

Account Beneficiary

Explanation of Death Benefits & Designated Beneficiaries



Upon the death of a Plan participant, all vested benefits held in the Plan on the participant's behalf will be paid in accordance with the terms of the Plan to the beneficiary(ies) designated on the most recent *Beneficiary Designation Form* executed by the participant. This *Explanation of Death Benefits and Designated Beneficiaries* describes the rights of Plan participants and their spouses to designate how benefits will be paid upon a participant's death. (For more information regarding the availability of death benefits under the Plan, read your *Summary Plan Description* ("SPD") or contact the Plan Administrator.)

Unmarried Participants

If a participant is not married at the time death, the participant's vested benefit will be paid to the beneficiary(ies) designated in the most recent *Beneficiary Designation Form*. If a participant has not completed a *Beneficiary Designation Form*, the death benefit will be paid in accordance with the default distribution rules under the Plan. (For more information concerning the default distribution rules under the Plan, read your SPD or contact the Plan Administrator.)

Married Participants

If a participant is married at the time of death, the participant's surviving spouse is entitled to 100% of the participant's vested benefits under the Plan. A participant is considered married if he/she is not single, divorced, legally separated (by court order), abandoned (by court order), or widowed. (See the SPD for any special rules regarding the determination of surviving spouse for purposes of determining death benefits under the Plan.) The participant may not designate an alternate non-spouse beneficiary without the consent of the spouse. If the spouse wishes to consent to the designation of an alternative beneficiary, he/she must sign a *Spousal Consent to Designated Beneficiary Form*. If the participant's spouse does not sign a *Spousal Consent to Designated Beneficiary Form*, and have it properly notarized, any designation of an alternate beneficiary on the *Beneficiary Designation Form* is null and void and the spouse will be entitled to 100% of the participant's vested benefit under the Plan upon the participant's death.

Example. Paul wishes to name his wife as beneficiary of 50% of his vested Plan benefits upon his death. Paul would like to leave the remaining 50% of his Plan benefits to his adult son, George. To name George as beneficiary of 50% of his death benefits, Paul must complete the *Beneficiary Designation Form* naming his spouse as Primary Beneficiary of 50% of the death benefit and George as Primary Beneficiary of the other 50% of the death benefit. Paul's spouse would have to complete a *Spousal Consent to Designated Beneficiary Form* waiving her right to the death benefit and consenting to the designation of George as a Primary Beneficiary. If Paul's spouse does not complete a *Spousal Consent to Designated Beneficiary Form*, she will receive 100% of the death benefit, regardless of the designation of George as Primary Beneficiary.

Payment to Beneficiaries

If payment is to be made to more than one beneficiary, the participant's vested benefit will be divided between such beneficiaries in accordance with the designation under the *Beneficiary Designation Form*. If there is no specific designation of how much each beneficiary will receive (e.g., participant leaves 100% of the death benefit to "my children"), each beneficiary will share equally in the death benefits. Unless stated otherwise in the *Beneficiary Designation Form*, if any beneficiary should predecease the participant, that individual's share shall be disregarded and shared among all other beneficiaries in that individual's class.

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Example. Bill names his 4 children as 25% Primary Beneficiary(ies) under the Plan. If one of Bill's children should predecease Bill, the remaining 3 children would receive 1/3 of the death benefits under the Plan upon Bill's death. Alternatively, if Bill named his spouse as 50% Primary Beneficiary and "his children" as beneficiaries of the remaining 50%, if one of the children should predecease Bill, the remaining children would still share equally in the 50% death benefit designated to their class of beneficiary.

If the participant names a Contingent Beneficiary(ies) under the *Beneficiary Designation Form*, such Contingent Beneficiary(ies) will share in the participant's death benefit only if all Primary Beneficiaries predecease the participant. Payments to Contingent Beneficiaries are determined in the same manner as Primary Beneficiaries, discussed above.

Review of Beneficiary Designation

To ensure that participants' wishes are followed upon death, participants should regularly review their beneficiary designation to ensure it is consistent with their wishes. Outside documents, such as a last will and testament, do not control the payment of death benefits under the Plan. If a participant designates his/her spouse as beneficiary and subsequent to such beneficiary designation, the participant and spouse are divorced or legally separated, the designation of the spouse as beneficiary under the Plan is automatically rescinded, unless specifically provided otherwise under a divorce decree or qualified domestic relations order. The participant must complete a new *Beneficiary Designation Form* to name the prior spouse as Beneficiary. If a participant's marital status changes, the participant should contact the Plan Administrator and/or legal counsel to ensure the *Beneficiary Designation Form* properly accomplishes his/her intentions.

Legal Counsel

The participant is solely responsible for the effect and validity of the *Beneficiary Designation Form*. Neither the Plan Administrator nor any other Plan representative is responsible for the elections made under the *Beneficiary Designation Form*. It is strongly suggested that participants seek advice of legal counsel if there is any concern as to whether the elections in the *Beneficiary Designation Form* accomplish their intentions and will be upheld upon death.

Additional Questions or Comments?

Please contact your Client Service Manager at 888.333.5859 or visit our website at www.julyservices.com.