**Sample Participant Notice**

**Qualified Preretirement Survivor Annuity Notice**

*[Instructions to plan sponsor: This sample notice is provided to assist you in preparing the required notification for your plan. The plan’s documents control the plan provisions and should be matched carefully with this notice. You are responsible for customizing this notice to be consistent with the provisions of your plan. When you customize the notice, tailor the content in brackets in the text below with the appropriate information for your plan or plan participants. Delete all instructional headings as appropriate.]*

**[PLAN NAME] (The “Plan”)**

**QUALIFIED PRERETIREMENT SURVIVOR ANNUITY NOTICE**

You are receiving this notice because the portion of your benefits under this Plan in the *[insert money source & description]* money source(s) is subject to the rules of a Qualified Preretirement Survivor Annuity.

This notice explains to you and your spouse how your Plan benefits will be calculated and distributed if you die before payment of your benefits has begun unless you and your spouse elect otherwise.

**Qualified Preretirement Survivor Annuity (“QPSA”) Notice to a Married Participant**

As required by federal law and the terms of the Plan, the Plan will distribute a QPSA to your surviving spouse if you die before your benefit payments commence under the Plan, unless you waive this form of payment and your spouse consents to that waiver. The Plan will use at least 50% (or a higher percentage if provided under the terms of the Plan) of your vested account balance to purchase a QPSA contract from an insurance company for your surviving spouse.

Under the QPSA, your surviving spouse will receive a lifetime level monthly payment. The actual level monthly payments made under the QPSA will depend on the annuity purchase rate used by the insurance company, your surviving spouse’s age at the time the distribution begins, and the dollar amount of your vested account balance used to purchase the annuity contract. Your surviving spouse may elect to receive the portion of your vested account balance payable as a QPSA as a lump sum distribution or in any other form allowed by the Plan. If, at the time of your death, your vested account balance is not greater than $7,000, the Plan will make a lump sum distribution to your surviving spouse instead of providing the QPSA.

[For plans with QPSA amount less than 100%.]

If you and your spouse do not waive the QPSA, you may designate a different beneficiary to receive the remainder of your account balance (or the non-QPSA portion). The Plan does not need your spouse’s consent to your designation of another beneficiary to receive the non-QPSA portion of your account. For example, assume your Plan sets the QPSA percentage at 50% of your vested account balance, and you and your spouse do not waive the QPSA benefit. You may designate someone other than your spouse to receive the other 50% of your vested account balance, or the non-QPSA portion, and your spouse does not have to consent to this designation.

You may waive the QPSA at any time during the QPSA election period. This is the period beginning on the first day of the Plan year in which you reach age 35 and ending on the date of your death. If you waive the QPSA prior to the Plan year in which you attain age 35, you will need to make another waiver after the first day of the Plan year that includes your 35th birthday. Please note that the waiver election is valid only for the spouse consenting to the waiver, so you will need to complete a new waiver if you divorce and remarry. If you were unmarried at the time of your initial beneficiary designation, that initial designation will cease to be effective, and you must submit a new Beneficiary Designation form and QPSA waiver.

In order to waive the QPSA or designate a beneficiary other than your spouse to receive the QPSA portion of your account balance, you must complete the waiver election section of the Beneficiary Designation Form, and your spouse must consent to the waiver by signing the spousal consent. The Plan Administrator or a notary public must witness your spouse’s signature. Your decision to accept or waive the QPSA annuity will not affect your retirement benefit under the Plan. There is no reduction or increase in your retirement benefit as a result of your election to waive or not waive the QPSA annuity.

The following options are available to you if you are married:

* If you designate your spouse as your sole beneficiary AND you want the QPSA death benefit paid to your spouse in the form of a lifetime annuity, you need only complete the Beneficiary Form (no spousal consent required).
* If you designate your spouse as your sole beneficiary BUT you want to waive the QPSA death benefit paid to your spouse in the form of a lifetime annuity, you must complete the Beneficiary Form (no spousal consent required), and you and your spouse must complete the QPSA Waiver.

[For plans with QPSA amount less than 100%.]

* If you want to designate a non-spouse beneficiary to receive the non-QPSA portion of the death benefit AND you want to have the QPSA death benefit paid to your spouse in the form of a lifetime annuity, you must complete the Beneficiary Form (no spousal consent required). Please ref er to the QPSA Notice for more information on this option.
* If you want to designate a non-spouse beneficiary to receive more than the non-QPSA portion of the death benefit, you must complete the Beneficiary Form (spousal consent required), and you and your spouse must complete the QPSA Waiver. Please refer to the QPSA Notice for more information on this option.

**Qualified Preretirement Survivor Annuity (“QPSA”) Notice to a Married Participant’s Spouse**

**What is a QPSA?** Your spouse has an account balance in the Plan. The money in the account that your spouse will be entitled to receive at retirement is called the vested account balance. Federal law and the terms of the Plan state that you, as the spouse of the participant in the Plan, will receive a special death benefit that is paid from the vested account balance if your spouse dies before he or she begins receiving retirement benefits under the Plan. You have the right to receive this death benefit in the form of an annuity payable for your lifetime beginning after your spouse dies. This special death benefit is called a qualified preretirement survivor annuity or QPSA. If the value of this benefit is $7,000 or less, the Plan will pay this benefit to you in a lump sum rather than as an annuity.

**Can Your Spouse Choose Other Beneficiaries to Receive the QPSA Portion of this Account?** Your right to the QPSA portion of your spouse’s benefit is provided by federal law and cannot be taken away unless you agree to give up that benefit. If you agree, your spouse can choose to have all or part of the QPSA benefit paid to someone else. The person your spouse chooses to receive the QPSA benefit is called a beneficiary. For example, if you agree, your spouse can have the QPSA benefit paid to his or her children instead of you.

[For plans with QPSA amount less than 100%.]

**Can Your Spouse Choose Other Beneficiaries to Receive the non-QPSA Portion of this Account?** Yes. If the QPSA portion of your spouse’s account is less than 100% of the vested account balance, your spouse may designate another beneficiary to receive the remaining portion of the account balance, called the non-QPSA portion of the account. As long as your spouse does not waive the QPSA for you, your spouse does not need your consent to this additional beneficiary designation.

**Do You Have to Give Up Your Right to the QPSA Benefit?** No, your choice must be voluntary. It is your personal decision whether you want to give up your right to the special QPSA annuity.

**Can Your Spouse Change the Beneficiary in the Future if You Sign this Form?** If you sign this form, your spouse cannot change the beneficiary named in this form unless you agree to the new beneficiary by signing a new form. If you agree, your spouse can change the beneficiary at any time before your spouse begins receiving benefits from the Plan or dies. You do not have to agree to let your spouse change the beneficiary. However, your spouse can elect the QPSA annuity f or you without getting your agreement.

**Can You Change Your Mind After You Sign this Form?** No, you cannot change this agreement after signing this form. Your decision is final.

**What Happens to this Agreement if you become Separated or Divorced?** You may lose your right to the QPSA benefit if you and your spouse become legally separated or divorced, even if you do not sign this agreement. However, if you become legally separated or divorced, you might be able to get a special court order (called a qualified domestic relations order or QDRO) that specifically protects your rights to receive the QPSA benefit or that gives you other benefits under the Plan. If you are thinking about separating or getting a divorce, you should get legal advice on your rights to benefits from the Plan.

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