

SUPPLEMENT TO ROTH IRA DISCLOSURE STATEMENT  
Effective January 1, 2006

**Rollovers From a Designated Roth Contributions Account Under Employer-Sponsored Plans –** Effective for Eligible Rollover Distributions after December 31, 2005, amounts attributable to the participant's Designated Roth Contributions Account under an employer's §401(k) plan or §403(b) plan are eligible to roll over to a Roth IRA as either a direct rollover or a 60-day rollover. After such amounts have been rolled over to a Roth IRA, these amounts cannot be subsequently rolled back to an employer's plan.

**Effect of 5-Year Aging –** If the Roth IRA owner has already started the 5-year aging on any Roth IRA, the rollover of the Designated Roth Contributions Account under the employer's plan has the same 5-year period start date. However, if the Roth IRA owner establishes a Roth IRA for the first time with the rollover of the Designated Roth Contributions Account under the employer's plan, a new 5-year aging period starts with respect to the rollover amount, regardless of the period of participation in the employer's plan.

**Effect on Ordering Rules for Subsequent Distributions from the Roth IRA –** If a Roth IRA owner rolls over his or her Designated Roth Contributions Account under an employer's plan, the Roth IRA owner is responsible for keeping track of the rollover in the following manner for purposes of determining taxable distributions from the Roth IRA:

- If the distribution from the employer's plan is a "nonqualified distribution", the Roth IRA owner adds the basis amount (contributions) to his or her other regular Roth IRA contributions, and adds the earnings to the earnings.
- If the distribution from the employer's plan is a "qualified distribution", the Roth IRA owner adds the entire amount of the rollover to his or her other regular Roth IRA contributions.

**Partial Rollovers –** If a distribution representing the participant's Designated Roth Account is eligible to roll over and it is paid to the participant, and the participant rolls over to a Roth IRA only a portion of the distribution, the amount *not* rolled over is treated as first consisting of the nontaxable portion (the contributions). Thus, the amount rolled over is treated first as the taxable earnings and no amount is taxable to the participant if the amount of the rollover is equal to or greater than the amount of the earnings attributable to the distribution received by the employee. Proper adjustments to the ordering rules explained above are necessary in the case of a partial rollover.

**Rollovers From Other Accounts Under an Employer-Sponsored Plan Not Permitted –** You may not roll over from an employer-sponsored plan to a Roth IRA, other than amounts attributable to a Designated Roth Contributions Account. However, you may roll over from an employer-sponsored plan to a traditional IRA (except for the Designated Roth Contributions Account) and then "convert" the traditional IRA to a Roth IRA in a Conversion explained in the Roth IRA Disclosure Statement. For more information concerning rollovers from an employer-sponsored retirement plan to a traditional IRA, please refer to the traditional IRA's disclosure statement.