

Distribution Form

Savings Plan for Employees of American Leather

665146

Employee Full Name (please print)		Date of Birth	Daytime Phone Number
Permanent Address (for tax filing purposes)		Email Address	
City	State	ZIP	
SSN (or ITIN if applicable)	Citizenship		
	<input type="checkbox"/> U.S. Citizen. If you are not a U.S. Citizen, leave blank and complete section 7.		
Check Mailing Address (if different than above, Medallion Signature Guarantee Required , see section 10 on page 4)			
City			
State		ZIP	

1. Reason for Withdrawal – Choose one option below. If you have reached the age for a Required Minimum Distribution, please complete section 6.

- ☐ No longer employed
☐ Total and permanent disability
☐ In-service withdrawal (please choose **one** option below)
 ☐ Retirement-eligible in-service distribution. I have met the age and vesting requirements specified under the Plan.
 ☐ Other in-service distribution: withdrawal of rollover account only
 ☐ Other in-service distribution: withdrawal of after-tax account only
☐ Plan termination

2. Method of Distribution – Choose all that apply.

The plan will distribute 100% of your vested account balance if you do not indicate a specific percentage or amount below.

- ☐ **Direct Payment to You** (subject to income tax — see section 10 and special tax notice):
 ☐ Lump sum (both pre-tax and Roth) **100%**
 ☐ Partial payment (no annual withdrawal limit) or In-service payment:
 Note: Some plans do not allow partial payments. Confirm with your Plan Administrator.
 ☐ BOTH pre-tax and Roth _____% OR specified dollar amount \$ _____ (Default is pro-rata)
 ☐ Pre-tax only _____% OR specified dollar amount \$ _____
 ☐ Roth only _____% OR specified dollar amount \$ _____
 ☐ Installment payments (only for vested balances of \$5,000 or over). Attach the Installment Payment Election Form.
 Note: Some plans do not allow installments. Confirm with your Plan Administrator.

***If you elect a direct payment to you, complete the Payment Method section 3 below.**

- ☐ **Direct Rollover** (tax deferred):
 ☐ Rollover (both pre-tax and Roth) to IRA: _____% OR specified dollar amount \$ _____
 ☐ Rollover (both pre-tax and Roth) to eligible employer plan: _____% OR specified dollar amount \$ _____
 ☐ Rollover Roth portion of my account only. This will include earnings. Not all plans permit Roth contributions.
 ☐ Rollover pre-tax portion of my account only

- ☐ **Direct Rollover Conversion of Pre-tax to Roth IRA** (subject to income tax — see special tax notice):
 ☐ Rollover to Roth IRA: _____% OR specified dollar amount \$ _____

Withholding for Rollover/Conversion to Roth IRA: If you would like to have federal income tax withheld, please indicate below. However, a 10% tax for early distribution may apply to the withholding amount.

- ☐ Please withhold _____% from my pre-tax rollover to Roth IRA for federal income tax. I understand no state income tax will be withheld except where required by law. If no election is made, no taxes will be withheld.

***If you elect a rollover, complete the Rollover section 4 below.**

Distribution Form

Savings Plan for Employees of American Leather

665146

Employee Full Name (please print)	SSN
-----------------------------------	-----

3. Payment Method for Cash Distributions

If you do not indicate an option below, your distribution will be sent in the form of a check.

- ☐ Check
- ☐ Direct Deposit to my checking/savings account. Medallion Signature Guarantee is required for all ACH payments. Please include a voided check with your request. Invalid or rejected ACH requests will be sent in the form of a check. **This option is not available for rollovers.**

Bank Name: _____

Account Name: _____

Bank ABA/Routing Number: _____

Account Number: _____

Checking or Savings (circle one)

4. Rollover Information – Account must be established prior to providing the following information.

Note: All rollover checks are mailed directly to either the participant's address of record or check mailing address indicated above unless specified below.**

- ☐ Please mail check to rollover company. I understand that a Medallion Signature Guarantee is required.
*If either the medallion stamp and/or rollover company address is not provided, the check will be mailed to the participant address of record.

A. Pre-Tax Account

Rollover Company:

Plan Name/ Account Number: _____

**Mailing Address for Check (if different than participant address, Medallion Signature Guarantee required).

- B. Roth Account** (if different than above). Roth IRAs cannot be commingled with pre-tax IRAs. Also, if you intend to roll to an employer plan, you must confirm that it will accept Roth contributions.

Rollover Company:

Plan Name/ Account Number: _____

**Mailing Address for Check (if different than participant address, Medallion Signature Guarantee required).

5. Treatment of Outstanding Loan Balance – Complete section 5 if you have a plan loan. Choose one option below.

Note: If you have a plan loan, but do not complete this section, the Plan will default your loan under option 1 below.

- ☐ 1. **Default the Loan:** You will not be required to pay off the loan, but the balance plus interest will be taxed to you. The Plan will report this amount to the IRS on Form 1099-R.
- ☐ 2. **Pay Off the Loan:** Please attach a money order/cashier's check for the total amount of your outstanding loan balance plus interest. The plan will be paid and the proceeds distributed according to your instructions above.
- ☐ 3. **Do Not Affect Loan:** (In-service withdrawals only.) You must still be an active employee of the company and your employer must continue to withhold loan payments from your pay.

Distribution Form

Savings Plan for Employees of American Leather

665146

Employee Full Name (please print)	SSN
-----------------------------------	-----

6. Required Minimum Distribution (RMD) – Complete section 6 if you are the age for a Required Minimum Distribution, are not employed by this plan's employer and do not have a greater than 5% ownership (or a family member) within the employer that sponsors this plan.

The Internal Revenue Code requires participants to take an RMD from the plan if they are not employed. A greater than 5% owner (includes family members of greater than 5% owners) must receive an RMD whether or not they are still employed.

Choose one of the following:

- ☐ **Reoccurring RMDs:** I have been receiving RMDs in the past. I understand that the calculation will be done as in previous years.
- ☐ **New RMD:** This is my first year to receive an RMD. I understand that my RMD will be based on the Uniform Lifetime Table if my beneficiary is 10 years younger or less than me. I also understand that if my spouse is my sole beneficiary and is more than 10 years younger, then their age will be taken into consideration.
- ☐ My spouse is my sole beneficiary and more than 10 years younger.

Spouse's Name: _____

Spouse's Date of Birth: _____

I understand the RMD distribution will be reported as taxable income to me and that it cannot be rolled over to an IRA or another qualified plan. Indicate the percent of federal and/or state income tax you would like to have withheld from the RMD in section 10. If no election is made, federal income tax withholding of 10% will be withheld with respect to the RMD distribution. For additional amounts that are not RMDs, mandatory minimum withholding of 20% will apply, unless you enter a higher percentage in section 10. If you enter a percentage lower than 20%, it will apply only for the portion of your distribution that is an RMD.

7. Information for Non-U.S. Citizen

- ☐ I am a resident alien because the U.S. Citizen and Immigration Service has given me permission to permanently reside in the U.S. I have a "green card."
- ☐ I am a resident alien because I meet the Substantial Presence Test: I was physically present in the U.S. on at least:
- 31 days during the current year, AND
 - 183 days during the 3-year period that includes the current year and the 2 years immediately before that, counting:
 - All the days I was present in the current year, and
 - 1/3 of the days I was present in the first year before the current year, and
 - 1/6 of the days I was present in the second year before the current year.
- ☐ I am a nonresident alien. I do not meet the criteria of 1 or 2 above. (Submit an IRS Form W-8BEN – see section 8.)

8. Information for Nonresident Alien Participants Only

Provide a Form W-8BEN with an original signature as documentation of your foreign tax status. Without valid tax documentation, Alerus is required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website at [irs.gov](https://www.irs.gov).

9. Employee Acknowledgments

By signing at the end of section 10, I acknowledge that:

- I have received and read the Special Tax Notice Regarding Plan Payments and the Distribution Notice;
- Federal law allows me 30 days after I was provided the Distribution Notice and Special Tax Notice Regarding Plan Payments to decide whether or not to roll over this distribution. I waive the 30-day notice period and consent to an immediate distribution;
 - I understand that once my payment has been processed, it cannot be changed;
 - Federal law requires 20% income tax withholding on all eligible rollover distributions not rolled over (see and complete section 10);
 - A 10% premature distribution penalty tax may apply (see Special Tax Notice);

Distribution Form

Savings Plan for Employees of American Leather

665146

Employee Full Name (please print)	SSN
-----------------------------------	-----

- My account may receive mutual fund dividends or other deposits following my disbursement. Generally, Alerus will distribute these trailing amounts using the method selected in this form (*certain exceptions may apply*);
- Distributions will be made pro-rata among investment funds and sources unless I direct otherwise in writing (*certain exceptions may apply*);
- Any after-tax contributions will be paid as a lump sum, unless I direct otherwise in writing;
- A processing fee may be charged;
- A voided check is required for all ACH requests; and
- A Medallion Signature Guarantee stamp may be required (see section 10).

10. Withholding and Employee Signature

State Tax Withholding: No state income tax will be withheld except where required by law.

Federal Tax Withholding:

Form W-4R – Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See the Form W-4R instructions on pages 7 and 8 of this packet for more information.

2	Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the Form W-4R instructions and the Marginal Rate Tables on pages 7 and 8 of this packet for additional information. Enter the rate as a whole number (no decimals)	2	_____ %
---	--	---	---------

The 2023 Marginal Rate Tables are included on page 7 of this packet. You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Instructions on how to best use them are included.

Sign Here		
	Your Signature (This form is not valid unless you sign it.)	Date

MEDALLION SIGNATURE GUARANTEE STAMP

****A Medallion Signature Guarantee** is required for any of the following transactions: 1. Distributions \$100,000 and over, 2. A bank wire or ACH, 3. Payment to a destination outside the U.S., 4. Payment to an alternate payee, beneficiary or other third party (other than the rollover recipient institution), 5. Payment to an address that is different than the address of record on the account, or 6. If the address on the account has been changed within the past 15 days. A Medallion Signature Guarantee is designed to protect you and Alerus from fraud. You can get a Medallion Signature Guarantee from most banks, credit unions, and other financial institutions. **A notary seal/stamp is NOT a Medallion Signature Guarantee.** All forms with a Medallion Signature Guarantee must be mailed in their original form to the Authorized Signer/TPA for completion.

--

NOTE: In place of a signature guarantee, your employer may choose to acknowledge your signature. Contact your HR department for details.

Employee, please see the attached Submission Instructions (option 1).

Distribution Form

Savings Plan for Employees of American Leather

665146

Employee Full Name (please print)	SSN

THIS SECTION IS FOR EMPLOYER, THIRD-PARTY ADMINISTRATOR OR AUTHORIZED PARTY USE ONLY
11. Authorized Signature*To be Completed by Authorized Signer*

Signature Guarantee Waiver and Employer Certification: As an Authorized Signer for the Plan, I certify that the above signature of the employee is genuine and waive the requirement for a signature guarantee. (All forms with a Signature Guarantee Waiver must be uploaded to Alerus Retirement and Benefits at AlerusRB.com.)

AUTHORIZED SIGNATURE

DATE

Sign:
Print Name:

This signature pertains to medallion waiver only.

Employee Full Name (please print)	SSN

Date of Hire/Rehire	Hours of Service in Plan Year of Termination	Date of Termination, if applicable

Distribution Authorization: As an Authorized Signer for the Plan, I certify the employee has received the Special Tax Notice Regarding Plan Payments. I hereby direct the Plan recordkeepers, trustees, and/or fund managers to make the distribution as directed by this form.

AUTHORIZED SIGNATURE

DATE

Sign:
Print Name:

Authorized Signer, please deliver form to Alerus according to direction below.

Please submit completed and signed form to Alerus Retirement and Benefits via the employer plan access at AlerusRB.com. By uploading this form via our secure website, Authorized Signer/TPA is certifying that all signatures are genuine.

All forms with a Medallion Signature Guarantee: must either be uploaded by the Authorized Signer/TPA at AlerusRB.com or mailed in their original form to Alerus Retirement and Benefits (after all signatures have been obtained).

Notice and Consent Period Regarding Distribution

(Retain this page for your personal records.)

You are eligible to receive a distribution from your Plan. As a result, you should be aware of the following:

Minimum Notice Period. For at least 30 days after you receive this notice, you have the right to consider your decision whether to consent to a distribution of your vested account balance and whether to elect a direct rollover of any portion of your eligible rollover distribution. If you sign and return the attached Distribution Form to the authorized signer less than 30 days after you receive this notice, the authorized signer's receipt of your signed form is your affirmative waiver of any unexpired portion of the minimum 30-day period and your affirmative election of a distribution or a direct rollover.

Distribution Charge. A fee may be deducted from your account proceeds upon distribution. In such case, it will be itemized on the confirmation letter you will receive after the distribution is processed. Contact your employer to determine whether a distribution fee, if any, applies.

Postponement of Distribution. You are not required to take a distribution from the Plan unless you either:

1. Are required to by Internal Revenue Code Section 401(a)(9) (commonly referred to as "Required Minimum Distributions"); or
2. Have a "Small Account Balance" as defined by your plan (*defined as a balance less than a specified dollar amount which can be no greater than \$5,000*).

If you do not submit this Distribution Form, you will be deemed to have elected postponement. If you postpone your distribution:

- Your account value will continue to fluctuate based upon the performance of the investments in your plan;
- If you have the ability to direct investment within the plan, you will retain that ability;
- You will have access to the same investment options as offered to other plan participants; and
- Your account will be subject to the same investment and administrative fees applied to other plan participants. However, If your employer paid some/all of these fees on your behalf, your employer may opt to have these fees assessed against your account following termination of employment.

You may obtain more information regarding your distribution rights by referring to your Summary Plan Description.

Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions

Give Form W-4R to the payer of your retirement payments.

OMB No. 1545-0074

2023

General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

2023 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
13,850	10%	27,700	10%	20,800	10%
24,850	12%	49,700	12%	36,500	12%
58,575	22%	117,150	22%	80,650	22%
109,225	24%	218,450	24%	116,150	24%
195,950	32%	391,900	32%	202,900	32%
245,100	35%	490,200	35%	252,050	35%
591,975*	37%	721,450	37%	598,900	37%

* If married filing separately, use \$360,725 instead for this 37% rate.

For Privacy Act and Paperwork Reduction Act Notice, see page 3.

Cat. No. 75085T

Form **W-4R** (2023)

General Instructions (continued)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2023, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum distributions. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate's employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$80,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$42,500 without the payment. Step 1: Because your total income without the payment, \$42,500, is greater than \$24,850 but less than \$58,575, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$62,500, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. The two rates differ. \$16,075 of the \$20,000 payment is in the lower bracket (\$58,575 less your total income of \$42,500 without the payment), and \$3,925 is in the higher bracket (\$20,000 less the \$16,075 that is in the lower bracket). Multiply \$16,075 by 12% to get \$1,929. Multiply \$3,925 by 22% to get \$863.50. The sum of these two amounts is \$2,792.50. This is the estimated tax on your payment. This amount corresponds to 14% of the \$20,000 payment (\$2,792.50 divided by \$20,000). Enter “14” on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S.

commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Submission Instructions

How you should submit your completed Distribution Form depends on whether Authorized Signer approval or a Medallion Signature Guarantee is required (see the signature page of your Distribution Form for more information on whether a Medallion Signature Guarantee is required and on which of the following options apply to your plan).

1. **If Authorized Signer Action is Required (For Medallion Signature Guarantee Waiver and/or Approval)** – Give the completed and signed Distribution Form to the plan's Authorized Signer for completion and the Authorized Signer will then submit the Form to Alerus. The Authorized Signer is generally your employer but may be the plan's third-party administrator.
2. **Mail the Form to Alerus** – You can mail the form to Alerus at the following address:

For Regular Mail:

Alerus Retirement and Benefits
P.O. Box 64535
St. Paul, MN 55164

For Overnight Delivery Services:

Alerus Retirement and Benefits
Two Pine Tree Dr., Suite 310
Arden Hills, MN 55112
Attn: Distributions

3. **Upload the Form Using the “Contact Us” Page on AlerusRB.com** – Please note that you may not use this option for Distribution Forms that require a Medallion Signature Guarantee.