

IMPORTANT INFORMATION FOR EMPLOYEES OVER AGE 70-1/2

Required Minimum Distributions are suspended for 2009

History

Retired employees are generally required to begin Required Minimum Distributions (RMDs) from their employer's qualified retirement plan beginning in the calendar year in which they turn 70½. Employees who continue to work past age 70½ are able to defer their RMD until they retire (this deferral is not available to 5% owners of the company that sponsor the retirement plan).

New Law

The Worker, Retiree, and Employer Recovery ACT of 2008 has suspended the requirement for RMDs in 2009.

The reason for the suspension is due to the decline in the market value of most retirement accounts over the past year. The suspension allows retirees the option to leave their assets in the retirement accounts, hopefully providing time for the investments to recover.

Special Note

In the first year only, an employee has the option to defer his/her very first RMD to April 1 of the year following the year in which he/she turns 70½. If an employee turned 70½ in 2008 and deferred his/her RMD to 2009, the suspension does not apply and the employee must still take the RMD by April 1, 2009.

What This Means to Employees Taking RMDs

The suspension is optional, so employees may take their RMD if they wish. RMDs are not normally eligible for rollover. However, since they are not required for 2009, distributions will be eligible for rollover, but not subject to the 20% mandatory withholding.

TVC will not process any RMD distributions unless we are contacted by an employee who specifically requests a distribution. TVC will continue normal processing of RMDs for 2010 for all participants who currently have RMD Distribution Forms on file with us.

If you have any questions or need additional information, please contact your TVC plan administrator.

