YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the MFS 403(b) Salary Reduction Custodial Account, a part of the 403(b) plan maintained by your employer (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.

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 (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).

Where may I roll over the payment?

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.
<u>If you do a direct rollover</u>, 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.

<u>If you do not do a direct rollover</u>, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

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 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 made due to disability
- Payments after your death

- Corrective distributions of contributions that exceed tax law limitations
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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.

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 from the IRA, 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:

- There is no exception for payments after separation from service that are made after age 55.
- 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 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. To apply for a waiver, 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, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

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

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment 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). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

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 and the special rules for public safety officers do 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 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 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). 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.

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.

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, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

MFS® 403(b) CUSTODIAL ACCOUNT DISTRIBUTION AUTHORIZATION

For Salary Reduction Plans

1. Account Information

Name _____ Social Security # _____-_____-_____

Address _____ Date of Birth _____/_____/_____

_____ Daytime Phone # (_____)_____-_____

Registered Representative's Name _____ Registered Rep's Phone # (_____)_____-_____

❒ This is my new address; please update my account information. (Your signature on this form must be guaranteed.)

2. Reason for Distribution

✓For distribution reasons C, D, E, F or G, your employer's authorization is required below.
✓Distributions due to Required Minimum Distribution and Financial Hardship are not eligible to be rolled over to an IRA or other Qualified Retirement Plan and these distributions are subject to voluntary tax withholding; please see section 7b.
✓If you want to roll over your eligible distribution, please also complete Sections 4, 6 & 8.
✓If you are taking a cash distribution, please also complete Section 4, 5, & 8.
✓For Permissive Service Credit skip to Section 3.

(Check one distribution reason or complete Section 3)

A. ❒ Age 59 ½

B. ❒ I have reached age 70 ½ and this distribution is part of my Required Minimum Distribution (RMD). My RMD is not being calculated by MFS.

C. ❒ Termination/Retirement

❒ Check here if you are over 55 and under 59 ½ years old.

D. ❒ Disability

E. ❒ Distribution to Alternate Payee pursuant to a Qualified Domestic Relations Order

F. ❒ Financial Hardship

G. ❒ Plan Termination

Authorization of the Employer (required if box C, D, E, F or G is checked)

Employer Name: _____

In order to ensure that the requested distribution will satisfy Code §403(b) and regulations hereunder, the undersigned certifies that s/he is an authorized signer for the Employer and Employer's 403(b) Plan ("Plan") and represents and agrees as follows: (1) The Plan permits the requested distribution, (2) the Participant named above is eligible to receive the distribution for the reason specified, (3) if the distribution is for *financial hardship*, the Participant has met and is subject to the related terms of the Plan, and (4) if the distribution is for *plan termination,* the employer/plan sponsor hereby certifies that its 403(b) plan has been terminated in compliance with the final 403(b) Regulations and all of the contracts issued under the plan at that time the plan was terminated satisfied all of the applicable requirements of the final 403(b) regulations (other than the requirement that there be a written plan).

Signature of Employer_____ Title _____

Print Name_____ Date_____

3. Permissive Service Credit *(If applicable, please check box)*

✓If this reason for distribution is checked, then complete Sections 4 and 8 of this form. A Signature Guarantee is required in Section 8.

❒ I am a participant in a defined benefit governmental plan (as defined in IRS Code Section 414(d)) and request a distribution for the purpose of funding permissive service credits in such plan. This is a non-taxable transfer. I understand that the check will be made payable to the indicated Retirement Board and mailed to my address of record.

Name of Retirement Board _____

4. Distribution Information

✓Indicate the fund name and the account number from which you want to withdraw and the amount to be distributed. If the amount of distribution requested exceeds the amount available in the fund, then all shares in that fund will be distributed.

Fund Name or Fund Number & Account Number	*(Fill in amount or check 'All')* Amount	*(Check one)* Shares	Dollars	All
_____	_____	❒	❒	❒
_____	_____	❒	❒	❒
_____	_____	❒	❒	❒
_____	_____	❒	❒	❒

Check the box below and complete the following statement, if appropriate:

❒ I have reached age 70 ½ and $_____ of the distribution is in payment of my Required Minimum Distribution. *(See Section 7b.)*

5. Cash Distributions Only

✓Do not complete this section if your eligible distribution will be rolled over. Instead complete Section 6.

❒ Redeem amount as requested in Section 4 and pay directly to me. I understand that unless this cash distribution is due to Financial Hardship or represents my Required Minimum Distribution, it will be subject to 20% federal income tax withholding.

Payment Instructions:

❒ Mail check to me at my address of record.
❒ Mail check to a third party. (A signature guarantee stamp is required in Section 8. Please provide instructions.)
❒ Wire proceeds to my bank account. (A signature guarantee stamp is required in Section 8. Please provide instructions and a voided check.)

Make Check Payable To_____

Mail Check To _____

_____

_____

Wire Funds To (Name of Bank)_____

ABA Wire Routing Number _____Bank Account Number_____

Name on Account _____

6. Direct Rollover Option for Eligible Distributions

✓Complete this section if you want to rollover your distribution directly to an eligible retirement plan or IRA, then see Section7a.
✓Do not complete this section if the distribution you are requesting is due to Financial Hardship or Required Minimum Distribution.
✓Assets cannot be rolled over into a SIMPLE IRA Plan.

Amount to Rollover: (Please complete)

A. ❒ All (or)

B. ❒ Partial $_____ of the amount specified in Section 4.
(The remaining balance, if any, will be paid directly to you subject to 20% federal income tax withholding.)

Rollover Directly To: (Please complete)

A. ❒ **A new or existing traditional MFS IRA or eligible retirement plan at MFS.**
The accounts will be rolled over using the same fund(s) and allocation(s), unless otherwise indicated on the MFS IRA application or written instructions. **Note: If you do not have an existing MFS IRA, an MFS IRA application is required. If you need an application, please go to MFS.com or call us at 1-800-637-1255.**

A1. ❒ A completed MFS IRA Application is attached.

A2. ❒ I have an existing traditional MFS IRA or eligible retirement plan account.
My MFS fund and account number is_____

B. ❒ **A traditional IRA at another institution.**

Name of Trustee:_____

C. ❒ **An eligible retirement plan at another institution.**

Name of Trustee: _____ Name of Plan: _____

❒ I am investing in MFS Funds at another institution. Please provide Broker Identification Number (BIN)

BIN_____

Payment Instructions:

✓For rollover options B & C, we will make the check payable to the new trustee for your benefit and mail the check to you. If you want the check mailed directly to the new trustee, please complete the address information below. A signature guarantee is required in Section 8. **If no stamp is provided, the check will be mailed to you**.

Trustee's Address:

_____

_____

_____

7. Income Tax Notice and Withholding Election

a. Mandatory withholding for eligible rollover distributions

Federal law requires MFS Service Center, Inc. to withhold federal income tax from your distribution at the rate of 20% unless it is rolled over directly to an IRA or other eligible retirement plan. The withholding is mandatory; you may not waive it. Please review the enclosed notice for additional information. Distributions which are not rolled over directly to an IRA or other eligible retirement plan and which are paid to residents of Arkansas, California, Delaware, Iowa, Kansas, Maine, Massachusetts, Nebraska, North Carolina, Oklahoma, Oregon, Vermont and Virginia are subject to mandatory state income tax withholding on the gross amount of the payment (the list of states may change as a result of changing legislation). Distributions paid to residents of all other states will not have any state income taxes withheld. The mandatory withholding will automatically be applied to distributions paid directly to you unless the distribution is due to financial hardship or is due to age 70 ½ required minimum distributions.

b. For Required Minimum Distributions and Hardship Distributions (Distributions not subject to Mandatory 20% Withholding)

The distribution you receive is subject to federal income tax withholding at a rate of 10%, unless you elect not to have withholding apply. If you do not choose a withholding election, federal income tax will be withheld on the gross amount of the payment because we are unable to determine amounts not subject to withholding. You can elect out of withholding by checking the appropriate box in the section below. Even if you elect not to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your distribution. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate. Distributions paid to residents of Arkansas, California, Delaware, Iowa, Kansas, Maine, Maryland, Massachusetts, Mississippi, Nebraska, North Carolina, Oklahoma, Oregon, Vermont and Virginia are subject to state income tax withholding on the gross amount of the payment unless you elect below to not have federal withholding apply (the list of states may change as a result of changing legislation). Distributions paid to residents of all other states will not have any state income taxes withheld.

Please check one only if your distribution is due to Financial Hardship or is part of your Required Minimum Distribution:
(All other distribution types are subject to mandatory 20% federal tax withholding, unless rolled over, as noted in Section 7a.)

- ❒ YES, withhold 10% for federal taxes.
  If you want more than 10% withheld for federal taxes, indicate total percentage here: _____%.
- ❒ NO, do not withhold federal taxes.

✓Continue to the next page and complete Section 8.

8. Certification and Signature Guarantee

I certify that:

- ✓ All distribution amounts that are rolled over directly to another retirement plan are eligible rollover distribution amounts.
- ✓ I have verified that the IRA or retirement plan that will receive the direct rollover (if this option is elected) is an eligible retirement plan.
- ✓ This distribution is in accordance with the terms of the Custodial Agreement.
- ✓ If this distribution is on account of Plan Termination (section 2), I am responsible for any and all tax consequences which may result from this distribution.

_____ _____

Signature ***Date***

Signature Guarantee

A signature guarantee is **required** if:

- ✓ The total distribution is more than $100,000.00, or
- ✓ The distribution is not a direct rollover and you request your check be made payable to a name other than your own, or
- ✓ You request your check be mailed to an address other than the address of record we have on file, or
- ✓ You request the proceeds be wired to your bank account. (Attach a voided check or preprinted deposit slip.)
- ✓ You have notified MFS of an address change within the past 30 days.

AFFIX GUARANTEE HERE*

*The signature(s) must be guaranteed by an eligible bank, broker, dealer, credit union, national securities exchange registered securities association, clearing agency, or savings association. Signature guarantees shall be accepted in accordance with policies established by MFSC. Notarization by a Notary Public is not acceptable in lieu of a signature guarantee provided by one of the eligible guarantor institutions listed above

If you have any questions about this form, please contact the MFS Retirement Plan Services Department, any business day, at 1-800-637-1255.

MAIL COMPLETED FORM TO:

Regular Mail
MFS Service Center, Inc.
P.O. Box 55824
Boston, MA 02205-5824

Overnight Mail
MFS Service Center, Inc.
c/o BFDS
30 Dan Rd
Canton, MA 02021-2809