

SEAFARERS MONEY PURCHASE PENSION PLAN

5201 Capital Gateway Drive
Camp Springs, Maryland 20746-4275
(301) 899-0675

Margaret R. Bowen
Administrator

Re: Qualified Joint & Survivor Annuity Notice

Dear Participant:

This notice provides important information regarding your distribution options from the Seafarers Money Purchase Pension Plan ("Plan"). As a vested married participant with an account balance over \$5,000.00, this notice will assist you in selecting the benefit form in which you will receive funds from your Employer Contribution Account.

The Qualified Joint & Survivor Annuity (QJSA) is a benefit in the form of a monthly payment for the joint lives of you and your spouse. The monthly amount is based upon your Employer Contribution Account balance and the ages of you and your spouse at the time of distribution.

Under the Qualified Joint & Survivor Annuity, your payment is paid in the form of a monthly annuity during your lifetime and will continue during your spouse's lifetime in one of the following options:

- **Qualified Joint & 50% Survivor Annuity** - a benefit in the form of a monthly payment for your lifetime. If you should predecease your spouse, he or she will receive 50% of the monthly benefit that was payable to you for his or her lifetime.
- **Qualified Joint & 75% Survivor Annuity** - a benefit in the form of a monthly payment for your lifetime. If you should predecease your spouse, he or she will receive 75% of the monthly benefit that was payable to you for his or her lifetime.

Under the QJSA option, should you predecease your spouse, your spouse will receive monthly payments for the rest of his or her life. Upon the death of both of you and your spouse, no additional benefits will be paid to the designated beneficiary on file with the Plan. The Qualified Joint & Survivor Annuity is a benefit that commences immediately.

You and your spouse may waive the Qualified Joint & Survivor Annuity by electing one of the other optional benefit forms provided by the Plan. In order to waive this joint benefit, the Plan must receive written consent from your spouse waiving his or her right to the Qualified Joint & Survivor Annuity. A Notary Public or an authorized SIU / Plan Representative must witness your spouse's consent of the chosen benefit.

The following are brief descriptions of the other benefit forms provided by the Plan:

- **Single Life Annuity** - a benefit in the form of a monthly payment over your lifetime. The monthly payment is based upon the Employer Contribution Account balance and your age at distribution. In the event of your death, benefits will be paid your designated beneficiary.

- **Ten Payment Election** - a benefit in the form of a yearly payment for a ten year period. The yearly payment is based upon the Employer Contribution Account balance. The initial payment commences as soon as possible. Each subsequent payment is substantially equal to the amount of the first payment, however, each of the succeeding nine payments will be adjusted to reflect interest and administrative fees. In the event of your death, any remaining payments will be made to your designated beneficiary.
- **Direct Rollover** - A benefit in the form of a one-time lump sum payment to your IRA or another qualified Employer Plan. The funds are eligible for roll-over to a Qualified Plan, Traditional IRA, SEP-IRA, 403(b), 457(b), or Roth IRA. For additional information regarding the tax implications of the rollover option, please refer to the enclosed Plan's IRS Notice 2018-74 Special Tax Notice - Employer Contributions Account. If you elect this benefit, you will not receive any other distributions from the Plan.
- **One Lump Sum** - A benefit in the form of a one-time lump sum payment to you in the amount of your account balance. Under the Plan rules, the distribution is subject to a mandatory 20% Federal Income Tax Withholding. Additionally, if you are younger than age 59 ½, the distribution may subject you to an early withdrawal penalty. If you elect this benefit, you will not receive any other distributions from the Plan.

You may wish to consult with a professional financial or tax advisor before making this election. If you have additional questions regarding this notice, please contact the Plan at (800) 252-4674 (Option 2) or map@seafarers.org.

Sincerely,

Margaret R. Bowen
Administrator