

**Marble Industry Annuity Fund
253 West 35th Street, 12th Floor
New York, NY 10001
(212) 505-5050**

Dear Participant:

In accordance with IRS regulations we are required to inform you of a change in the law governing lump sum payouts from your Annuity Plans made on and after January 1, 1993. The attached notice is taken directly from the IRS language as found in the appropriate regulations.

You may find the language of the notice to be somewhat confusing, but the basic message is that any lump sum payment made to a participant or beneficiary, that can be rolled over into an IRA or other qualified plan, will be dealt with differently than in the past. Under the new requirements, if you or your spouse (in the event of your death), do not roll the monies over directly, the Plans may have to withhold 20% automatically under the listed circumstances.

We urge you to read the attached notice carefully, particularly if you are planning to apply for a lump sum distribution on and after January 1, 1993. Since every person's financial situation is different, you should contact your accountant or tax advisor if you feel any of this information applies to your circumstances. When you or your spouse do apply, you will be given an election form to complete, directing the Fund Office as to distribution of the monies.

We hope this information is helpful, and we will keep you informed if any new requirements or clarifications become available.

Sincerely,

Board of Trustees



SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice contains important information you will need before you decide how to receive your benefits from the **Marble Industry Annuity Fund (the "Plan")**.

SUMMARY

A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your payment either 1) **PAID IN A "DIRECT ROLLOVER"** or 2) **PAID TO YOU**. A rollover is a payment of your Plan benefits to your individual retirement arrangement (IRA) or to another employer plan. This choice will affect the tax you owe.

If you choose a **DIRECT ROLLOVER**

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.
- Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your Plan benefits **PAID TO YOU**

- You will receive only 80% of the payment, because the Plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you also may have to pay an additional 10% tax.
- You can roll over the payment to your IRA or to another employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld that is not rolled over.

MORE INFORMATION

- I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER
- II. DIRECT ROLLOVER
- III. PAYMENTS PAID TO YOU
- IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payments cannot be rolled over:

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for

- your lifetime (or your life expectancy), or
- your lifetime and your beneficiary's lifetime (or life expectancies), or
- a period of ten years or more.

Required Minimum Payments. Beginning in the year you reach age 70½, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

II. DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution", as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the employer plan.

Direct Rollover to an IRA. You can open an IRA to receive the direct rollover. (The term "IRA," as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on IRAs (including limits on how often you can roll over between IRAs).

Direct Rollover to a Plan. If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. If your new employer's plan does not accept a rollover, you can choose direct rollover to an IRA.

Direct Rollover of a Series of Payments. If you receive eligible rollover distributions that are paid in a series for less than ten years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

III. PAYMENT PAID TO YOU

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of the payment to you is an eligible rollover distribution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as a payment from the Plan. You will report the \$2,000 as a tax withheld, and it will be credited against any income tax you owe for the year.

Voluntary Withholding. If any portion of your payment is not an eligible rollover distribution but is taxable, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. To elect out of withholding, ask the Plan administrator for the election form and related information.

Sixty-Day Rollover Option. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, you must make the rollover within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example: Your eligible rollover distribution is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may rollover the entire \$10,000 to an IRA or employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Additional 10% Tax If You Are Under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), or (4) used to pay certain medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment. If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution", it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you because you have reached age 59½ or have separated from service with your employer (or, in the case of a self-employed individual, because you have reached age 59½ or have become disabled). For a payment to qualify as a lump sum distribution, you must have been a participant in the Plan for at least 5 years. The special tax treatment for lump sum distributions is described below.

Five-Year Averaging. If you receive a lump sum distribution after you are age 59½, you may be able to make a one-time election to figure the tax on the payment by using "5-year averaging". Five-year averaging often reduces the tax you owe because it treats the payment much as if it were paid over 5 years.

Ten-Year Averaging If You Were Born Before January 1, 1936. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates) instead of 5-year averaging (using current tax rates). Like the 5-year averaging rules, 10-year averaging often reduces the tax you owe.

Capital Gain Treatment If You Were Born Before January 1, 1936. In addition, if you receive a lump sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan (if any) taxed as long-term capital gain at a rate of 20%. There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. If you have previously rolled over a payment from the Plan (or certain other similar plans of the employer), you cannot use this special tax treatment for later payments from the Plan. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump sum distributions and how you elect the special tax treatment.

IV. SURVIVING SPOUSES, ALTERNATE, PAYEES AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" which is an order issued by a court, usually in connection with a divorce or legal separation. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA but you cannot roll it over to an employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as direct rollover or paid to you. If you have it paid to you, you can keep it or roll it over yourself to an IRA or to another employer plan that accepts rollovers. If you are a beneficiary other than the surviving spouse, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described in section III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in section III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee has 5 years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.

Marble Industry Annuity Fund
200 Park Avenue South, Suite 1200
New York, New York 10003-1599
(212) 505-5050

APPLICATION FOR ANNUITY FUND ACCUMULATED SHARE

Complete this form **only** if you are ineligible for a Husband and Wife annuity or you and your spouse have waived the Husband and Wife annuity benefit on the appropriate waiver forms.

Please read this application carefully before answering any questions. Print your answers to all questions which apply to you. If any part of this application is not entirely clear, do not hesitate to contact the Fund Office for assistance.

1. Name _____
(Last) (First) (Middle)
2. Address _____
(No. & Street) (City) (State) (Zip Code)
3. Social Security No. _____ 4. Local Union No. _____
5. Telephone No. () _____ 6. Date of Birth _____
area code month day year

* ATTACH PROOF OF DATE OF BIRTH AND COPY OF SOCIAL SECURITY CARD *

Check which one of the following applies to you:

- I am or will soon be retired from employment with an Employer obligated to contribute to the Marble Industry Annuity Fund. (You must be approved for a pension by Marble Industry Pension Fund.)
If you checked this box complete **Section A** of this application.
- I am totally and permanently disabled.
If you checked this box complete **Section B** of this application.
- Death of member. Your relationship to deceased: _____
Your S.S. # _____ Date of Birth _____
- I have not had any Employer contributions made to my Individual Account for at least 12 consecutive months, to the best of my knowledge. I request that my Accumulated Share be paid to me.
If you checked this box complete **Section C** of this application.

SECTION A

1. Date you retired or intend to retire _____
2. I wish to receive my Accumulated Share as follows (check one):
- In a lump sum.
- In part as a lump sum, with the remainder to be paid to me in monthly installments until the amount in my account is exhausted, not to exceed 10 years. (Indicate below the manner in which you desire payment under this option. For example, if your Accumulated Share is \$5,000, you may want \$3,000 in one lump sum and the remainder in monthly installments not to exceed 10 years.)
- _____
- _____
- In monthly installments until the amount in my account is exhausted, not to exceed 10 years.

SECTION B

- 1. Date you became disabled _____
- 2. Nature of disability _____
- 3. Name and address of your doctor _____

Please attach medical evidence to verify your disability to this application form.

- 4. Have you applied for a Disability Pension from the Pension Fund? Yes No
If yes, has your application been approved? Yes No

5. I wish to receive my Accumulated Share as follows (check one):

- In a lump sum.
- In part as a lump sum, with the remainder to be paid to me in monthly installments until the amount in my account is exhausted, not to exceed 10 years. (Indicate below the manner in which you desire payment under this option. For example, if your Accumulated Share is \$5,000, you may want \$3,000 in one lump sum and the remainder in monthly installments not to exceed 10 years.)

- In monthly installments until the amount in my account is exhausted, not to exceed 10 years.

SECTION C

- 1. When did you last work under the jurisdiction of the Local Union? _____
- 2. Present Employer _____
Address _____
- 3. Last Contributing Employer _____
Address _____

II. For All Applicants

I hereby apply for benefits from the Marble Industry Annuity Fund. The above statements are true to the best of my knowledge and belief. I understand that a false statement may disqualify me for annuity benefits, and that the Trustees shall have the right to recover any payments made to me on the basis of a false statement.

Signature

Date

Your application will be acknowledged and you will be notified in writing of the decision made by the Board of Trustees on your application.

**MARBLE INDUSTRY ANNUITY FUND
HUSBAND AND WIFE ANNUITY REJECTION FORM**

Employee's Statement

I, _____, do not wish to receive my Accumulated Share in the form of a lifetime Husband and Wife annuity. I understand that rejecting this payout form means no benefits will be paid to my spouse, if any, by the Annuity Fund after my death, unless death benefits are payable under another option that I select.

(insert name)

- (Check one):
- I hereby swear that I am not legally married at this time.
 - I hereby swear that I am unable to locate my spouse. *
 - I hereby swear that the person co-signing this document below is my current legal spouse.

In place of the lifetime Husband and Wife annuity form of payment I choose to receive my Accumulated Share in the following form:

(Check one):

- a. fixed monthly payments (not to exceed to years)
- b. one lump sum
- c. a combination of the above two forms **

Complete the following beneficiary designation if you checked "a" or "c".

I name the following person(s) as my beneficiary to receive my account balance, if any, after my death:

(Name of Beneficiary)

(Beneficiary's Address)

(Beneficiary's Social Security No.)

Date _____ Participant's signature _____

State of _____ SS:

County of _____

On the _____ day of _____ 19____ before me came _____ to me known and known to me to be the person described in and who executed the foregoing statement and (s)he duly acknowledged to me that (s)he executed the same.

* Additional proof is needed if you check this box.
** Contact the Fund Office for guidelines.

Notary Public

Spouse's Statement

I, _____, swear that I am the legal spouse of the Participant described above.

(name)

I hereby consent to my spouse's rejection of the Husband and Wife annuity. I understand that as a result, I will not be paid benefits under the Annuity Fund after my spouse's death unless death benefits are payable to me under another payout option that my spouse selects. I hereby consent to my spouse's designation of

(Beneficiary's Name)

as the Beneficiary for any other death benefit payable from the Marble Industry Annuity Fund.

(Date)

(Spouse's Signature)

(Spouse's Social Security Number)

State of _____ SS:

County of _____

On the _____ day of _____ 19____ before me came _____ to me known and known to me to be the person described in and who executed the foregoing statement and (s)he duly acknowledged to me that (s)he executed the same.

Notary Public

IV.

**MARBLE INDUSTRY ANNUITY FUND
SINGLE PERSON'S
LIFETIME ANNUITY REJECTION FORM**

Participant's Statement

I, _____, do not wish to receive my Accumulated Share in the form of a
(insert name)
lifetime annuity. I understand that rejecting this payout form means no benefits will be paid to my stated beneficiary.

(Check one):

- I hereby swear that I am not legally married at this time.
- I hereby swear that I am unable to locate my spouse. *

(Check one):

- a. 10 year fixed monthly annuity
- b. one lump sum
- c. a combination of the above two forms **

Complete the following beneficiary designation if you checked "a" or "c".

I name the following person(s) as my beneficiary to receive my Accumulated Share after my death:

(Name of Beneficiary)

(Beneficiary's Address)

(Beneficiary's Social Security No.)

Date _____ Participant's signature _____

State of _____ SS:

County of _____

On the _____ day of _____ 19____ before me came _____
to me known and known to me to be the person described in and who executed the foregoing statement and (s)he duly acknowledged
to me that (s)he executed the same.

Notary Public

* Additional proof is needed if you check this box.
** Contact the Fund Office for guidelines.

V.

**MARBLE INDUSTRY ANNUITY FUND
LIFETIME HUSBAND AND WIFE ANNUITY ELECTION FORM**

Under this Annuity Fund your Accumulated Share is used to buy a lifetime Husband and Wife annuity contract from an insurance company, if you are married when you apply for distribution of your account balance, unless you and your spouse reject that form of payment. The lifetime Husband and Wife annuity form provides a monthly pension for the life of the Participant and, when the Participant dies, the spouse receives a lifetime annuity equal to 50% of the amount that was being paid to the retired participant.

If the lifetime Husband and Wife annuity is rejected, the Accumulated Share can be paid out in a single sum, in installments or a combination of both. The Participant's spouse would not be guaranteed lifetime benefits under this Annuity Fund after the Participant's death.

Sign below if you want the lifetime Husband and Wife annuity or if you want more information about it.

You and your spouse must sign the appropriate form in the presence of a Notary Public if you want to reject the Husband and Wife annuity. If you are not married, or cannot find your spouse, the appropriate form must still be signed, in front of a Notary Public.

A. **INSURANCE COMPANY ANNUITY OPTION**

I may want to receive my Accumulated Share in the form of a lifetime Husband and Wife annuity. Please inform me of the monthly amounts that would be due me and my spouse. I understand that when I receive this information, I will again have the chance to make a final election regarding the lifetime Husband and Wife annuity purchase. **Enclose proof of your spouse's age and proof of marriage.**

B. **LUMP SUM OPTION**

I do not want to receive my Accumulated Share in the form of a lifetime Husband and Wife annuity from an insurance company payable to me and upon my death, 50 percent will be paid to my surviving spouse.

My Date of Birth is: _____

My Spouse's Date of Birth is: _____

Spouse's Social Security No.: _____

(Your Signature)

(Date)

VI.

ELECTION OR REJECTION OF DIRECT ROLLOVER TO AN IRA OR RETIREMENT PLAN

ATTENTION: BEFORE COMPLETING THIS FORM YOU SHOULD READ THE SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS CAREFULLY. YOU ALSO MAY WISH TO CONSULT YOUR TAX ADVISOR BEFORE MAKING THIS ELECTION.

COMPLETE THIS FORM ONLY IF YOU WILL RECEIVE A PAYOUT IN A LUMP SUM.

Participant's Name/Spouse-Beneficiary's Name

Social Security Number

Street Address

City

State

Zip Code

If you will receive part or all of your benefits as a lump sum payment (i.e., forms other than an annuity, a joint and survivor annuity, and periodic payments for at least 10 years), that payment will be an "eligible rollover distribution." You may elect to have part or all of that distribution transferred directly to an Individual Retirement Account (IRA) or to another qualified retirement plan (if it accepts rollovers). If you choose not to have an eligible rollover distribution transferred directly to an IRA or other retirement plan, the Plan is required to withhold 20 percent of the payment for federal income taxes. This withholding does not increase your taxes, but will be credited against any income tax you owe. (For further information on direct rollovers and withholding, please read the Special Notice Regarding Plan Payments that the Plan has given you.)

If your benefit is more than \$500, you may choose to have only part of the payment directly rolled over, and to have the rest paid to you. Withholding will be taken out of any part that is not directly rolled over. If you want to have only part of your payment directly rolled over, please tell us the amount (at least \$500) that you would like to roll over.

Check below to indicate whether or not you elect a direct rollover of your pension payment:

- I do not want to roll over any of my payment to an IRA or other qualified retirement plan. Pay me the full amount of my benefits, after withholding 20 percent for federal income taxes as required by law.
- I want to roll over my payment directly to an IRA or other qualified retirement plan that accepts rollovers. The IRA or other retirement plan is named below.
- I would like to have only part of my payment directly rolled over. Please roll over \$ _____ to the IRA or qualified retirement plan named below, and pay the remainder of my benefits to me, after withholding 20 percent for federal income taxes as required by law.

If you elected a direct rollover, you must provide all of the following information. Until you provide this information, no direct rollover can be made.

Please make payment of my benefits on my behalf to:

Name of IRA Trustee or Qualified Retirement Plan

Account Number

Please provide deposit slip or rollover form from your plan, if available.

Mailing Address

City

State

Zip

Participant's Signature

Date

CERTIFICATION

If you have elected a direct rollover of all or part of your benefit, please read and sign the following statement.

I certify that the recipient of a direct rollover that I have named above is an Individual Retirement Account, an Individual Retirement Annuity, or a qualified retirement plan that accepts rollovers. I understand that payment of my benefits to the trustee of the IRA or qualified retirement plan will release the Trustees of the Marble Industry Annuity Fund from any further obligations or responsibilities with respect to the benefits so paid.

Signature

Date

**TO PROCESS AN APPLICATION,
YOU MUST SUBMIT PROOF OF DATE OF BIRTH
AND A COPY OF YOUR SOCIAL SECURITY CARD.**

Send this form with all supporting documentation to:

**Marble Industry Annuity Fund
200 Park Avenue South, Suite 1200
New York, New York 10003-1599
(212) 505-5050**

MARBLE INDUSTRY PENSION PLAN
253 West 35th Street, 12th Floor
New York, NY 10001
(212) 505-5050

Deferring Commencement of Distributions

Although you have applied for a distribution of your Individual Account, the law requires that we advise you of your right to postpone a distribution until a later time and the consequences if you choose to take your distribution now rather than deferring it to a later date.

Under the Plan's rules, you may defer receiving your benefits until April 1 of the year following the year you reach age 70½. Of course, you may elect to start your benefit at any time before that date provided you meet the eligibility requirements as described in your *Summary Plan Description (SPD)*.

If you postpone the distribution, the Board of Trustees will continue to invest the money in your account and your account will continue to be adjusted for any gains, losses or administrative fees as described in your SPD.