on pre-1987 savings contributions) and Roth 401(k) Contribution Account are ineligible for the PPO.)
- Calculated Monthly Installments - You may request to have your vested account balance distributed to you in the form of calculated installments, which are considered periodic payments. With calculated installments, you elect the number of months over which you would like to receive your payments. Each installment amount varies and is calculated by taking your vested account balance and dividing it by the number of payments remaining. The balance remains invested in the funds you have selected, and you may continue to change your investment mix.

*Example: If you had a vested account balance of \$100,000 and you elected to receive monthly installments for a period of ten years, your first monthly installment would be calculated by taking \$100,000, divided by 120, which is the number of payments remaining (10 years x 12 payments per year). The first payment would equal \$833.33. Your second payment would be calculated by dividing your vested account balance (the amount remaining after your first payment, adjusted for gains and losses) by 119.*

- Required Minimum Distributions - If you do not elect a payment option, beginning with your first distribution calendar year, your vested account balance will be distributed to you in the form of required minimum distributions.

You Turned Age 70.5 Prior to 01/01/2020	You Turn(ed) Age 70.5 After 12/31/2019
Your first distribution calendar year is the later of:	Your first distribution calendar year is the later of:
The year you turn age 70.5 or	The year you turn age 72 or
The year you separate from service	The year you separate from service



Even if you elect one of the payment options above, your payments made throughout the year must meet the required minimum distribution amount that will be calculated each year. If the payments made throughout the year are not sufficient to cover your required minimum distribution that is due for the year, the additional amount required will be distributed to you automatically.

A required minimum distribution is an annual payment calculated based on your single life expectancy or joint life expectancy if your spouse is your beneficiary and is more than ten years younger than you. The amount calculated is based on the prior year's December 31 adjusted closing balance, divided by the applicable factor.

**Example:** If you had a prior year's December 31 closing account balance of \$100,000 and your whole age attained in the year is 72, your first required minimum distribution would be calculated by dividing \$100,000 by the factor associated with age 72 which is 25.6. The first required minimum distribution payment would equal \$3,906.25.

If you are married, your spouse is your sole primary beneficiary for the entire calendar year, and your spouse is more than ten years younger than you, the required minimum distribution may be calculated based on the joint life expectancies of you and your spouse.

**Example:** If you had a prior year's December 31 closing account balance of \$100,000, your whole age attained in the year is 72, and your sole primary beneficiary for the entire calendar year is your spouse, who is 60, your first required minimum distribution would be calculated by dividing \$100,000 by the joint life expectancy factor associated with ages 72 and 60, which is 27.0. The first required minimum distribution payment would equal \$3,703.70.

### **Withholding Notice (Applies to the Portion of a Payment that is not Eligible for Rollover)**

The taxable portion of a payment that is not eligible for rollover is subject to federal income tax withholding unless you elect not to have withholding apply. Withholding on the taxable portion of a payment that is eligible for rollover is described in the Special Tax Notice Regarding Plan Payments section below.

You may elect not to have federal withholding apply to the taxable portion of your payment that is not eligible for rollover, or change your withholding, by accessing SmartBenefits website at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or calling the Federal Reserve Benefits Center. Your election will remain in effect for any subsequent payments that are part of the same payment stream until you revoke it. You may make and revoke your election not to have withholding apply as often as you wish. Any election or revocation will be effective as soon as administratively possible after your election or revocation is received.

If the payment is a periodic payment (e.g., calculated installment), withholding will be taken according to the wage withholding tables as if you were married, claiming three allowances, unless you elect otherwise. If the payment is a nonperiodic payment (e.g., hardship withdrawals, fixed installments, etc.), withholding will be taken at a flat 10% rate.

If you elect not to have withholding apply, or if you do not have enough federal income tax withheld, you may be responsible for the payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

### **Expanded Rollover Options**

In addition to and/or in lieu of the options described in the Special Tax Notice below, effective 01-01-2008 rollover-eligible payments made to nonspousal beneficiaries will be eligible for direct rollover to an IRA. Also effective 01-01-2008, the direct rollover of eligible after-tax amounts will be permitted between employer 401(a) and 403(b) plans. Effective 01-01-2008, all rollover-eligible distributions may be eligible to be directly rolled over to a Roth IRA.

## **Roth 401(k)**

Effective 01-01-2008, employers can permit designated Roth contributions to be made to a qualified 401(k) plan. All of the information in this notice generally applies to a distribution from the plan of any Roth contributions. However, for any rollover-eligible distribution that includes amounts attributable to designated Roth 401(k) contributions and earnings, those Roth distribution amounts may only be rolled over into a Roth IRA or another employer plan maintaining a Roth contribution account.

## **Special Tax Notice Regarding Plan Payments Not From a Designated Roth Account (Applies to the Portion of a Payment that is Eligible for Rollover)**

### **Your Rollover Options**

You are receiving this notice because all or a portion of a payment you are receiving from the Thrift 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 with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account. 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 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, no spousal consent rules apply to IRAs 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 59½ (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. 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 lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

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 lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan

- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.
- Payments for certain distributions relating to certain federally declared disasters
- Phased retirement payments made to federal employees

### **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 59½, 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 separation (or age 50 for qualified public safety employees) 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).
- 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.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) 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 describe any State or local income tax rules (including withholding rules).



## Special Rules And Options

### If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below. You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

### 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 have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete the rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

### **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. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). 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 do a rollover to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account 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).

### **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 will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the 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 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 70½.

**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 Roth 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 qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (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 make 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 for federal income taxes. However, you may do a 60-day rollover. A mandatory cashout is a payment from a plan where the participant's benefit does not exceed \$1,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan). You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, 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](http://www.irs.gov).



## More Information

- I. Payments That Can and Cannot Be Rolled Over
- II. Direct Rollover
- III. Payment Paid to You
- IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

### I. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA, Roth IRA, or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. The Federal Reserve Benefits Center should be able to tell you what portion of your payment is an eligible rollover distribution.

**After-Tax Contributions.** If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- A. Rollover Into a Traditional IRA.** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. The Federal Reserve Benefits Center should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts **cannot** later be rolled over to an employer plan.

**Roth 401(k).** If you made Roth 401(k) contributions to the Plan, these contributions may be rolled into either a Roth IRA or to certain employer plans that accept rollovers of Roth 401(k) contributions. The following rules apply:

If you roll Roth 401(k) contributions to a Roth IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your Roth 401(k) contributions to a Roth IRA, those amounts **cannot** later be rolled over to an employer plan.

- B. Rollover Into an Employer Plan.** You can roll over after-tax contributions and Roth 401(k) contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions, Roth 401(k) contributions, and earnings on those contributions. You can also roll over after-tax contributions and Roth 401(k) from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions, Roth 401(k) contributions, and earnings on those contributions. You **cannot** roll over after-tax contributions or Roth 401(k) contributions to a governmental 457 plan. If you want to roll over your after-tax contributions or Roth 401(k) to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Federal Reserve Benefits Center to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions or Roth 401(k) to a traditional IRA and then roll over that amount into an employer plan.



The following types of payments cannot be rolled over:

**Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy);
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies); or
- A period of 10 years or more.

**Required Minimum Payments.** Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own 5% or more of your employer.

**Hardship Distributions.** A hardship distribution cannot be rolled over.

**ESOP Dividends.** Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

**Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

**Loans Treated as Distributions.** The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Federal Reserve Benefits Center if distribution of your loan qualifies for rollover treatment.

The Federal Reserve Benefits Center should be able to tell you if your payment includes amounts which cannot be rolled over.

## II. Direct Rollover

**A direct rollover** is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a direct rollover until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a direct rollover. This Plan might not let you choose a direct rollover if your distributions for the year are less than \$200.

**Direct Rollover to a Traditional IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

**Direct Rollover to a Plan.** If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Plan Administrator of that plan before making your decision.

**Direct Rollover of a Series of Payments.** If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

**Change in Tax Treatment Resulting From a Direct Rollover.** The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are Under Age 59½" and "Special Tax Treatment if You Were Born Before January 1, 1936."

### III. Payment Paid to You

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

#### Income Tax Withholding

- **Mandatory Withholding.** If any portion of your payment can be rolled over under Part I above and you do not elect to make a direct rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There might not be any income tax withholding if your payments for the year are less than \$200.
- **Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, accessing *SmartBenefits* online at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or calling the Federal Reserve Benefits Center.

**Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll it over, you must contribute the amount of the payment you received to a traditional IRA or to an eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.



You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

**Example:** *The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or to an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (e.g., your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return, you may get a refund of part or all of the \$2,000 withheld.*

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

**Additional 10% Tax if You Are Under Age 59½.** If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

**Special Tax Treatment if You Were Born Before January 1, 1936.** If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump-sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities" below.) A lump-sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59-1/2 or have become disabled). For a payment to be treated as a lump-sum distribution, you must have been a participant in the Plan for at least five years before the year in which you received the distribution. The special tax treatment for lump-sum distributions that may be available to you is described below.

- **Ten-Year Averaging.** If you receive a lump-sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

- **Capital Gain Treatment.** If you receive a lump-sum distribution and you were born before January 1, 1936 and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump-sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump-sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump-sum distributions and how you elect the special tax treatment.

**Employer Stock or Securities.** There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, (1) the payment must qualify as a lump-sum distribution, as described above, except that you do not need five years of plan participation, or (2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump-sum distribution, the special tax treatment for lump-sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

**Repayment of Plan Loans.** If your employment ends and you have an outstanding loan from the Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.



#### **IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a direct rollover to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or alternate payee, you **cannot** roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the Plan.

#### **How to Obtain Additional Information**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.

#### **For More Information**



**Online**  
SmartBenefits website  
[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



**Phone**  
Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



Statement Date: February 12, 2021



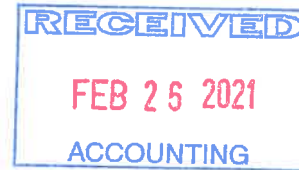
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[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



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LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116



## Thrift Plan - Account Statement

Here is a summary of your Thrift Plan account as of **February 11, 2021**.

### Personal Information

Birth Date	01-01-1800
Location	San Francisco
Vested Years of Service	0.00000

### Your Year-to-Date Employee Contributions

Post-86 Employee After-Tax Contributions	\$0.00
Deferred Before-Tax Contributions	\$0.00
Roth 401(k) After-Tax Contributions	\$0.00

### Your Year-to-Date Employer Contributions

Post-June 2007 Employer Contributions	\$0.00
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**Activity From January 1, 2021 through February 11, 2021**

	<b>Government Securities</b>	<b>Total</b>
<b>Opening Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>
Asset Transfer	82,157.26	82,157.26
Investment Results	-0.06	-0.06
<b>Closing Balance</b>	<b>\$82,157.20</b>	<b>\$82,157.20</b>
Closing Units	4,449.778400	
Unit Value	\$18.463212	

**Closing Balance Summary**

	<b>Government Securities</b>	<b>Total</b>
Deferred Compensation	\$48,658.53	\$48,658.53
Savings	11,676.83	11,676.83
Employer Match	21,821.84	21,821.84
<b>Total</b>	<b>\$82,157.20</b>	<b>\$82,157.20</b>

**Minimum Distribution**

Your remaining required minimum distribution is \$6,466.45.

**For More Information****Online**

SmartBenefits website  
[www.federalreservebenefits.org](http://www.federalreservebenefits.org)

**Phone**

Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
 If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.





Statement Date: February 12, 2021



SmartBenefits

[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



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SAN FRANCISCO CA 94116

## Thrift Plan - Beneficiary Distribution Options

Location: San Francisco

As a beneficiary in the Thrift Plan, you have several options on how your Thrift Plan balance will be paid to you. The choices are dependent upon your relation to the deceased participant (spouse or non-spouse/civil union partner/domestic partner), the account balance at the time of the member's death, and whether or not a payment stream of the account has already begun.

### Spousal Beneficiary

1. If your Thrift Plan balance is less than or equal to \$1,000, a lump sum payment will automatically be paid to you three months after notice of the participant's death unless you request an earlier payout.

-OR-

2. If your Thrift Plan balance is greater than \$1,000, you may choose to leave your money in the Plan or to receive one of the following forms of payment: a lump sum distribution, installment payments, or an annuity purchase. If you elect to defer your distribution, payments must begin at the later of December 31 of the year following the year the participant passed away or December 31 of the year the participant would have turned age 70 1/2.

### Payment Options

- **Lump Sum Distribution.** Under this option, all of your Thrift Plan balances are paid out in one lump sum payment. You may elect to receive this payment directly or elect to have all or a portion of the balances made payable as a rollover to an IRA or other eligible employer plan.
- **Installment Payments.** The length of monthly installment payments is dependent upon whether or not the decedent was already receiving monthly installments. If the decedent was receiving monthly installments, the remaining number of installment payments will automatically continue to be paid to you. You can elect to speed up the payments by receiving a lesser number, but you may not elect to extend the number of payments.



If the decedent was not receiving monthly installments, then you may elect to receive monthly installment payments not to exceed your life expectancy.

**Note:** You may take up to three withdrawals of any type per calendar year without regard to the deceased participant's number of withdrawals.

### **Loans**

- The option of General Purpose and Primary Residence Loans are available to you. A maximum of two loans of any type can be outstanding at one time.
- The loan interest rate each month is based on the Prime Rate in effect on the third Thursday of the preceding month, as published in the Wall Street Journal the next business day.
- A spousal/civil union partner/domestic partner beneficiary cannot request a loan after the deceased participant would have attained age 70-1/2. A Benefits Specialist can provide you with details on the minimum and maximum amounts available as well as the loan terms available.

### **Civil Union Partner/Domestic Partner/Other Beneficiary**

1. If your Thrift Plan balance is less than or equal to \$1,000, a lump sum payment will automatically be paid to you three months after notice of the participant's death unless you request an earlier payout.

-OR-

2. If your Thrift Plan balance is greater than \$1,000, you may elect to receive one of the following forms of payment: a lump sum distribution, installment payments, or an annuity purchase. Payments must begin by December 31 of the year following the year the participant passed away. In the absence of an election, a lump sum payment will be processed on the last business day in December following the year in which the participant died.

### **Payment Options**

- **Lump Sum Distribution.** Under this option, all of your Thrift Plan balances are paid out in one lump sum payment. You may elect to receive this payment directly or elect to have all or a portion of the balances made payable as a rollover to an IRA or other eligible employer plan.
- **Installment Payments.** The length of monthly installment payments is dependent upon whether or not the decedent was already receiving monthly installments. If the decedent was receiving monthly installments, the remaining number of installment payments will automatically continue to be paid to you. You can elect to speed up the payments by receiving a lesser number, but you may not elect to extend the number of payments.

If the decedent was not receiving monthly installments, then you may elect to receive monthly installment payments not to exceed your life expectancy.

## Additional Options

While you still maintain an account balance in the Thrift Plan you have the following transfer options:

### *Transfers*

- There are twenty four funds: The Government Securities Fund, Bond Index Fund, Treasury Inflation Protected Securities (TIPS) Index Fund, Equity Index Fund, Small Company Equity Fund, International Equity Fund, Real Estate Index Fund, Emerging Markets Equity, three Select Maturity Bond Family Funds and thirteen Target Date Funds.
- Transfers among all Funds can be requested daily (every 14 calendar days).

### *Withdrawals and Loans*

- Nonspousal beneficiaries, except those who are civil union partners or domestic partners, are not allowed to take withdrawals or loans.

## Tax Consequences and Additional Information for All Beneficiaries

Please see the enclosed "Payment Rights Notice" for an explanation of the tax consequences of your payment options.

## For More Information



### **Online**

SmartBenefits website  
[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



### **Phone**

Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.

If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



**Thrift Plan Beneficiary Options at a Glance**  
**Spousal Beneficiary**

Relationship to the Deceased	Account Balance at Time of Member's Death	Installment Payment Stream already Begun?	Distribution Options Available to You
Spousal	Greater than \$1,000	No	<p>You may elect the following:</p> <ul style="list-style-type: none"> <li>• Defer until the later of 12/31 of the calendar year following the year in which the participant passed away or 12/31 of the year the participant would have turned age 70-1/2</li> <li>• Lump Sum Payment</li> <li>• Installments</li> </ul> <p>You may also elect transfers, withdrawals, and loans subject to certain restrictions.</p>
Spousal	Greater than \$1,000	Yes	<p>The remaining number of installments will automatically be set up on your account. You may elect to speed up the payments but not to extend them.</p> <p>You may elect a Lump Sum Payment at any time.</p> <p>Transfers, withdrawals, and loans are also available to you subject to certain restrictions.</p>
Spousal	Less than or equal to \$1,000	Yes or No	<p>A Lump Sum payment will be automatically processed 3 months after the participant's death.</p> <p>You may elect to take the full distribution sooner.</p>

**Thrift Plan Beneficiary Options at a Glance**  
**Civil Union Partner/Domestic Partner/Other Beneficiary**

<b>Relationship to the Deceased</b>	<b>Account Balance at Time of Member's Death</b>	<b>Installment Payment Stream already Begun?</b>	<b>Distribution Options Available to You</b>
Civil Union Partner/ Domestic Partner/Other	Greater than \$1,000	No	<p>You must begin payments by 12/31 of the calendar year following the year the participant passed away.</p> <p>You may elect:</p> <ul style="list-style-type: none"> <li>● Lump Sum Payment</li> <li>● Installments</li> </ul> <p>In the absence of an election, a lump sum payment will be made.</p> <p>You may also elect transfers. Withdrawals and loans are not available to Nonspousal beneficiaries.</p>
Civil Union Partner/ Domestic Partner/Other	Greater than \$1,000	Yes	<p>The remaining number of installments will automatically be set up on your account. You may elect to speed up the payments but not to extend them.</p> <p>You may elect a Lump Sum Payment at any time.</p> <p>You may also elect transfers subject to certain restrictions. Withdrawals and loans are not available to Nonspousal beneficiaries.</p>



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<b>Relationship to the Deceased</b>	<b>Account Balance at Time of Member's Death</b>	<b>Installment Payment Stream already Begun?</b>	<b>Distribution Options Available to You</b>
Civil Union Partner/ Domestic Partner/Other	Less than or equal to \$1,000	Yes or No	A Lump Sum payment will be automatically processed 3 months after the participant's death.  You may elect to take the full distribution sooner.

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Statement Date: February 12, 2021



SmartBenefits

[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



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LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116

## Thrift Plan Roth 401(k) Payment Rights Notice

Location: San Francisco

Federal law requires that you receive information about any rights that you may have associated with a payment from the Thrift Plan. Please review the following information regarding your rights.

You have at least 30 days to consider whether to:

- Consent to this payment;
- Consent to a form of payment other than the normal form of payment; and
- Elect a direct rollover or accept the tax consequences of not electing a rollover.

If you are separated from service and your vested balance at that time does not exceed \$1,000, you have 90 days to consider whether to elect a direct rollover or accept the tax consequences of not electing a rollover. The tax and/or withholding consequences of electing or not electing a direct rollover are explained in the Withholding Notice and Special Tax Notice Regarding Plan Payments set forth below.

If you wish to receive your payment rather than leave it in the Thrift Plan, you must confirm your payment request. By confirming a payment request, you are consenting to a distribution before the 30-day notice period expires. If you wish to receive a payment at any subsequent time, the same procedure of confirming a payment request will apply. Please note that your decision to confirm the request for payment before the 30-day notice period ends does not obligate the Thrift Plan to make the payment within 30 days.

Also, by confirming a payment, you are acknowledging that you have received, reviewed, and comprehend the information contained in the following sections of this Notice:

- Notice Regarding Commencement of Benefits;
- Withholding Notice (applies to the portion of a payment that is not eligible for rollover); and
- Special Tax Notice Regarding Plan Payments (applies to the portion of a payment that is eligible for rollover).



**Notice Regarding Commencement of Benefits**

You may choose to delay the commencement of your benefits until your first distribution calendar year.

You Turned Age 70.5 Prior to 01/01/2020	You Turn(ed) Age 70.5 After 12/31/2019
Your first distribution calendar year is the later of:	Your first distribution calendar year is the later of:
The year you turn age 70.5 or	The year you turn age 72 or
The year you separate from service	The year you separate from service

If you choose to delay commencement, you may continue to invest in any of the available investment options under the plan. You may also lose the ability to receive tax free earnings on amounts attributable to your Roth 401(k) contributions if you take your payment before you're age 59½ and before your plan Roth 401(k) account is five years old. For information about the investment options available to you under the plan, as well as any associated restrictions, you can access the *SmartBenefits* online at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or call the Federal Reserve Benefits Center at **877-FRS-CALL (877-377-2255)**.

**Explanation of the Optional Forms of Payment**

Below are the payment options and a description of each of those options under the Thrift Plan. Whether you are eligible for a particular payment option may depend on your employment status, your financial need, and/or your account balance.

**Payment Options While Employed by The Federal Reserve**

While you are employed by The Federal Reserve, the following payment options may be available to you:

- Nonhardship Withdrawal - You may request a nonhardship withdrawal at any time, even if you do not have an immediate and heavy financial need. A nonhardship withdrawal will reduce the following accounts, in the order listed, up to the amount that is available in each account:
  - After-Tax Account;
  - Rollover Account;
  - Vested Employer Matching Account; and
  - Before-Tax Account (only if you are age 59½ or older).

**Note:** *If you have less than 5 years of participation, then your vested employer matching account balance will not include employer contributions that were made in the last 24 months.*

You may also request a withdrawal of your IRA/DEC or Roth 401(k) account balances.

- Hardship Withdrawal - If you have an immediate and heavy financial need, based on plan requirements, and you have no other resources reasonably available to you to meet that need, you may request a hardship withdrawal. A hardship withdrawal will reduce the before-tax contributions, any pre 1989 earnings on your before tax contributions, and Roth 401(k) contributions, which are in your Before-Tax Account. Your withdrawal amount cannot exceed the amount that is necessary to satisfy your need, plus any additional amounts necessary to pay any federal, state, and local income taxes or penalties reasonably expected to result from the withdrawal. You must provide the documentation required by the Plan to prove your immediate and heavy financial need and the amount necessary to satisfy that need. A hardship withdrawal will be made only in cash.



**Payment Options After Total and Permanent Disability or Separation From Service With The Federal Reserve**

If your vested account balance is greater than \$1,000 after you have become totally and permanently disabled or separated from service with The Federal Reserve, you may have one or more of the following payment options available to you. The normal form of payment is a lump-sum distribution.

- Partial Distribution - You may request to have a portion (flat dollar amount or a percentage) of your vested account balance paid to you, in a single payment, at any time. A partial distribution will reduce the following accounts, in the order listed:
  - After-Tax Account;
  - Rollover Account;
  - Vested Employer Matching Account; and
  - Before-Tax Account

You may also request a withdrawal of your IRA/DEC or Roth 401(k) account balances.

- Lump-Sum Distribution - You may request to have your entire vested account balance paid to you in a single payment. If you have an IRA/DEC and/or Roth account, you will request each separately and receive a separate check for that amount.

*Example: If you had a vested account balance of \$100,000, you could take the entire vested balance in a single payment.*

- Pension Purchase Option (PPO) - You may request (if eligible) to rollover an eligible portion of your Thrift Plan account balance to purchase an additional annuity under the Retirement Plan during the annual election window. The PPO requires a minimum of \$25,000 to be rolled over to the Retirement Plan. (Note: PCO distributions from the Retirement Plan that are rolled over into the Thrift Plan after October 1, 2010 and balances from your Savings Account (except earnings on pre-1987 savings contributions) and Roth 401(k) Contribution Account are ineligible for the PPO.)
- Calculated Monthly Installments - You may request to have your vested account balance distributed to you in the form of calculated installments, which are considered periodic payments. With calculated installments, you elect the number of months over which you would like to receive your payments. Each installment amount varies and is calculated by taking your vested account balance and dividing it by the number of payments remaining. The balance remains invested in the funds you have selected, and you may continue to change your investment mix.

*Example: If you had a vested account balance of \$100,000 and you elected to receive monthly installments for a period of ten years, your first monthly installment would be calculated by taking \$100,000, divided by 120, which is the number of payments remaining (10 years x 12 payments per year). The first payment would equal \$833.33. Your second payment would be calculated by dividing your vested account balance (the amount remaining after your first payment, adjusted for gains and losses) by 119.*

- Required Minimum Distributions - If you do not elect a payment option, beginning with your first distribution calendar year, your vested account balance will be distributed to you in the form of required minimum distributions.

You Turned Age 70.5 Prior to 01/01/2020	You Turn(ed) Age 70.5 After 12/31/2019
Your first distribution calendar year is the later of:	Your first distribution calendar year is the later of:
The year you turn age 70.5 or	The year you turn age 72 or
The year you separate from service	The year you separate from service



Even if you elect one of the payment options above, your payments made throughout the year must meet the required minimum distribution amount that will be calculated each year. If the payments made throughout the year are not sufficient to cover your required minimum distribution that is due for the year, the additional amount required will be distributed to you automatically.

A required minimum distribution is an annual payment calculated based on your single life expectancy or joint life expectancy if your spouse is your beneficiary and is more than ten years younger than you. The amount calculated is based on the prior year's December 31 adjusted closing balance, divided by the applicable factor.

**Example:** If you had a prior year's December 31 closing account balance of \$100,000 and your whole age attained in the year is 72, your first required minimum distribution would be calculated by dividing \$100,000 by the factor associated with age 72 which is 25.6. The first required minimum distribution payment would equal \$3,906.25.

If you are married, your spouse is your sole primary beneficiary for the entire calendar year, and your spouse is more than ten years younger than you, the required minimum distribution may be calculated based on the joint life expectancies of you and your spouse.

**Example:** If you had a prior year's December 31 closing account balance of \$100,000, your whole age attained in the year is 72, and your sole primary beneficiary for the entire calendar year is your spouse, who is 60, your first required minimum distribution would be calculated by dividing \$100,000 by the joint life expectancy factor associated with ages 72 and 60, which is 27.0. The first required minimum distribution payment would equal \$3,703.70.

### **Withholding Notice (Applies to the Portion of a Payment that is not Eligible for Rollover)**

The taxable portion of a payment that is not eligible for rollover is subject to federal income tax withholding unless you elect not to have withholding apply. Withholding on the taxable portion of a payment that is eligible for rollover is described in the Special Tax Notice Regarding Plan Payments section below.

You may elect not to have federal withholding apply to the taxable portion of your payment that is not eligible for rollover, or change your withholding, by accessing SmartBenefits website at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or calling the Federal Reserve Benefits Center. Your election will remain in effect for any subsequent payments that are part of the same payment stream until you revoke it. You may make and revoke your election not to have withholding apply as often as you wish. Any election or revocation will be effective as soon as administratively possible after your election or revocation is received.

If the payment is a periodic payment (e.g., calculated installment), withholding will be taken according to the wage withholding tables as if you were married, claiming three allowances, unless you elect otherwise. If the payment is a nonperiodic payment (e.g., hardship withdrawals, fixed installments, etc.), withholding will be taken at a flat 10% rate.

If you elect not to have withholding apply, or if you do not have enough federal income tax withheld, you may be responsible for the payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

### **Roth 401(k)**

Effective 01-01-2008, employers can permit designated Roth contributions to be made to a qualified 401(k) plan. All of the information in this notice generally applies to a distribution from the plan of any Roth contributions. However, for any rollover-eligible distribution that includes amounts attributable to designated Roth 401(k) contributions and earnings, those Roth distribution amounts may only be rolled over into a Roth IRA or another employer plan maintaining a Roth contribution account.

## **Special Tax Notice Regarding Plan Payments From a Designated Roth Account (Applies to the Portion of a Payment that is Eligible for Rollover)**

### **Your Rollover Options**

You are receiving this notice because all or a portion of a payment you are receiving from the Thrift Plan (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover. This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account. Rules that apply to most payments from a designated Roth account 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?**

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account. If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions. If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution. A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

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

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).



- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

### **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 Roth IRA or designated Roth account in an employer plan. You should contact the Roth 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 (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings 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 to a Roth IRA, you must use other funds to make up for the 20% withheld.

### **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. 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 lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

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 a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax) , unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings 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 lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.
- Payments for certain distributions relating to certain federally declared disasters

**If I do a rollover to a Roth 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 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of separation (or age 50 for qualified public safety employees) 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 a Roth IRA of a spouse or former spouse).
- 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.



- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) 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 describe 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 have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA. How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

#### **If you receive a nonqualified distribution and 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 is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

#### **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 will generally be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the 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 a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA. A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

**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 Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (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 as described in this notice).

**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 make 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 (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you can do a 60-day rollover. Unless you elect otherwise, a mandatory cashout is a payment from a plan where the participant's benefit does not exceed \$1,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan). 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](http://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, Distribution 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

## More Information

- I. Payments That Can and Cannot Be Rolled Over
- II. Direct Rollover
- III. Payment Paid to You
- IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

### I. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA, Roth IRA, or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. The Federal Reserve Benefits Center should be able to tell you what portion of your payment is an eligible rollover distribution.

**After-Tax Contributions.** If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- A. Rollover Into a Traditional IRA.** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. The Federal Reserve Benefits Center should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts **cannot** later be rolled over to an employer plan.

**Roth 401(k).** If you made Roth 401(k) contributions to the Plan, these contributions may be rolled into either a Roth IRA or to certain employer plans that accept rollovers of Roth 401(k) contributions. The following rules apply:

If you roll Roth 401(k) contributions to a Roth IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your Roth 401(k) contributions to a Roth IRA, those amounts **cannot** later be rolled over to an employer plan.



**B. Rollover Into an Employer Plan.** You can roll over after-tax contributions and Roth 401(k) contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions, Roth 401(k) contributions, and earnings on those contributions. You can also roll over after-tax contributions and Roth 401(k) from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions, Roth 401(k) contributions, and earnings on those contributions. You **cannot** roll over after-tax contributions or Roth 401(k) contributions to a governmental 457 plan. If you want to roll over your after-tax contributions or Roth 401(k) to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Federal Reserve Benefits Center to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions or Roth 401(k) to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments cannot be rolled over:

**Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy);
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies); or
- A period of 10 years or more.

**Required Minimum Payments.** Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own 5% or more of your employer.

**Hardship Distributions.** A hardship distribution cannot be rolled over.

**ESOP Dividends.** Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

**Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

**Loans Treated as Distributions.** The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Federal Reserve Benefits Center if distribution of your loan qualifies for rollover treatment.

The Federal Reserve Benefits Center should be able to tell you if your payment includes amounts which cannot be rolled over.

## II. Direct Rollover

**A direct rollover** is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a direct rollover until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a direct rollover. This Plan might not let you choose a direct rollover if your distributions for the year are less than \$200.



**Direct Rollover to a Traditional IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

**Direct Rollover to a Plan.** If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Plan Administrator of that plan before making your decision.

**Direct Rollover of a Series of Payments.** If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

**Change in Tax Treatment Resulting From a Direct Rollover.** The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are Under Age 59½" and "Special Tax Treatment if You Were Born Before January 1, 1936."

### III. Payment Paid to You

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

#### Income Tax Withholding

- **Mandatory Withholding.** If any portion of your payment can be rolled over under Part I above and you do not elect to make a direct rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There might not be any income tax withholding if your payments for the year are less than \$200.

- **Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, accessing *SmartBenefits* online at [www.federalreservebenefits.org](http://www.federalreservebenefits.org) or calling the Federal Reserve Benefits Center.

**Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll it over, you must contribute the amount of the payment you received to a traditional IRA or to an eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

***Example:** The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or to an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (e.g., your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return, you may get a refund of part or all of the \$2,000 withheld.*

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

**Additional 10% Tax if You Are Under Age 59½.** If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order, or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.



**Special Tax Treatment if You Were Born Before January 1, 1936.** If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump-sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities" below.) A lump-sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59-1/2 or have become disabled). For a payment to be treated as a lump-sum distribution, you must have been a participant in the Plan for at least five years before the year in which you received the distribution. The special tax treatment for lump-sum distributions that may be available to you is described below.

- **Ten-Year Averaging.** If you receive a lump-sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.
- **Capital Gain Treatment.** If you receive a lump-sum distribution and you were born before January 1, 1936 and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump-sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump-sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump-sum distributions and how you elect the special tax treatment.

**Employer Stock or Securities.** There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, (1) the payment must qualify as a lump-sum distribution, as described above, except that you do not need five years of plan participation, or (2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump-sum distribution, the special tax treatment for lump-sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

**Repayment of Plan Loans.** If your employment ends and you have an outstanding loan from the Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

#### **IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a direct rollover to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or alternate payee, you **cannot** roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments that include employer stock, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the Plan.

#### **How to Obtain Additional Information**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.



## For More Information



### **Online**

SmartBenefits website  
[www.federalreservebenefits.org](http://www.federalreservebenefits.org)



### **Phone**

Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



## Annual Fee Disclosure Statement as of Dec. 31, 2018

Important Information about Investment Options, Fees and Other Expenses for the Thrift Plan for Employees of the Federal Reserve System

The Thrift Plan for Employees of the Federal Reserve System (Thrift Plan or Plan) is a great way to save for your future. It provides:

- **Convenience** – You make contributions through payroll deductions on a before-tax and/or after-tax basis.
- **Tax advantages** – Before-tax contributions reduce your taxable income and earnings on your contributions and your employer's contributions grow tax-free until they are withdrawn.
- **Matching contributions** – The Federal Reserve matches a portion of your contributions.
- **Diversified investment lineup** – The Plan's Committee on Investment Performance monitors investments, and you have a range of options that would generally only be available to large, institutional investors.

Choose a contribution rate/amount and investments that will help you meet your long-term retirement goals. Use the tools on the SmartBenefits website ([www.federalreservebenefits.org](http://www.federalreservebenefits.org)) to explore your savings and investment decisions.

This statement highlights Thrift Plan fees and expenses, investment options and actions to take. Log on to the SmartBenefits website to review the *Your Thrift/Retirement Handbook*, accessible from several locations on the site – including the home page “Library” tile – for more information.

### What's Inside

1. [Fees and Expenses](#)
2. [The Plan's Investment Options](#)
3. [Investment-Related Information](#)
4. [Understand Your Investment Options](#)

## 1. Fees and Expenses

When you invest in the Thrift Plan, there are no upfront sales loads, administrative fees or charges. However, there are certain asset-based fees that are used to pay investment manager expenses. These fees are charged directly to the investment options so you won't see them. (See the charts in Section 3 of this statement for details.)

For a general example on how fees and expenses can substantially reduce the growth of one's 401(k), visit the Department of Labor's website at [www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees](http://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees).

When selecting your investment options, consider other factors such as asset class, investment risk, investment objectives, principal investment strategies and historical performance.

## How Asset-Based Fees Work

Let's assume your current account balance is \$30,000 and you've invested in three funds as shown below. Here's an estimate of what you might pay over the course of a year in total asset-based fees (often called the expense ratio).

Investment	Balance	Asset-Based Fees	
		As % of Assets	Dollar Amount
Bond Index	\$10,000	0.025%	\$ 2.50
Equity Index	\$17,000	0.011%	\$ 1.87
International Equity	\$ 3,000	0.048%	\$ 1.44
Total	\$30,000	—	\$ 5.81

**Note:** Asset-based fees accumulate daily, so your actual cost will vary as your account value changes.

## Account Information

To view your Thrift Plan account balance, rates of return and investments, visit the SmartBenefits website ([www.federalreservebenefits.org](http://www.federalreservebenefits.org)) and click on the "Thrift Plan" tile under "Your Information." Once on this page, click on the "Thrift" drop down to print an account statement for a specific time period. Always review your account information carefully and report any discrepancies to the Federal Reserve Benefits Center immediately.

## 2. The Plan's Investment Options

As a participant, you can invest in any of the Plan's investment options. (See Section 3 of this statement for specific information on the investment options offered in the Thrift Plan.) You may change your investment elections as often as you like. Transfer restrictions are listed in Section 3.

### Determine Your Investment Strategy

The way you invest should depend on your age, lifestyle, accumulated wealth, years until retirement and comfort level with risk. When you make decisions, be sure to consider your own circumstances, not just the information in this statement.

### Learn About Investment Options

On the SmartBenefits website, you can learn more about the Thrift Plan's investment options, fees and performance. For other fund information or to request printed copies of the online material, call the Federal Reserve Benefits Center at **877-377-2255**, 8 a.m.-6 p.m. Eastern time, Monday through Friday.



You can access or request the following:

- *Thrift Plan Investment Options Guide.*
- Financial statements or reports, such as statements of additional information, shareholder reports and similar fund materials (to the extent these materials are provided to the Plan).
- Value of a share or unit of each fund and the date of the valuation.
- Assets contained in each fund's portfolio.

### To Enroll or Change Your Investments

You may enroll in the Thrift Plan or change your investments at any time, subject to the applicable transfer restrictions. Visit the SmartBenefits website ([www.federalreservebenefits.org](http://www.federalreservebenefits.org)) and click on the "Thrift Plan" tile under "Your Information." From there, click on the "Thrift" drop down and follow these steps to:

- **Enroll** – Click on "Start Saving."
- **Change your contribution rate** – Click on "Change Contributions" and follow the instructions.
- **Change your investment mix, change your investment mix for contributions from now on, or move money between funds** – Click on "Change Investments" and follow the instructions.

If you don't have online access, call the Federal Reserve Benefits Center at **877-377-2255**, 8 a.m.-6 p.m. Eastern time, Monday through Friday. If you are hearing-impaired, dial 711 to obtain your state's number for TTY/TDD access. To access your account, you'll need your user ID and PIN.

### 3. Investment-Related Information

This section provides information about investment options with a variable rate of return, including:

- General information about the type of investment option.
- Fee information, including asset-based fees plus other shareholder-type fees or investment restrictions.
- Historical performance for the fund and an appropriate benchmark for the same period of time.

Keep in mind that past performance does not guarantee how the investment option will perform in the future. Your investments in these funds could lose principal. Details about an option's risks are available on the SmartBenefits website.

#### 14-Day Transfer Rule

The 14-Day Transfer Rule stipulates that once you transfer money between funds, you can't transfer money in or out of those same funds again until the 15th calendar day after your original transaction. You may transfer between two or more other funds that weren't part of that original transfer, but that will start a new 14-day restriction period for those funds involved in the second transfer, etc.

#### For More Information

Call the Federal Reserve Benefits Center at **877-377-2255** or contact the Plan Administrator at:

The Committee on Plan Administration  
Federal Reserve Employee Benefits System  
The Legal Center at 1 Riverfront Plaza  
1037 Raymond Blvd., Suite 100, Newark, NJ 07102

ATTN: Secretary for the Committee on Plan Administration

This statement includes important information to help you understand your Thrift Plan and compare the investment options offered to you. Most or all of the fund information in this statement is available to you by other means.

← General Information →		← Fee Information →			← Historical Performance →			
Fund Name/ Benchmark	Asset Class	Total Asset- Based Fees	Annual Cost Per \$1,000 of Investment	Shareholder-Type Fees and Investment Restrictions	Average Annual Total Return as of 12/31/18 (Fund and Benchmark)			
					1 yr.	5 yr.	10 yr.	Incept. to date
<b>Target Date Funds</b>								
Retirement Income Fund <i>Benchmark: Custom Retirement Income Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-3.3% -3.5%
Target Date 2005 Fund <i>Benchmark: Custom Retirement 2005 Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-3.4% -3.6%
Target Date 2010 Fund <i>Benchmark: Custom Retirement 2010 Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-3.7% -3.9%
Target Date 2015 Fund <i>Benchmark: Custom Retirement 2015 Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-4.3% -4.4%
Target Date 2020 Fund <i>Benchmark: Custom Retirement 2020 Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-5.0% -5.1%
Target Date 2025 Fund <i>Benchmark: Custom Retirement 2025 Blended Benchmark</i>	Target Date	0.028%	\$0.28	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-5.8% -6.0%
Target Date 2030 Fund <i>Benchmark: Custom Retirement 2030 Blended Benchmark</i>	Target Date	0.029%	\$0.29	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-6.8% -6.9%
Target Date 2035 Fund <i>Benchmark: Custom Retirement 2035 Blended Benchmark</i>	Target Date	0.029%	\$0.29	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-7.8% -7.9%
Target Date 2040 Fund <i>Benchmark: Custom Retirement 2040 Blended Benchmark</i>	Target Date	0.030%	\$0.30	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-8.7% -8.8%
Target Date 2045 Fund <i>Benchmark: Custom Retirement 2045 Blended Benchmark</i>	Target Date	0.031%	\$0.31	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-9.3% -9.4%
Target Date 2050 Fund <i>Benchmark: Custom Retirement 2050 Blended Benchmark</i>	Target Date	0.032%	\$0.32	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-9.6% -9.7%
Target Date 2055 Fund <i>Benchmark: Custom Retirement 2055 Blended Benchmark</i>	Target Date	0.033%	\$0.33	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-9.8% -9.8%
Target Date 2060 Fund <i>Benchmark: Custom Retirement 2060 Blended Benchmark</i>	Target Date	0.033%	\$0.33	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	-9.8% -9.8%

<b>Core Funds</b>								
Government Securities <i>Benchmark: Bloomberg Barclays 1-3 Year Treasury Index</i>	Government Securities	0.042%	\$0.42	Subject to the 14-Day Transfer Rule	1.5% 1.6%	0.8% 0.8%	1.0% 1.0%	N/A N/A
TIPS Index <i>Benchmark: Bloomberg Barclays U.S. TIPS Index</i>	Government Securities	0.030%	\$0.30	Subject to the 14-Day Transfer Rule	-1.3% -1.3%	1.7% 1.7%	3.6% 3.6%	N/A N/A
2020-Select Maturity Bond <i>Benchmark: Bloomberg Barclays U.S. Government/Credit 2020 Rolldown Index<sup>1,2</sup></i>	Bonds	0.075%	\$0.75	Subject to the 14-Day Transfer Rule	1.3% 1.2%	2.7% 2.6%	N/A N/A	2.5% 2.4%
2022-Select Maturity Bond <i>Benchmark: Bloomberg Barclays U.S. Government/Credit 2022 Rolldown Index<sup>1</sup></i>	Bonds	0.075%	\$0.75	Subject to the 14-Day Transfer Rule	0.5% 0.7%	N/A N/A	N/A N/A	2.1% 2.3%
2024-Select Maturity Bond <i>Benchmark: Bloomberg Barclays U.S. Government/Credit 2024 Rolldown Index</i>	Bonds	0.075%	\$0.75	Subject to the 14-Day Transfer Rule	-0.3% 0.0%	N/A N/A	N/A N/A	0.1% 0.7%
2026-Select Maturity Bond <i>Benchmark: Bloomberg Barclays U.S. Government/Credit 2026 Rolldown Index<sup>3</sup></i>	Bonds	0.075%	\$0.75	Subject to the 14-Day Transfer Rule	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Bond Index <i>Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index</i>	Bonds	0.025%	\$0.25	Subject to the 14-Day Transfer Rule	0.0% 0.0%	2.6% 2.5%	3.5% 3.5%	N/A N/A
Equity Index <i>Benchmark: CRSP U.S. Total Stock Market Index<sup>4</sup></i>	U.S. Equities	0.011%	\$0.11	Subject to the 14-Day Transfer Rule	-5.1% -5.2%	8.0% 7.9%	13.3% 13.3%	N/A N/A
Small Company Equity <i>Benchmark: S&amp;P SmallCap 600 Index</i>	U.S. Equities	0.008%	\$0.08	Subject to the 14-Day Transfer Rule	-8.5% -8.5%	6.3% 6.3%	13.3% 13.6%	N/A N/A
International Equity <i>Benchmark: MSCI World ex U.S. IMI</i>	International Equity	0.048%	\$0.48	Subject to the 14-Day Transfer Rule	-14.1% -14.7%	0.9% 0.6%	6.5% 6.6%	N/A N/A
Real Estate Index <i>Benchmark: MSCI U.S. Investable Market Real Estate 25/50 Index</i>	Specialty/Sector	0.100%	\$1.00	Subject to the 14-Day Transfer Rule	-5.9% -5.9%	7.4% 7.5%	12.1% 12.1%	N/A N/A
Emerging Markets Equity <i>Benchmark: MSCI Emerging Markets IMI</i>	International Equity	0.088%	\$0.88	Subject to the 14-Day Transfer Rule	-15.2% -15.0%	1.2% 1.5%	N/A N/A	N/A N/A

<sup>1</sup> Barclays U.S. Aggregate ex MBS Rolldown Index through June 30, 2015; Barclays U.S. Government/Credit Rolldown Index thereafter

<sup>2</sup> The 2020-Select Maturity Bond Family Fund is frozen to new money, effective June 28, 2019.

<sup>3</sup> The 2026-Select Maturity Bond Family Fund opening date is June 28, 2019.

<sup>4</sup> Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 8, 2005; the MSCI U.S. Broad Market Index through January 14, 2013; CRSP U.S. Total Market Index thereafter

## The Importance of Diversifying Your Retirement Savings

For your long-term retirement security and because market or economic conditions can affect fund performance differently, consider the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you attain a favorable rate of return while minimizing your risk of losing money. If you invest more than 20 percent of your retirement savings in any one company or industry, your savings may not be properly diversified. While diversification isn't a guarantee against loss, it's an effective way to manage investment risk.

As you decide how to invest your retirement savings, consider all your assets, including any savings outside the Plan. No single approach is right for everyone because people have different financial goals, savings timelines and risk tolerance. Regularly review your objectives, your investment portfolio and the Plan's investment options to help ensure that your savings will meet your retirement income goals.

For more information about individual investing and portfolio diversification, visit the Department of Labor's website at [www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification](http://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification).

### Request a Print Copy

You have the right to request and receive a free, printed copy of your account statement. To request one, visit the SmartBenefits website or call the Federal Reserve Benefits Center.

## 4. Understand Your Investment Options

Access the SmartBenefits website to learn more about:

- Your investment choices by reading the *Thrift Plan Investment Options Guide*, available via the home page "Library" tile; and
- Investment-related definitions by clicking on the "Thrift Plan" tile under "Your Information." From there, click on the "Thrift" drop down > "Investment Summary" > "Fund Performance" > "Fact Sheets" to access the "Glossary" link at the top right-hand corner of the page.



Statement Date: December 1, 2021

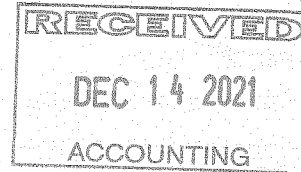


SmartBenefits  
www.federalreservebenefits.org



A003149

LAGUNA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL AND  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD.  
SAN FRANCISCO CA 94116



## Thrift Plan - Confirmation of Payment

Location: San Francisco  
Status at Payment: Enrolled Beneficiary  
Payment Type: December Required Minimum Distribution

This statement describes how your **November 30, 2021** distribution from the Thrift Plan was paid and provides you with the information you need to calculate the taxes you may owe. Because the legal and tax rules for a payment can be different for each person based on individual circumstances, please see your attorney or tax advisor.

If your Thrift Plan account contains both Roth 401(k) monies and monies other than Roth 401(k) amounts, you will need to process separate, Roth 401(k) only payments and will receive separate statements describing the distribution of your Roth 401(k) and other non-Roth 401(k) amounts.

### Payment Information

#### Cash Payment

Your total cash payment was calculated as follows:

<b>Gross Cash Payment</b>	<b>\$20,874.15</b>
Less Federal Withholding	0.00 -
Less California Withholding	0.00 -
<b>Net Cash Payment</b>	<b>\$20,874.15</b>

Your check will be mailed separately within 2 business days from the distribution date above. Please allow an additional one to three business days for postal delivery. If you chose direct deposit for your payment, the net cash payment amount should be deposited in your account two to three business days from the distribution date above.



**Tax Information****Gross Distribution**

Your gross distribution for tax return preparation is as follows:

Gross Cash Payment	\$20,874.15
<b>Gross Distribution</b>	<b>\$20,874.15</b>

**Federal Taxable Amount**

Your federal taxable income for your 2021 tax return is as follows:

Gross Distribution	\$20,874.15
Less Nontaxable Amount Received	\$164.70-
<b>Reported Federal Taxable Income</b>	<b>\$20,709.45</b>
Ordinary Income	\$20,709.45

**Remaining Rollover**

As a non-spousal beneficiary of the Plan, any portion of your payment paid directly to you is not eligible for indirect rollover.

**State Taxable Amount**

Your state taxable income for your 2021 tax return is as follows:

California Taxable Income	\$20,709.45
---------------------------	-------------

**Balance Information****Transaction Detail**

Fund	Value	Units	Unit Value
<b>Government Securities</b>	<b>\$20,874.15-</b>	<b>1,135.694429-</b>	<b>18.380076</b>
Deferred Compensation	12,362.95-	672.627806-	
Savings	2,966.80-	161.413949-	
Pre-July 2007 Employer Match	5,544.40-	301.652674-	
<b>Total Payment</b>	<b>\$20,874.15-</b>		

**Closing Balance as of November 30, 2021**

<b>Fund</b>	<b>Value</b>	<b>Units</b>	<b>Unit Value</b>
Government Securities	\$60,913.11	3,314.083971	18.380076
<b>Total Thrift Plan Balance</b>	<b>\$60,913.11</b>		

**Withholding Information**

The taxable portion of your payment that is not eligible for rollover is subject to federal income tax withholding unless you elect not to have withholding apply.

You may elect not to have federal withholding apply to the taxable portion of your payment that is not eligible for rollover, or change your withholding, by calling the Federal Reserve Benefits Center. Your election will remain in effect for any subsequent payments that are part of the same payment stream until you revoke it. You may make and revoke your election not to have withholding apply as often as you wish. Any election or revocation will be effective as soon as administratively possible after your election or revocation is received.

If the payment is a periodic payment, withholding will be taken according to the wage withholding tables as if you were married, claiming three allowances. If the payment is a nonperiodic payment, withholding will be taken at a flat 10% rate.

If you elect not to have withholding apply, or if you do not have enough federal income tax withheld, you may be responsible for the payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

**Tax Form Timing**

Please retain this statement for your tax records. In early 2022, you'll receive your applicable tax form(s) for this payment.

**For More Information**

**Online**  
SmartBenefits website  
at [www.federalreservebenefits.org](http://www.federalreservebenefits.org)



**Phone**  
Toll free at 877-FRS-CALL (877-377-2255), between 8 a.m. and 6 p.m., Eastern Time, Monday through Friday.  
If you are hearing-impaired, dial 711 for your state's number for TTY/TDD access.



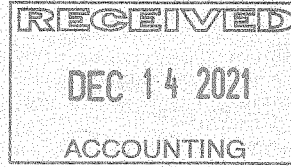


# STATE STREET.

FEDERAL RESERVE BENEFIT CENTER  
ATTN: FRS BENEFITS PROCESSING TEAM  
P. O. BOX 1405  
LINCOLNSHIRE, IL 60069-1405

TO CHANGE YOUR PERSONAL INFORMATION PLEASE  
CALL THE FEDERAL RESERVE BENEFITS CENTER AT  
1-877-377-2255 (8AM - 6PM ET M-F).  
WRITTEN CHANGES WILL NOT BE ACCEPTED.

LAGUNA HONDA HOSPITAL  
375 LAGUNA HONDA BLVD.  
REHABILITATION CENTER  
LAGUNA HONDA HOSPITAL AND  
SAN FRANCISCO CA 94116



ACCOUNT ID FRS -THRF- PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS

PAYEE INFORMATION			
PAYMENT DATE	CHECK NO.	PAYEE SOC SEC NO.	PAYEE
Nov 30, 2021	005048254	*****	LAGUNA HONDA HOSPITAL

PAYMENT INFORMATION		TAX REPORTING INFORMATION	
GROSS PAYMENT AMOUNT	20,874.15	TAX YEAR	2021
FEDERAL TAX WITHHELD	6,212.84	EMPLOYER ID NO.	04-3581074
STATE TAX WITHHELD -		DISTRIBUTION AMOUNT	20,874.15
NRA TAX WITHHELD -		FEDERAL TAXABLE AMOUNT	20,709.45
OTHER DEDUCTIONS		STATE TAXABLE AMOUNT	20,709.45
NET PAYMENT AMOUNT	14,661.31	TAXES WITHHELD	6,212.84
		AFTER TAX EE CONTRIBUTIONS	164.70
		CAPITAL GAINS	
		ORDINARY INCOME	20,709.45
		NET APPRECIATION	
		IRS DISTRIBUTION CODE	4
		TYPE OF DISTRIBUTION	

MESSAGE: (PARTICIPANT)

THIS STUB IS THE TAX REPORT PERTAINING TO THE ATTACHED DISTRIBUTION. RETAIN THIS PORTION FOR YOUR INCOME TAX RECORDS. THIS INFORMATION IS BEING REPORTED TO THE INTERNAL REVENUE SERVICE.

DATE Nov 30, 2021 PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS CHECK NO. 005048254

5-2  
110

PAY *Fourteen thousand six hundred sixty one and 31/100 Dollars*

TO THE ORDER OF LAGUNA HONDA HOSPITAL  
375 LAGUNA HONDA BLVD.  
REHABILITATION CENTER  
LAGUNA HONDA HOSPITAL AND  
SAN FRANCISCO CA 94116

AMOUNT  
\$14,661.31  
NOT VALID AFTER 180 DAYS  
FRS -THRF-



# STATE STREET.

Payable at: State Street Bank & Trust  
Boston, MA 02101

*Carol A. Johnson*

⑈005048254⑈ ⑆011000028⑆ 99060048⑈





# STATE STREET.

FEDERAL RESERVE BENEFIT CENTER  
ATTN: FRS BENEFITS PROCESSING TEAM  
P. O. BOX 1405  
LINCOLNSHIRE, IL 60069-1405

TO CHANGE YOUR PERSONAL INFORMATION PLEASE  
CALL THE FEDERAL RESERVE BENEFITS CENTER AT  
1-877-377-2255 (8AM - 6PM ET M-F).  
WRITTEN CHANGES WILL NOT BE ACCEPTED.

LAGUNDA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD  
SAN FRANCISCO CA 94116

ACCOUNT ID FRS -THRF-

PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS

PAYEE INFORMATION			
PAYMENT DATE	CHECK NO.	PAYEE SOC SEC NO.	PAYEE
Dec 01, 2022	005052849	*****	LAGUNDA HONDA HOSPITAL

PAYMENT INFORMATION		TAX REPORTING INFORMATION	
GROSS PAYMENT AMOUNT	58,357.17	TAX YEAR	2022
FEDERAL TAX WITHHELD	16,929.05	EMPLOYER ID NO.	04-3581074
STATE TAX WITHHELD - CA	564.30	DISTRIBUTION AMOUNT	58,357.17
NRA TAX WITHHELD -		FEDERAL TAXABLE AMOUNT	56,430.17
OTHER DEDUCTIONS		STATE TAXABLE AMOUNT	56,430.17
NET PAYMENT AMOUNT	40,863.82	TAXES WITHHELD	17,493.35
		AFTER TAX EE CONTRIBUTIONS	1,927.00
		CAPITAL GAINS	
		ORDINARY INCOME	56,430.17
		NET APPRECIATION	
		IRS DISTRIBUTION CODE	4
		TYPE OF DISTRIBUTION	MINIMUM DISTRIBUTION

MESSAGE: (PARTICIPANT)

THIS STUB IS THE TAX REPORT PERTAINING TO THE ATTACHED DISTRIBUTION. RETAIN THIS PORTION FOR YOUR INCOME TAX RECORDS. THIS INFORMATION IS BEING REPORTED TO THE INTERNAL REVENUE SERVICE.

DATE Dec 01, 2022 PLAN NAME THRIFT PLAN FOR EMPLOYEES OF THE FED RESERVE SYS CHECK NO. 005052849

5-2  
110

PAY *Forty thousand eight hundred sixty three and 82/100 Dollars*

TO THE ORDER OF  
LAGUNDA HONDA HOSPITAL  
LAGUNA HONDA HOSPITAL  
REHABILITATION CENTER  
375 LAGUNA HONDA BLVD  
SAN FRANCISCO CA 94116

AMOUNT
\$40,863.82

NOT VALID AFTER 180 DAYS  
FRS -THRF-



# STATE STREET.

Payable at: State Street Bank & Trust  
Boston, MA 02101

*Carol A. Johnson*

⑈005052849⑈ ⑆011000028⑆ 99060048⑈



### San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor



Department of  
**PUBLIC HEALTH**

[Date]

[Donor Name]

[Address]

To Whom it may Concern,

Thank you for your generous contribution to the San Francisco Department of Public Health (DPH). In order to help DPH comply with the San Francisco Sunshine Ordinance,\* we ask that you please complete this form and return it as soon as possible to: Department of Public Health, 101 Grove St #110, San Francisco CA 94102.

Contributor & Contribution Information:

Name: Janet Kramer (deceased)

Phone: 415-751-2482

Money, Goods, or Services (description):

Death benefit payable to Lagunda Honda Hospital

Date: 03/23/2022

Address: 435 Euclid Apt 24

San Francisco CA 94118

Estimated Value: \$59,619.32 (RMD already paid in 2021 \$20,874.15)

The above address is a:  Business  Residence

Financial Interest:

The San Francisco Sunshine Ordinance requires that a department that receives a gift of money, goods, or services worth more than \$100 in the aggregate to report any financial interest that the contributor has involving the City and County of San Francisco (the City). Please check the appropriate box or boxes that describe your financial interest in the City.

- Contract with City (Please describe): \_\_\_\_\_
- Grant from the City (Please describe): \_\_\_\_\_
- Lease of Space to or from the City (Please describe): \_\_\_\_\_
- City License, Permit, or Entitlement for Use (Please describe): \_\_\_\_\_
- Other Financial Interest (Please describe): \_\_\_\_\_
- Pending Financial Interest (Please describe): \_\_\_\_\_
- No Financial Interest

\*San Francisco Administrative Code Chapter 67 section 67.29-6 (Sources of Outside Funding) provides:

No official or employee or agent of the City shall accept, allow to be collected, or direct or influence the spending of, any money, or any goods or services worth more than one hundred dollars in aggregate, for the purpose of carrying out or assisting any City function unless the amount and source of all such funds is disclosed as a public record and made available on the website for



## San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

the department to which the funds are directed. When such funds are provided or managed by an entity, and not an individual, that entity must agree in writing to abide by this ordinance. The disclosure shall include the names of all individuals or organizations contributing such money and a statement as to any financial interest the contributor has involving the City.

*Jean Marshall*  
Signature

03/23/2022  
Date

**Health Commission  
City and County of San Francisco  
Resolution No. 22-09**

**RESOLUTION TO RECOMMEND TO THE BOARD OF SUPERVISORS TO AUTHORIZE THE DEPARTMENT OF PUBLIC HEALTH TO ACCEPT AND EXPEND A BEQUEST FROM THE ESTATE OF JANET D KRAMER.**

WHEREAS, Janet Kramer was a former employee of the Federal Reserve who passed away on May 30<sup>th</sup> 2020; and

WHEREAS, The San Francisco Public Administrator's Office notified Laguna Honda Hospital and Rehabilitation Center (Laguna Honda) of Ms. Kramer's passing and that she had named Laguna Honda as beneficiary to her retirement plan with the Federal Reserve; and

WHEREAS, the value of the retirement plan as of February 7<sup>th</sup>, 2022 was \$81065.86 and will continue to fluctuate based on performance of the investments of the retirement plan; and

WHEREAS, Laguna Honda is part of the San Francisco Health Network operated by the Department of Public Health and is a safety net and community hospital, with a mission to provide a welcoming, therapeutic, and a healing environment that promotes the individual's health and well-being; and

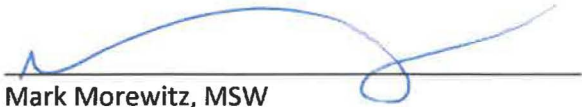
WHEREAS, the Laguna Honda Hospital Gift Fund is used to benefit the residents at Laguna Honda, including providing comfort and support for hospital residents; therefore, be it

RESOLVED, That the Health Commission recommends that the Board of Supervisor authorize Department of Public Health to accept and expend the total value of the retirement plan upon liquidation and deposit those funds into the Laguna Honda Gift Fund to support resident care programs; and be it

FURTHER RESOLVED, That the donation will be accepted and expended consistent with San Francisco Administrative Code Sections governing the acceptance of gifts to the City and County of San Francisco, including San Francisco Administrative Code Section 10.100-201.

FURTHER RESOLVED that the San Francisco Health Commission is grateful to the memory of Janet D. Kramer for her charity.

I hereby certify that the San Francisco Health Commission at its meeting on March 1, 2022, adopted the foregoing resolution

  
Mark Morewitz, MSW  
Health Commission Executive Secretary

**Laguna Honda Hospital**

**Janet D. Kramer Bequest  
Multi-Year Budget  
Funded by the Estate of Janet D. Kramer**

**July 1, 2022 – June 30, 2032**

<b>DIRECT COSTS</b>	<b>Each Year</b>	<b>All Years</b>	<b>Totals</b>
<b>Other Materials &amp; Supplies 549990</b> Supplies and game prizes provided with resident activities.	2.5% (1980.78)	25% (19,807.83)	25% (19,807.83)
<b>Other Current Expenses 535990</b> Musical entertainment, cultural celebrations, outings to parks, ball games, concerts, and other miscellaneous residents' benefits services.	5% (3,961.57)	50% (39,615.66)	50% (39,615.66)
<b>Food 546990</b> Special and cultural foods for residents	2.5% (1980.78)	25% (19,807.83)	25% (19,807.83)
<b>TOTAL</b>	<b>10%</b> <b>(\$7,923.13)</b>	<b>100%</b> <b>(\$79,231.32)</b>	<b>100%</b> <b>(\$79,231.32)</b>



# San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

## Memorandum

**To:** Honorable Members of the Board of Supervisors

**From:** San Francisco Department of Public Health

**Date:** Wednesday, September 20, 2023

**Re:** Accept and Expend Gift of Bequest from the Estate of Janet D. Kramer

---

This Resolution seeks authorization for the Department of Public Health (DPH) to retroactively accept and expend funds in the amount of \$79,231.32 from the Estate of Janet D. Kramer (Estate) through the Federal Reserve. Due to the intricate nature of this gift, we are requesting the accept and expend to be scheduled for the next Budget and Finance committee.

We humbly request retroactive authorization as we received the notice of award on February 2, 2021, for a project start date of July 1, 2022. We had received the notice of award from the Office of the Public Administrator dated February 2, 2021, which indicated a bequest from the Estate. The bequest was in the form of a Thrift Plan retirement account at the Federal Reserve, where Laguna Honda Hospital (LHH) was listed as a beneficiary. The retirement account had a fluctuating value due to the funds being invested in securities, which made targeting a specific dollar value a challenge. Due to the complexities of this donation, we worked with the City Attorney's Office and internal DPH stakeholders over the next several months to ensure that we were in compliance with City policy before beginning the accept and expend process.

After discussions with the Controller's office (CON) on February 9, 2022, we were advised to consult with the Mayor's office (MYR) on the issue of the fluctuating value of the account. After taking into account the CON's and MYR's suggestions, a resolution was drafted and submitted to the Health Commission on March 1, 2022 for approval. The Health Commission had approved the resolution, and an accept and expend packet with the Health Commission resolution and budget was submitted to the Controller's office on March 10, 2022. After CON has requested for DPH to reach out to the Department of the Treasurer and Tax collector (TTX) to obtain a transfer of the donated investments, an email to contact TTX to enable the transfer of the retirement account was sent on April 5, 2022. A phone meeting with the Federal Reserve was held on May 10, 2022 to discuss the procedure for transfer and liquidation of the account to DPH.

The expiration of the Federal Reserve PIN required to access the account required a call to be made to the



## San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

Federal Reserve to send a replacement PIN, which due to security considerations, could only be mailed to LHH. Due to issues with the mail, a replacement PIN was not received until February 3, 2023.

A revised accept and expend packet was sent to CON on March 6, 2023 where additional inquiries on the distributions from the account necessitated calls to the Federal Reserve and TTX. A revision to the resolution and other documentation was made, and forwarded to CON. The signed accept and expend packet was then sent to MYR on September 12, 2023.

Please contact Greg Wong, grants analyst, at [greg.wong@sfdph.org](mailto:greg.wong@sfdph.org) for any questions about this request for retroactive authorization.



London N. Breed  
Mayor

**TO:** Angela Calvillo, Clerk of the Board of Supervisors  
**FROM:** Dr. Grant Colfax  
Director of Health  
**DATE:** 9/20/2023  
**SUBJECT:** Gift Accept and Expend  
**GIFT TITLE:** Bequest from the Estate of Janet D. Kramer - \$79,231.32

---

Attached please find the original and 1 copy of each of the following:

- Proposed Gift resolution, original signed by Department
- Gift information form, including disability checklist
- Budget and Budget Justification
- Gift application: Not Applicable. No application submitted.
- Agreement / Award Letter
- Other (Explain):  
Distribution letter, Gift Questionnaire, Health Resolution

**Special Timeline Requirements:**

**Departmental representative to receive a copy of the adopted resolution:**

Name: Gregory Wong (greg.wong@sfdph.org) Phone: 554-2521

Interoffice Mail Address: Dept. of Public Health, 101 Grove St # 108

Certified copy required Yes

No



**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Wong, Greg \(DPH\)](#); [Low, Jen \(BOS\)](#)  
**Subject:** Mayor -- Resolution -- Janet D. Kramer Gift  
**Date:** Tuesday, September 19, 2023 5:05:31 PM  
**Attachments:** [Mayor -- Resolution -- Janet D. Kramer Gift.zip](#)

---

Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution retroactively authorizing the Department of Public Health to accept and expend a cash gift in the amount of up to \$79,231.32 from the Estate of Janet D. Kramer through the Federal Reserve in support of the Laguna Honda Hospital for the period of July 1, 2022, through June 30, 2032.

Please note that Supervisor Melgar is a co-sponsor of this legislation.

Please let me know if you have any questions.

Best,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 200  
San Francisco, CA 94102  
415-554-6147