

GEBA/GEMBA

Summary Plan Description

GEMBA Individual Retirement Account (IRA) Plan

GEMBA Group Annuity Plan

Disclosure Statement for the GEMBA IRA Plan

November 1, 2009

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Purpose

This document is intended to serve as the Summary Plan Description for the GEMBA Individual Retirement Account (IRA) Plan and the GEMBA Group Annuity Plan. It presents general information about the Plans in a simple, non-technical manner. Because GEMBA sponsors both Plans for the purpose of enabling members to supplement their federal pensions, we sometimes informally refer to the Plans collectively as the GEMBA Supplemental Retirement Plan, although each is a separate Plan. We have combined the respective Summary Plan Descriptions into a single document for your convenience. Throughout this booklet, we relate our understanding of the U.S. Internal Revenue Code and Treasury Regulations. GEMBA, however, is not a tax advisor, and should your participation in the GEMBA Supplemental Retirement Plans raise tax questions for you, we recommend that you consult your own tax advisor.

Please note that in addition to the general description of the IRA plan contained in this Summary Plan Description, in accordance with federal regulations there is also attached to this document a separate Disclosure Statement containing further explanations and charts pertaining exclusively to the IRA Plan.

In addition to carefully reviewing this Summary Plan Description, it is required that you confirm your receipt and agreement to the plan documents by signing and returning a copy of the Form 5305. The signed Form 5305 may be returned to GEMBA at the address listed in the General Information section below.

General Information

1. The full name of the IRA Plan is the GEMBA Individual Retirement Account (IRA) Plan; this includes both Traditional and Roth IRAs. The full name of the Group Annuity Plan is the GEMBA Group Annuity Plan.
2. The Plan Sponsor and Plan Administrator for each Plan is the Government Employees' Mutual Benefit Association, Inc. ("GEMBA"), whose address is P.O. Box 206, Annapolis Junction, MD 20701, (301) 688-7912, and whose employer identification number is 52-1235644.
3. The Plan Number for the IRA Plan is 002. The Plan Number for the Group Annuity Plan is 003.
4. The Custodian of the Plans is PNC Bank, Inc., Baltimore, MD, 21201.
5. The name and address of the agent for the Plans for service of legal process is GEMBA, whose mailing address is P.O. Box 206, Annapolis Junction, MD 20701.
6. The Plan Year ends on December 31 of each year. The records of the Plans are kept on a calendar year basis.
7. Types of Plans: The IRA Plan is an individual retirement account under Section 408(c) of the Internal Revenue Code to which members may make tax-deductible or non-deductible contributions, and a Roth individual retirement account under Section 408A(c) of the Internal Revenue Code to which members may make non-deductible contributions. The Group Annuity Plan is a program under which members are entitled to make non-tax-deductible contributions for the purchase of group annuity contracts which provide for the deferral of taxes on the earnings under the contracts until amounts are distributed.

8. Funding the Plans: The Plans will be funded solely by contributions by participants. Most dollars contributed are initially transferred to the Custodian for safekeeping. The Custodian, at the participant's election, then invests the contributions in either a fixed rate guaranteed investment annuity contract ("GIC") or a variable rate annuity contract ("VAC"). After January 1, 2010, contributions will no longer be made to the GIC, and will instead be contributed to the Stable Value Account ("SVA"). Dollars contributed to the GEBA Max Fixed Annuity are made directly to Jackson National Life Insurance Company and are not transferred to the Custodian.

9. Plan Administrator: The Plan Administrator is responsible for the operation of the Plan in a uniform and non-discriminatory manner; shall have full responsibility for compliance with the reporting and disclosure rules under the Act with respect to the Agreement; has the right to make rules and decisions about the operation of the Plan; is designated to receive all legal papers concerning the Plan; and shall have the authority to engage the services of agents to assist the Plan Administrator in the administration of the Plan and the expenses for such agents shall be paid from the Fund unless paid directly by the Association.

10. Pension Benefit Guaranty Corporation: Funds under the Plans are not insured by the government agency known as the Pension Benefit Guaranty Corporation (PBGC). Benefits are not insured because under Title IV of the Employee Retirement Income Security Act of 1974, Section 4021, the Plans are specifically exempt from coverage or any guarantees by the PBGC.

Definitions

For the purpose of this Summary Plan Description, the following words used shall be defined as set forth below:

Account- the separate account(s) which the Advisory Committee shall maintain for a Participant under the Plan

Accounting Date - the last day of the Plan Year. The Advisory Committee shall make all Plan allocations for a particular Plan Year as of the Accounting Date of that Plan Year.

Act - the Employee Retirement Income Security Act of 1974, as amended.

Advisory Committee- the Board of Directors of the Association as from time to time constituted. The Advisory Committee shall have full and exclusive authority and discretion to determine all questions of eligibility, methods of providing or arranging for benefits and all other related matters. They shall have full power and discretion to construe disputed or ambiguous terms in this Plan or in any other rules or regulations adopted pursuant to this Plan. Any such determination and any such construction adopted by the Advisory Committee in good faith shall be binding upon all parties hereto and the Beneficiaries hereof.

Association - the Government Employees' Mutual Benefit Association, Inc.

Beneficiary - is a person designated by a Participant who is or may become entitled to a benefit under the Plans. A Beneficiary shall remain a Beneficiary under the Plans until the Custodian has fully distributed the benefits. A Beneficiary's right to (and the Plan Administrator's, the Advisory Committee's or the Custodian's duty to provide to the Beneficiary) information or data concerning the Plans shall not arise until he/she first becomes entitled to receive a benefit under the Plans.

Code - the Internal Revenue Code of 1986, as amended.

Compensation - wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid salespeople, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses) and includes earned income, as defined in Section 401(c)(2) of the Code (reduced by the deduction a self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, Section 401(c)(2) of the Code shall be applied as if the term trade or business for purposes of Section 1402 of the Code included service described in Subsection (c)(6). Compensation does not include income amounts derived from or received as earnings or profits from property (including, but not limited to, interest and dividends) or amounts not includable in gross income. Compensation also does not include any amount received as a pension or as deferred compensation. The term "compensation" shall include any amount includable in the individual's gross income under Section 71 of the Code with respect to the divorce or separation instrument described in subparagraph (A) of Section 71(b)(2) of the Code.

Custodian - any entity meeting the requirements of Section 408(a)(2) of the Code which in writing accepts the position of Custodian. With respect to the Group Annuity Plan, the Custodian shall accept the responsibilities of a trustee under Title I, Section 403 of the Act, consistent with the terms of the Plan.

Domestic Partner- an individual, who has a close and personal relationship with a Member, has completed the Plan Administrator's Declaration of Domestic Partnership Form available at www.geba.com, under Resource Center- Forms, and has been determined by the Plan Administrator to be a Domestic Partner of a Member.

Effective Date - January 1, 1984, as amended and restated effective January 1, 2008.

Fiduciary - those persons who exercise any discretionary authority or control respecting management of the Plans. The Fiduciaries of the Plans shall include the Plan Administrator, the Investment Manager, the Custodian, and the Advisory Committee.

Fixed Annuity – a low risk investment issued by an Insurer. Assets invested in a fixed annuity are backed by the financial strength of the issuing Insurer, regardless of the amount. The GEBA Max, a flexible premium deferred fixed annuity, available through GEMBA is offered by Jackson National Insurance Company.

Fund - all property of any kind held or acquired by the Custodian under the Plans.

Guaranteed Investment Contract (GIC) - an annuity contract with an Insurer under which a specified rate of return (either fixed or variable) is provided for the term of the contract. 100% of the benefits in the GIC are guaranteed by the insurer's assets, and not federally insured. Synthetic GICs shall not be recognized as GICs under the Group Annuity Plan.

Group Annuity Contract - the group annuity contract then in force under the Plan by which the Plan provides for the investment of Participant Accounts and the purchase of annuities for election Participants. A Group Annuity Contract shall also mean a portfolio of Guaranteed Investment Contracts selected and managed by an Investment Manager.

Group Annuity Plan - the GEMBA Group Annuity Plan established by GEMBA through which Participants may contribute to the purchase of annuity contracts taxable in accordance with Section 72 of the Code.

Insurer - any legal reserve life insurance company which issues a contract under the plans. Also referred to as a Carrier.

Member - any active civilian employee of the United States Intelligence Community, ("IC") a retiree of the IC, any military personnel assigned for duty at NSA-"W" (Headquarters), any contractor assigned for duty at NSA-"W", any former military personnel who retired while assigned for duty at "W" or a spouse of any of the former.

Non-forfeitable - a Participant's or Beneficiary's unconditional claim, legally enforceable against the Plans, to the Participant's Account.

Participant - a Member who makes a contribution to the Plans. A Member who becomes a Participant shall remain a Participant under the Plans until the Custodian has fully distributed the benefits to such Member.

Plans - refers collectively to the IRA Plan and Group Annuity Plan.

Plan Administrator - the Association.

Plan Year - the fiscal year of the Plans, ending on December 31.

Retirement - retirement from the United States Intelligence Community.

Roth IRA- the Individual Retirement Account (IRA) Plan established by GEMBA in accordance with Section 408A(c) of the Code to which members may make non-deductible contributions.

Stable Value Account (SVA) – investment replacing GIC effective 1/1/2010, which operates like a bond fund investing in relatively low risk, fixed income securities of varying maturities but with preservation of principal plus accrued interest. Regulations require that a separate Stable Value *Annuity Account* and Stable Value *IRA Account* be maintained, thus resulting in different rates of return.

Stable Value Annuity Account- portfolio invested in a diversification of money market account, portfolio of GICs from multiple Insurers with varying maturities, high quality Wrapped Bonds, and separately managed accounts

Stable Value IRA Account- portfolio invested in a diversification of money market account, portfolio of GICs from multiple Insurers with varying maturities, high quality Wrapped Bonds, separately managed accounts, and may invest in Synthetic GICs as well.

Supplemental Retirement Plan – means the GEMBA IRA Plan and GEMBA Group Annuity Plan

Synthetic Guaranteed Investment Contract (Synthetic GIC) - a pool of fixed income investments wrapped by a book-value investment contract issued by a bank or Insurer, where the purchaser owns the assets underlying the Synthetic GIC. No assets of the Group Annuity Plan may be invested in Synthetic GICs, or portfolios including Synthetic GICs.

Traditional IRA - the Individual Retirement Account (IRA) Plan established by GEMBA in accordance with Section 408(c) of the Code to which members may make tax-deductible or non-deductible contributions.

Variable Annuity Contract (VAC) - an annuity contract with an Insurer where the rate of return is not fixed but is tied to investment options offered through the Insurer. Benefits are not guaranteed.

Wrapped Bond- an insured fixed income security; it is a diversified portfolio of fixed income securities (bonds) protected against fluctuations in market value by a wrap contract from an insurance company or a bank. Participants transact at book value (principal + accrued interest) regardless of changes in market value of the underlying assets.

INVESTMENT OPTIONS:

1. The GIC is an annuity contract with an Insurer under which a fixed rate of return is provided for the term of the contract, typically five years (the "Contract Period"). 100% of benefits in the GIC's are guaranteed by the Insurer's assets. The contract is not federally insured. Effective January 1, 2010, the GIC will no longer be offered as an investment option.
2. The SVA is similar to a bond fund, investing in diversified portfolios of relatively low risk, fixed income securities of varying maturities. SVAs are designed to reduce the loss of principal value providing a competitive return with lower risk and volatility through the use of Synthetic GICs or Wrapped Bonds issued by banks or Insurers. SVAs are not federally insured. Assets are backed by the underlying Insurers in which funds are invested.
3. An alternative fixed rate investment option is the GEBA Max, a flexible deferred fixed annuity offered by Jackson National Life Insurance Company. The GEBA Max provides stable growth and minimal risk. This investment can be used to fund a Traditional IRA, Roth IRA or non-qualified annuity. Each contribution will be credited with the current interest rate as declared by Jackson National Life[®] at the time of receipt. The initial interest rate is declared in advance and guaranteed for your choice of one year, three years or five years (not all interest rate guarantee periods are available at all times). After the expiration of the interest rate guarantee, the contract will continue to be credited with a competitive interest rate as declared by Jackson National Life for a period of not less than 12 months. The GEBA Max interest rate will not drop below 2% for the first 10 years, and 3% thereafter.
4. The VAC is an annuity contract with an Insurer (currently, Metropolitan Life Insurance Company) where the rate of return is not fixed but is tied to investment options offered through the Insurer. A Participant in the VAC self directs their contributions into investment options available under the plan. The rate of return is subject to market fluctuations as they affect the investment options in which the Participant has chosen to invest. The VAC has more investment risk associated with it than the GIC or GEBA Max Fixed Annuity. The benefits are not guaranteed nor federally insured.

Part One - Traditional IRAs

1. What is the GEMBA Supplemental Retirement Plan?

The GEMBA Supplemental Retirement Plan is the name informally given to the IRA Plan and Group Annuity Plan.

2. What are the contribution eligibility requirements for a Traditional IRA?

You are eligible to establish and contribute to an IRA if you:

- Received compensation (or earned income if you are self employed) during the year for personal service you rendered. If you received taxable alimony, this is treated like compensation for IRA purposes.
- You did not reach age 70 ½ during the year.

3. Who may participate?

You are eligible to establish and contribute to the Plan if you are:

- A civilian employee or retiree of the IC
- Military personnel assigned for duty at the NSA-"W" (Headquarters), or any former military personnel who retired while assigned for duty at the NSA-"W" (Headquarters)
- A contractor assigned to the NSA-"W" (Headquarters), any former contractor who retired while assigned to the NSA-"W" (Headquarters)
- A spouse or domestic partner of any of the above.

4. How are contributions deposited to the plan?

To contribute, complete and sign a contribution form available at the GEBA office or www.geba.com and submit it along with a check, Agency payroll allotment form, or automatic debit form. Note: Payroll allotment is available ONLY for NSA employees. Call or visit the GEBA office for additional assistance in establishing a Supplemental Retirement Plan account. To establish a Traditional IRA account, you must sign and return to GEMBA the Form 5305-A.

All contributions will be invested according to a published contribution and withdrawal schedule. Contributions are made every two weeks. The Custodian will forward the money to the Insurer within a maximum of 13 working days following receipt of your contributions. Contributions to GEBA Max are made payable to Jackson National Life Insurance Company and do not go through the Custodian. They will be forwarded to Jackson National Life Insurance Company for investment immediately upon receipt by GEBA.

5. How much may I contribute to the IRA Plan?

Annual contributions may be made by the Member in an amount not to exceed the lesser of 100% of the Compensation of the Member or the appropriate amount set forth in items 1, 2, 3 and 4 below. All such contributions must be made no later than the due date (not including any extensions) for filing the Member's Federal Income Tax Return for the year.

1. Maximum Permissible Amount. Except in the case of a rollover contribution (as permitted by the Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(d)(16)) the total contributions shall not exceed **\$5,000** for any taxable year beginning in 2008 and years thereafter. After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D). Such adjustments will be in multiples of \$500.
2. Catch Up Contributions. In the case of an individual who is age 50 or older, the annual contribution limit is increased by \$1,000, for a maximum of **\$6,000**.
3. Qualified Reservist Distribution Repayment. In addition to the amounts described above, an individual may make a repayment of a qualified reservist distribution described in Code Section 72(t)(2)(G) during the 2-year period beginning on the day after the end of active duty period or by August 17, 2008, if later.
4. In addition to the amounts described above, an individual who was a participant in a Section 401(k) plan of a certain employer in bankruptcy described in Code Section 219(b)(5)(C) may contribute up to \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph may not also make contributions under paragraph #2- Catch Up Contributions.

6. May I make contributions after retirement?

Yes, as long as you still meet the earned income contribution eligibility requirements as stated above in Question 2.

7. Are contributions to a Traditional IRA tax deductible?

The deductibility of your contribution depends upon whether you are an active Participant in an employer-sponsored retirement plan [e.g. TSP or 401(k)]. If you are not an active Participant, the entire contribution to your Traditional IRA is deductible.

If you are an active Participant in an employer-sponsored plan, your Traditional IRA contribution may be completely or partly deductible on your tax return, depending on the amount of your adjusted gross income (see disclosures in IRA Disclosure Statement). Depending upon your circumstances, you may wish to make nondeductible contributions to a Traditional IRA Plan. Nondeductible contributions to a Traditional IRA as well as distributions from an account containing nondeductible contributions must be reported to the IRS on IRS form 8606. Specific instructions regarding contributions and distributions from IRAs containing nondeductible contributions may be obtained directly from the Internal Revenue Service. It is the responsibility of the Participant to maintain tax records concerning the deductibility of any contributions and to consult a tax professional with any questions concerning tax consequences of contributions and distributions.

8. Am I allowed to make a Traditional IRA contribution in a subsequent Plan Year and consider it tax deductible for the preceding Plan Year?

Yes, you may make a contribution to the IRA as late as the filing date of your federal tax return (not including extensions) in a subsequent Plan Year and, if so designated, it will be considered tax deductible for the prior Plan Year. Even if you are not eligible for a tax deductible Traditional IRA, you may still make an IRA contribution as late as the filing date of your federal tax return for the prior Plan Year. Agency payroll allotments are posted only

to the IRA account for the current Plan Year. Contributions must be postmarked by the filing date of the return (not including extensions).

9. What are my investment alternatives?

Participants may choose between a variety of investments. The first, is a fixed rate annuity investment in the form of a Guaranteed Investment Contract (GIC). Effective January 1, 2010, the GIC will no longer be an investment option. It will be replaced with the Stable Value Account, a low risk, high quality investment providing a stable rate of return and preservation of principal. The second investment option is an equity and/or fixed income based variable rate annuity in the form of a VAC. The third option is the GEBA MAX, a flexible deferred fixed annuity, offered by Jackson National Life Insurance Co.

Subject to the restriction on prohibited transactions contained in Section 4975 of the Code and Act, Title I, Sections 406 and 408, the Custodian shall invest the amounts standing to a Participant's credit in his accounts as directed by that Participant. If a Participant does not direct the Custodian to invest his account balances, the Custodian may invest the assets in his accounts in default to the GIC (after 1/1/2010 the Stable Value Account).

It is intended that the investments in a Participant's Account under the Plans comply with section 404(c) of the Act and Title 29 of the Code of Federal Regulations Section 2550.404c-1 by allowing the Participant to direct the investment of his Account into a broad range of investments. Accordingly, when a Participant exercises control over assets in his Account, as described in Section 404(c) of the Act, the Participant shall not be deemed to be a fiduciary by reason of his exercise of control and the Custodian shall be relieved of liability for any loss, or by reason of any breach, which results from such exercise of control.

10. What is the investment return?

Your rate of return will depend on your election between the GIC (after 1/1/2010 the SVA), the VAC or the GEBA MAX. The GIC provides a fixed rate of return over the Contract Period. The rate and Contract Period applicable to each year's GIC is established by the Insurer providing the GIC. After January 1, 2010, the Stable Value Account (SVA), which replaces the GIC, provides returns similar to bond funds but with reduced volatility across market cycles. Interest is credited to the Participant's account every two weeks in conjunction with the published contribution and withdrawal schedule.

The VAC provides a variable rate of return tied to investment options offered by the Insurer and the Participant's investment choices. In general, no specific Contract Period is applicable to the VAC and no specific rate of return is established. Rather the prior rate of return will vary upon the performance of the investment portfolio on which the Participant's VAC account is based.

The GEBA MAX Flexible Deferred Fixed Annuity was designed to provide a competitive interest rate. Each premium payment into the GEBA MAX will be credited with the current interest rate as declared by Jackson National Life at the time of receipt. The initial interest rate is declared in advance and guaranteed for 1 year, 3 years, or 5 years as available depending on your selection (note, not all guarantee periods will always be available). After the expiration of the interest rate guarantee, you will continue to be credited with a competitive interest rate as declared by JNL for a period of not less than 12 months. Your GEBA MAX interest rate is guaranteed never to drop below 2% for the first 10 years, and 3% thereafter.

11. What happens in subsequent years?

Beginning December 31, 2009 and continuing through December 31, 2013, as a GIC matures, the proceeds of the maturing contract will roll into the Stable Value Account (SVA) unless directed otherwise by the investment account owner. January 1, 2010 contributions to the GIC will stop. Investments in the SVA will begin. The new SVA will not disclose a rate of return prior to investing, nor will it have contract periods.

Contributions that are directed to the Variable Annuity Contract (VAC) or the GEBA MAX will remain in the VAC or GEBA MAX until directed otherwise by the participant. Amounts contributed to the VAC may be transferred to the GIC at any time. No transfers to the GIC(s) may be made within 90 days of any transfer to the VAC from the GIC(s).

Amounts contributed to the GEBA MAX may be transferred at any time; however, the GEBA MAX is a long-term vehicle, and each premium payment can be most effective when left in place for at least six years or until retirement. Amounts withdrawn or transferred prior to the end of the six-year withdrawal charge period may be subject to withdrawal charges and excess interest rate adjustments, which may reduce your accumulated value.

12. What happens to my funds under the GIC at the end of the applicable Contract Period?

Unless you elect otherwise, your funds under the maturing GIC will be rolled over into the new Stable Value Account. You will be notified prior to the end of the Contract Period of the maturing GIC. You must then notify the Administrator if you wish to have the maturing funds (a) transferred to the VAC or GEBA Max, (b) withdrawn or transferred from the plans, without a plan penalty and fee. The request must be received by the submission due date as stated in the initial notification of maturing funds. Note: IRS penalties may apply to some withdrawals.

13. May I move my funds to another Plan?

GEMBA allows you to transfer IRA funds via a trustee to trustee transfer; however, if you transfer a GIC other than at the end of the Contract Period or effective January 1, 2010, if you transfer funds from the SVA within the first five years after the account is established, you will be subject to a 5% withdrawal penalty and a \$20 processing fee, unless an exception applies (see Question 53).

A tax-free rollover is where an actual distribution is made to you; and you subsequently make a contribution to another plan in the same amount within 60 days. A tax-free rollover is permitted only one time annually without penalty from the IRS. To qualify for this exception, you must make the rollover contribution by the 60th day after the day you receive the distribution from your traditional IRA or your employer's plan. Plan withdrawal penalties and processing fees are assessed in the same manner as trustee-to-trustee transfers above.

One-time transfers from a Traditional IRA or a Roth IRA to a Health Savings Account (HSA): The Tax Relief and Health Care Act of 2006 (TRHCA) allows eligible taxpayers to make one-time transfers from a Traditional IRA or a Roth IRA to a HSA. These distributions are generally excluded from gross income and are not subject to early withdrawal penalty. The amount contributed to the HSA through a qualified HSA funding distribution is not allowed as a deduction and counts against the taxpayer's maximum annual HSA contribution for the tax year of the distribution. A qualified HSA funding distribution from the Traditional IRA or Roth IRA must be less than or equal to the Traditional IRA or Roth IRA account owner's maximum annual HSA contribution for the year in which the owner decides to make the one-time distribution. The maximum annual HSA contribution is based on both age and type of High Deductible Health Plan (HDHP) coverage.

Additionally, an individual who has self-only HDHP coverage and later, within the tax year, changes to family HDHP coverage, may take a second qualified HSA funding distribution in that tax year. A qualified HSA funding distribution from the Traditional IRA or Roth IRA must be less than or equal to the Traditional IRA or Roth IRA account owner's maximum annual HSA contribution for the year in which the owner decides to make the one-time distribution. For further detail on this issue, see Section 408(d)(9) of the Code and IRS Notice 2008-51.

14. What are the tax consequences of withdrawals from a Traditional IRA?

Unless "rolled over" into another IRA within 60 days of receipt, the amounts distributed are taxable except to the extent those amounts include nondeductible contributions to the IRA. If you withdraw an amount from the IRA, and you previously had made both deductible and nondeductible IRA contributions over the years, you must maintain detailed records that will enable you to prorate your distribution between taxable and nontaxable withdrawals. GEMBA will only report the total withdrawal made. Specific instructions regarding reporting of contributions to and withdrawals from IRAs containing nondeductible contributions may be obtained directly from the Internal Revenue Service.

Withdrawals from a Traditional IRA before you reach 59 ½ are subject to an IRS penalty of 10% on the amount included in gross income unless:

- A. The withdrawal is a result of your death or disability.
- B. The purpose of the withdrawal is to pay certain higher education expenses for you or your spouse, child, or grandchild. Qualifying expenses include tuition, fees, books, supplies and equipment. Room and board expenses may qualify if the student is attending at least part-time; however, expenses that are paid for with a scholarship or other educational assistance payments are not eligible expenses.
- C. The withdrawal was issued to pay eligible first-time homebuyer expenses. These are the costs of purchasing, building or rebuilding a principal residence. The purchaser may be you, your spouse, a child, grandchild, parent or grandparent of you or your spouse. An individual is considered a "first-time homebuyer" if the individual did not have (or, if married, neither spouse had) an ownership interest in a principal residence during the two-year period immediately preceding the acquisition in question. The withdrawal must be used for eligible expenses within 120 days after the withdrawal. There is a lifetime limit on eligible first-time homebuyer expenses of \$10,000 per individual.
- D. The withdrawal is one of a scheduled series of substantially equal periodic payments for your life or life expectancy (or the joint lives or life expectancies of you and your beneficiary). If there is an adjustment to the scheduled series of payments, the 10% penalty tax may apply. The 10% penalty will not apply if you make no change in the series of payments until the end of five consecutive years or until you reach age 59 ½, whichever is earlier.
- E. The withdrawal does not exceed the amount you paid for health insurance coverage for yourself, your spouse and dependents. This exception applies only if you have been unemployed and received federal or state unemployment compensation payments for a least 12 weeks; this exception applies to withdrawals during the year in which you received the unemployment

compensation and during the following year, but not to any withdrawals received after you have been re-employed for at least 60 days.

- F. The withdrawal is made pursuant to an IRS levy to pay overdue taxes.
- G. You have unreimbursed medical expenses that exceed 7.5% of your adjusted gross income.
- H. The distribution is a qualified reservist distribution.

15. May I withdraw or transfer funds from one investment to another?

You may withdraw or transfer funds from one GEMBA investment to another without a plan withdrawal penalty or processing fee, under the following conditions:

- A. For maturing GICs, you may transfer funds to the new SVA (effective 1/1/2010), GEBA Max, or the VAC. You may also withdraw these funds.
- B. Withdrawals from the VAC to the current year GIC (or SVA after 1/1/2010). Transferred funds from a GIC (or SVA after 1/1/2010) to the VAC must remain in the VAC for at least 90 calendar days. You may transfer funds back to the GIC (or SVA after 1/1/2010) without penalty or fee after this period.

Except as provided in Question 53, all other withdrawals and transfers are subject to the plan withdrawal penalty and processing fees.

16. May distributions be deferred beyond retirement?

Yes; however, you cannot keep funds in a traditional IRA indefinitely. Eventually they must be distributed. If you are the owner of a traditional IRA, you must start receiving distributions from your IRA by April 1 of the year following the year in which you reach age 70½. April 1 of the year following the year in which you reach age 70½ is referred to as the required beginning date. If there are no distributions, or if the distributions are not large enough, you may have to pay a 50% excise tax on the amount not distributed as required. The amount that must be distributed each year is referred to as the required minimum distribution ("RMD"). GEBA will calculate and inform Members of the required minimum distribution amount each year; however, required minimum distributions will NOT be processed without the proper written authorization by the IRA owner.

For 2009, you are not required to take an RMD from your IRA or most defined contribution retirement plans. This waiver applies to plan participants as well as to beneficiaries. The waiver also applies to you if you turn 70 ½ in 2009 and delay your 2009 RMD until April 1, 2010. The waiver does not apply to RMDs for 2008, even if you turned 70 ½ in 2008 and choose to take the 2008 RMD by April 1, 2009. For more information on the waiver of RMDs from IRAs, see IRS Publication 590.

Part Two - Roth IRAs

17. What is the GEMBA Supplemental Retirement Plan?

The GEMBA Supplemental Retirement Plan is the name informally given to the IRA Plan and Group Annuity Plan.

18. What are the contribution eligibility requirements for a Roth IRA?

You are eligible to establish and contribute to a Roth IRA if you received compensation (or earned income if you are self employed) during the year for personal service you rendered. If you received taxable alimony, this is treated like compensation for IRA purposes. There is no age limit for Roth IRA contributions; however, there are income limits.

See IRS Publication 590 to calculate reduced amounts.

Filing Status	Modified AGI	Contribution Limit	
Married Filing Jointly or Qualifying Widow(er)	2008-Less than \$159,000 2009- Less than \$166,000	Maximum Limit	
	2008-More than \$159,000 but less than \$169,000 2009- More than \$166, 000 but less than \$176,000	Reduced Amount	
	2008- \$169,000 or more 2009- \$176,000 or more	No Contributions Allowed	
	Married Filing Separately and you lived with your spouse at any time during the year.	Zero (\$0.00)	Maximum Limit
		More than zero, but less than \$10,000	Reduced Amount
		\$10,000 or more	No Contributions Allowed
Single, Head of Household or Married Filing Separately and you did NOT live with your spouse at any time during the year.	2008- Less than \$101,000 2009- Less than \$105,000	Maximum Limit	
	2008- More than \$101,000, but less than \$116,000 2009- More than \$105,000, but	Reduced Amount	

	less than \$120,000	
	2008- \$116,000 or more 2009- \$120,000 or more	No Contributions Allowed

19. Who may participate?

You are eligible to establish and contribute to the Plan if you are:

- A civilian employee or retiree of the IC
- Military personnel assigned for duty at the NSA-"W" (Headquarters), or any former military personnel who retired while assigned for duty at the NSA-"W" (Headquarters)
- A contractor assigned to the NSA-"W" (Headquarters), any former contractor who retired while assigned to the NSA-"W" (Headquarters)
- A spouse or domestic partner of any of the above.

20. How are contributions deposited to the plan?

Complete and sign a contribution form available at the GEBA office or www.geba.com and submit it along with a check or automatic debit form. Note: Payroll allotment available ONLY for NSA employees. Call or visit the GEBA office for additional assistance in establishing a Supplemental Retirement Plan account. To establish a Roth IRA account, you must sign and return to GEMBA the Form 5305-RA.

All contributions will be invested according to a published contribution and withdrawal schedule. Contributions are made every two weeks. The Custodian will forward the money to the Insurer within a maximum of 13 working days following receipt of your contributions. Contributions to GEBA Max are made payable to Jackson National Life Insurance Company and do not go through the Custodian. They will be forwarded to Jackson National Life Insurance Company for investment immediately upon receipt by GEBA.

21. How much may I contribute to a Roth IRA?

Annual contributions may be made by the Member in an amount not to exceed the lesser of 100% of the Compensation of the Member or the appropriate amount set forth in items 1, 2, 3 and 4 below. All such contributions must be made no later than the due date (not including any extensions) for filing the Member’s Federal Income Tax Return for the year.

1. Maximum Permissible Amount. Except in the case of a rollover contribution (as permitted by the Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(d)(16)) the total contributions shall not exceed **\$5,000** for any taxable year beginning in 2008 and years thereafter . After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D). Such adjustments will be in multiples of \$500.

2. Catch Up Contributions. In the case of an individual who is age 50 or older, the annual contribution limit is increased by \$1,000, for a maximum of **\$6,000**
3. Qualified Reservist Distribution Repayment. In addition to the amounts described above, an individual may make a repayment of a qualified reservist distribution described in Code Section 72(t)(2)(G) during the 2-year period beginning on the day after the end of active duty period or by August 17, 2008, if later.
4. In addition to the amounts described above, an individual who was a participant in a Section 401(k) plan of a certain employer in bankruptcy described in Code Section 219(b)(5)(C) may contribute up to \$3,000 for taxable years beginning after 2006 and before 2010 only. An individual who makes contributions under this paragraph may not also make contributions under paragraph #2- Catch Up Contributions.

It is the responsibility of the Participant to adhere to these limitations. The IRA Plan cannot accept contributions in excess of the individual limits above. Accordingly, GEMBA will not remit contributions in excess of the limits to the IRA Plan. Contributions received by GEMBA that are in excess of the limits will be remitted and credited to the Group Annuity Plan. (See other limitations set forth in the IRA Disclosure Statement of this booklet).

22. May I make contributions after retirement?

Yes, as long as you still meet the contribution eligibility requirements as stated above in Question 18.

23. Are contributions to a Roth IRA tax deductible?

No, contributions to a Roth IRA are not tax deductible. The advantage of the Roth IRA is tax-free withdrawals (see Question 32).

24. Am I allowed to make a Roth IRA contribution in a subsequent Plan Year for the preceding Plan Year?

Yes, you may make a contribution to the IRA as late as the filing date of your federal tax return (not including extensions) in a subsequent Plan Year. Automatic Debit contributions are posted only to the IRA account for the current Plan Year. Contributions must be postmarked by the filing date of the return (not including extensions).

25. What are my investment alternatives?

Participants may invest in a fixed rate annuity contract in the form of a GIC or the GEBA MAX, a flexible deferred fixed annuity offered by Jackson National Life Insurance Company. Effective January 1, 2010, the GIC will no longer be an investment option. It will be replaced with the Stable Value Account, a low risk, high quality investment providing a stable rate of return and preservation of principal.

Subject to the restriction on prohibited transactions contained in Section 4975 of the Code and Act, Title I, Sections 406 and 408, the Custodian shall invest the amounts standing to a Participant's credit in his accounts as directed by that Participant. If a Participant does not direct the Custodian to invest his account balances, the Custodian may invest the assets in his accounts in default to the GIC (effective 1/1/2010, Stable Value Account).

It is intended that the investments in a Participant's Account under the Plans comply with section 404(c) of the Act and Title 29 of the Code of Federal Regulations Section 2550.404c-1 by allowing the Participant to direct the investment of his Account into a broad range of investments. Accordingly, when a Participant exercises control over assets in his Account, as described in Section 404(c) of the Act, the Participant shall not be deemed to be a fiduciary by reason of his exercise of control and the Custodian shall be relieved of liability for any loss, or by reason of any breach, which results from such exercise of control.

26. What is the investment return?

The GIC provides a fixed rate of return over the Contract Period. The rate and Contract Period applicable to each year's GIC is established by the Insurer providing the GIC. After January 1, 2010, the Stable Value Account (SVA), which replaces the GIC, provides returns similar to bond funds but with reduced volatility across market cycles. Interest is credited to the Participants account every two weeks in conjunction with the published contribution and withdrawal schedule.

The GEBA MAX Flexible Deferred Fixed Annuity was designed to provide a competitive interest rate. Each premium payment into the GEBA MAX will be credited with the current interest rate as declared by Jackson National Life at the time of receipt. The initial interest rate is declared in advance and guaranteed for 1 year, 3 years, or 5 years as available depending on your selection. After the expiration of the interest rate guarantee, you will continue to be credited with a competitive interest rate as declared by JNL for a period of not less than 12 months. Your GEBA MAX interest rate is guaranteed never to drop below 2% for the first 10 years, and 3% thereafter.

27. What happens in subsequent years?

Beginning December 31, 2009 through December 31, 2013, as a GIC matures, the proceeds of the maturing contract will roll into the Stable Value Account (SVA) unless directed otherwise by the investment account owner. January 1, 2010 contributions to the GIC will end. Investment in the SVA will begin. The new SVA will not disclose a rate of return prior to investing, nor will it have a contract period.

Amounts contributed to the GEBA MAX may be transferred at any time; however, the GEBA MAX is a long-term vehicle, and each premium payment can be most effective when left in place for at least six years or until retirement. Amounts withdrawn or transferred prior to the end of the six-year withdrawal charge period may be subject to withdrawal charges and excess interest rate adjustments, which may reduce your accumulated value.

28. What happens to my funds under the GIC at the end of the applicable Contract Period?

Unless you elect otherwise, your funds under the maturing GIC will be rolled over into the new -Stable Value Account (SVA). You will be notified prior to the end of the Contract Period of the maturing GIC. You must then notify the Administrator if you wish to have the maturing funds (a) transferred to GEBA Max or (b) withdrawn or transferred from the plans without a plan penalty and fee. The request must be received by the submission due date as stated in the initial notification of maturing funds. Note: IRS penalties may apply to some withdrawals.

29. May I move my funds to another Plan?

GEMBA allows you to transfer IRA funds via a trustee transfer; however, if you transfer a GIC other than at the end of the Contract Period, or effective January 1, 2010, if you transfer funds from the SVA within the first five

years after the account is established you will be subject to a 5% withdrawal penalty and a \$20 processing fee, unless an exception applies (see Question 53).

A tax-free rollover is where an actual distribution is made to you; and you subsequently make a contribution to another plan in the same amount within 60 days. A tax-free rollover is permitted only one time annually without penalty from the IRS. To qualify for this exception, you must make the rollover contribution by the 60th day after the day you receive the distribution from your Roth IRA. Plan withdrawal penalties and processing fees are assessed in the same manner as trustee-to-trustee transfers above.

One-time transfers from a Traditional IRA or a Roth IRA to a Health Savings Account (HSA): The Tax Relief and Health Care Act of 2006 (TRHCA) allows eligible taxpayers to make one-time transfers from a Traditional IRA or a Roth IRA to a HSA. These distributions are generally excluded from gross income and are not subject to early withdrawal penalty. The amount contributed to the HSA through a qualified HSA funding distribution is not allowed as a deduction and counts against the taxpayer's maximum annual HSA contribution for the tax year of the distribution. A qualified HSA funding distribution from the Traditional IRA or Roth IRA must be less than or equal to the Traditional IRA or Roth IRA account owner's maximum annual HSA contribution for the year in which the owner decides to make the one-time distribution. The maximum annual HSA contribution is based on both age and type of High Deductible Health Plan (HDHP) coverage.

Additionally, an individual who has self-only HDHP coverage and later, within the tax year, changes to family HDHP coverage, may take a second qualified HSA funding distribution in that tax year. A qualified HSA funding distribution from the Traditional IRA or Roth IRA must be less than or equal to the Traditional IRA or Roth IRA account owner's maximum annual HSA contribution for the year in which the owner decides to make the one-time distribution. For further detail on this issue, see Section 408(d)(9) of the Code and IRS Notice 2008-51.

30. Can distributions from an Employer's Retirement Plan be rolled over to a Roth IRA?

No, not directly. Assets held in an employer's retirement plan must first be "directly rolled over" into a Traditional IRA. Then if you are eligible, you may convert the Traditional IRA to a Roth IRA.

31. Can I convert my existing Traditional IRA to a Roth IRA?

You are eligible to convert if your adjusted Modified Adjusted Gross Income (MAGI), less any conversion amount from a Traditional IRA, does not exceed \$100,000 in the tax year of the conversion. If you are married filing separately you are NOT eligible for a Roth conversion. Please remember you are responsible for taxes due on the converted amount in the tax year of the conversion. Please note the AGI limit is eliminated beginning in 2010. In addition, special conversion opportunities will be present in 2010.

32. What are the tax consequences of withdrawals from a Roth IRA?

Qualified withdrawals from a Roth IRA are tax-free and penalty-free provided they:

- A. Are made after the end of the five-taxable-year period beginning with the first taxable year for which you made the initial contribution, AND
- B. The payment or distribution is:
 1. Made on or after the date you reach age 59 ½.
 2. Made because you are disabled.
 3. Made to a beneficiary or to your estate after your death.

4. One that meets the requirements listed under First home under Exceptions in Chapter 1 of IRS Publication 590.

If you receive a distribution that is not a qualified distribution, you may have to pay the 10% additional tax on distributions unless one of the following exceptions applies:

- A. You have reached age 59 ½.
- B. The withdrawal is a result of your death or disability.
- C. You use the distribution to pay certain qualified first-time homebuyer amounts.
- D. The distributions are part of a series of substantially equal payments.
- E. You have significant unreimbursed medical expenses.
- F. You are paying medical insurance premiums after losing your job.
- G. The distributions are not more than your qualified education expenses.
- H. The distribution is due to an IRS levy of the qualified plan.
- I. The distribution is a qualified reservist distribution

Distributions from the Roth IRA follow a specific ordering. Regular contributions are distributed first, followed by conversion contributions on a first-in-first-out basis, and lastly the earnings are distributed.

33. May distributions be deferred beyond retirement?

Yes. You are not required to take distributions from your Roth IRA at any age. The minimum distribution rules that apply to Traditional IRAs do not apply to Roth IRAs while the owner is still alive. However, after the death of the Roth IRA owner, certain minimum distribution rules that apply to Traditional IRAs also apply to Roth IRAs as explained in IRS Publication 590.

Part Three - Group Annuity

34. What is the GEMBA Supplemental Retirement Plan?

The GEMBA Supplemental Retirement Plan is the name informally given to the IRA Plan and Group Annuity Plan.

35. What are the contribution eligibility requirements for a Group Annuity?

There are no eligibility requirements to establish and contribute to a Group Annuity.

36. Who may participate?

You are eligible to establish and contribute to the Plan if you are:

- A civilian employee or retiree of the IC
- Military personnel assigned for duty at the NSA-"W" (Headquarters), or any former military personnel who retired while assigned for duty at the NSA-"W" (Headquarters)
- A contractor assigned to the NSA-"W" (Headquarters), any former contractor who retired while assigned to the NSA-"W" (Headquarters)
- A spouse or domestic partner of any of the above.

37. How are contributions deposited to the plan?

Complete and sign a contribution form available at the GEBA office or www.geba.com and submit it along with a check, or automatic debit form. Note: Payroll allotment is available ONLY for NSA employees. Call or visit the GEBA office for additional assistance in establishing a Supplemental Retirement Plan account.

All contributions will be invested according to a published contribution and withdrawal schedule. Contributions are made every two weeks. The Custodian will forward the money to the Insurer within a maximum of 13 working days following receipt of your contributions. Contributions to GEBA Max are made payable to Jackson National Life Insurance Company and do not go through the Custodian. They will be forwarded to Jackson National Life Insurance Company for investment immediately upon receipt by GEBA.

38. How much may I contribute to the Group Annuity Plan?

There is no annual limit on the amount which you may contribute to the Group Annuity Plan; however, this amount will not be tax-deductible. Earnings will be tax deferred until withdrawn from the Plan.

39. May I make contributions after retirement?

Yes, you may make contributions after retirement.

40. What are my investment alternatives?

Participants may choose between a variety of investments. The first is a fixed rate annuity investment in the form of a Guaranteed Investment Contract (GIC). Effective January 1, 2010, the GIC will no longer be an investment option. It will be replaced with the Stable Value Account (SVA), a low risk, high quality investment

providing a stable rate of return and preservation of principal. The second investment option is an equity and/or fixed income based variable annuity in the form of a VAC. The third option is the GEBA MAX, a flexible deferred fixed annuity, offered by Jackson National Life Insurance Company. Subject to the restriction on prohibited transactions contained in Section 4975 of the Code and Act, Title I, Sections 406 and 408, the Custodian shall invest the amounts standing to a Participant's credit in his accounts as directed by that Participant. If a Participant does not direct the Custodian to invest his account balances, the Custodian may invest the assets in his accounts in default to the GIC (after 1/1/2010 the Stable Value Account).

It is intended that the investments in a Participant's Account under the Plans comply with section 404(c) of the Act and Title 29 of the Code of Federal Regulations Section 2550.404c-1 by allowing the Participant to direct the investment of his Account into a broad range of investments. Accordingly, when a Participant exercises control over assets in his Account, as described in Section 404(c) of the Act, the Participant shall not be deemed to be a fiduciary by reason of his exercise of control and the Custodian shall be relieved of liability for any loss, or by reason of any breach, which results from such exercise of control.

41. What is the investment return?

Your rate of return will depend on your election between the GIC (after 1/1/2010 the SVA) or the VAC or the GEBA Max. The GIC provides a fixed rate of return over the Contract Period. The rate and Contract Period applicable to each year's GIC is established by the Insurer providing the GIC. After January 1, 2010, the Stable Value Account (SVA), which replaces the GIC, provides returns similar to bond funds but with reduced volatility across market cycles. Interest is credited to the Participants account every two weeks in conjunction with the published contribution and withdrawal schedule.

The VAC provides a variable rate of return tied to investment options offered by the Insurer and the Participant's investment choices. In general, no specific Contract Period is applicable to the VAC and no specific rate of return is established. Rather, the prior rate of return will vary upon the performance of the investment portfolio on which the Participant's VAC account is based.

The GEBA MAX Flexible Deferred Fixed Annuity was designed to provide a competitive interest rate. Each premium payment into the GEBA MAX will be credited with the current interest rate as declared by Jackson National Life at the time of receipt. The initial interest rate is declared in advance and guaranteed for 1 year, 3 years, or 5 years as available depending on your selection (note, not all guarantee periods will always be available). After the expiration of the interest rate guarantee, you will continue to be credited with a competitive interest rate as declared by JNL for a period of not less than 12 months. Your GEBA MAX interest rate is guaranteed never to drop below 2% for the first 10 years, and 3% thereafter.

42. What happens in subsequent years?

Beginning December 31, 2009 and continuing through December 31, 2013, as a GIC matures, the proceeds of the maturing contract will roll into the Stable Value Account (SVA) unless directed otherwise by the investment account owner. January 1, 2010, contributions to the GIC will stop. Investments in the SVA will begin. The new SVA will not disclose a rate of return prior to investing, nor will it have contract periods.

Contributions which are directed to the VAC will remain in the VAC until directed otherwise by the Participant. Amounts contributed to the VAC may be transferred to that year's GIC at any time. No transfers to the GIC(s) may be made within 90 days of any transfer to the VAC from the GIC(s).

Amounts contributed to the GEBA MAX may be transferred at any time; however, the GEBA MAX is a long-term vehicle, and each premium payment can be most effective when left in place for at least six years or until retirement. Amounts withdrawn or transferred prior to the end of the six-year withdrawal charge period may be subject to withdrawal charges and excess interest rate adjustments, which may reduce your accumulated value.

43. What happens to my funds under the GIC at the end of the applicable Contract Period?

Unless you elect otherwise, your funds under the expiring GIC will be rolled over into the new Stable Value Account (SVA). You will be notified prior to the end of the Contract Period of the maturing GIC. You must then notify the Administrator if you wish to have the maturing funds (a) transferred to the VAC or GEBA Max, (b) withdrawn or transferred from the plans, without a plan penalty and fee. The request must be received by the submission due date as stated in the initial notification of maturing funds. Note: IRS penalties may apply to some withdrawals.

44. May I move my funds to another Plan?

GEBA allows you to transfer annuity funds via a 1035 exchange. However, if you transfer a GIC other than at the end of the Contract Period, or effective January 1, 2010, if you transfer funds from the SVA within the first five years after the account is established, you will be subject to a 5% withdrawal penalty and a \$20 processing fee (see Question 53 for exceptions). If you transfer your VAC funds to another institution, you will be charged a \$20 processing fee.

45. What are the tax consequences of withdrawals from the Group Annuity Plan?

Because your contributions to the Group Annuity Plan are not tax-deductible, only the earnings are taxed as ordinary income when distributed. In most cases the Code requires that withdrawals be from earnings first. Withdrawals from the Group Annuity Plan before you reach age 59 ½ are subject to an IRS penalty of 10% of the amount includable in income unless:

- A. The distribution was a result of your death or disability.
- B. The distribution is one of a scheduled series of substantially equal periodic payments for your life or life expectancy (or the joint lives or life expectancies of you and your beneficiary). If there is an adjustment to the scheduled series of payments, the 10% penalty tax may apply. The 10% penalty will not apply if you make no change in the series of payments until the end of five consecutive years or until you reach age 59 ½, whichever is later.

46. May I withdraw or transfer funds from one investment to another?

You may withdraw or transfer funds from one GEMBA investment to another without a plan withdrawal penalty or processing fee under the following conditions:

- A. For maturing GICs, you may transfer funds to the new SVA (effective 1/1/2010), GEBA Max or the VAC. You may also withdraw these funds.
- B. Withdrawals from the VAC to the current year GIC (or SVA after 1/1/2010). Transferred funds from a GIC (or SVA after 1/1/2010) to the VAC must remain in the VAC for at least 90 calendar days. You may transfer funds back to the GIC (or SVA after 1/1/2010) without penalty or fee after this period.

Except as provided in Question 53, all other withdrawals and transfers are subject to the plan withdrawal penalty and processing fees.

47. May distributions be deferred beyond retirement?

Yes. You are not required to take distributions from your Group Annuity Account at any age. The minimum distribution rules that apply to the Traditional IRA do not apply to your Group Annuity.

48. Can I elect to convert my deferred group annuity to an individual immediate payout annuity?

A participant with assets invested in the GIC shall at all times be entitled to elect to have distributions made to the Participant in the form of an individual annuity contract in accordance with and subject to all of the terms and conditions of the Group Annuity Contract. Assets invested in the Stable Value account are not eligible for payout annuities according to the plan contract.

Part Four - General Information

49. How do I make my Plan contributions?

- A. Bi-weekly Agency payroll allotment (NSA civilian employees only)
- B. Check
- C. Automatic debit from savings/checking account or
- D. Any combination of A, B, or C above.

50. What is the minimum contribution required?

\$25 through Agency payroll allotment or in a lump sum for each investment (GIC, SVA or VAC). \$2,000 for IRA contributions and \$5,000 for annuity contributions to a GEBA MAX .

51. May I change my Agency payroll allotment or automatic debit amount?

Yes, you may change amounts anytime by notifying the Plan Administrator and submitting the necessary forms to the GEBA office.

52. May participation in the Plans continue if the civilian employee resigns from the United States Intelligence Community, the military assignee leaves military service, or the contractor is no longer assigned to the Agency?

Resignation from the United States Intelligence Community or re-assignment of military personnel or contractors does not impact participation eligibility in the GEMBA Supplemental Retirement Plan. Once an account has been established, you may continue to make contributions, and funds may remain in the plan until you choose to withdraw them. Withdrawals must occur upon death, or in the case of a Traditional IRA, at least begin upon your reaching age 70½.

53. Do the Plans (as opposed to the IRS) charge any fees when I take a distribution?

- A. GIC - Withdrawals/transfers from a GIC prior to the expiration of the applicable Contract Period are subject to a 5% withdrawal penalty and a \$20 processing fee.

SVA – Effective January 1, 2010- withdrawals/transfers from the SVA are subject to a 5% withdrawal penalty for the first five years after the account is established and a \$20 processing fee.

The 5% withdrawal penalty is waived if the withdrawal/transfer is on account of the Participant's retirement from the US Intelligence Community, participant is older than age 59 ½, death or disability.

The \$20 processing fee is waived if:

1. Total Supplemental Retirement Plan assets meet or exceed \$500,000
2. You transfer your funds from the GIC to the VAC, or vice versa
3. You transfer your funds from the GIC to the GEBA MAX

4. You withdraw funds due to the IRS required minimum distribution, limited to once per calendar year
5. You withdraw due to the death or disability of the account holder

B. VAC - Withdrawals from a VAC are not subject to the withdrawal penalty. However, each withdrawal/transfer is subject to a \$20 processing fee unless transferred into the GIC. The fee is waived for IRA required distributions or in the event of death or disability.

C. GEBA MAX

Completed Years Since Receipt of Each Premium Payment	0	1	2	3	4	5	6
Withdrawal Charge*	6%	5%	4%	3%	2%	1%	0%

* Percentage of each premium payment and interest credited on such premium. Each premium, including subsequent premium is subject to the withdrawal charge schedule above.

54. How many withdrawals/transfers from the Plan may I make in a calendar year?

Withdrawals/transfers are not limited. The Insurers will transfer funds to the Custodian for distribution within a maximum of 13 working days of your request for withdrawal/transfer except in the case of maturity withdrawals, which may require up to 30 calendar days.

55. How are withdrawals distributed from the GIC contracts?

Maturing Accounts - A partial or full withdrawal of any maturing contract(s) can be made only at the end of the Contract Period.

Non-Maturing Accounts - Withdrawals from accounts not maturing, are taken pro-rata (in due proportion) from each contract. The percentage of withdrawal from each contract is in accordance with each contract's percentage of the total of all like accounts (like accounts being all Traditional IRA, Roth IRA, or all Annuity funds). Partial or full withdrawals from an individual contract are not allowed.

Effective January 1, 2010, withdrawals from GIC accounts, not at maturity, and the SVA, will be taken pro-rata (in due proportion) from each contract and the SVA. The percentage of withdrawal from each contract is in accordance with each contract's and SVA percentage of the total value of all like accounts (like accounts being all Traditional IRA, Roth IRA, or Annuity funds).

56. What if I become disabled?

If you no longer continue to work and are receiving disability benefits, or if you are no longer employed and are determined to be disabled by a licensed physician, you may have your funds paid immediately upon receipt of proof of disability without any Plan administrative charges, withdrawal fees, or any IRS penalties.

57. What if I should die before I begin receiving benefits?

If you die before payment of your benefits commences, your beneficiary will be eligible to receive 100% of your benefits, upon receipt by the Plan Administrator of proof of death (Certified Death Certificate).

58. May I name my own Beneficiary?

Yes, you may name one or more Beneficiaries to receive the proceeds due upon your death. You may change the Beneficiary designation at any time. A copy of the trust document is required if designating a trust as a beneficiary.

Should you choose to do so, you may elect to name a different set of beneficiaries for each account type (IRA, Roth IRA, and GA) and investment. SVA (IRA, Roth IRA, and GA), VAC (IRA and GA), GEBA Max Fixed Annuity (IRA, Roth IRA, and GA).

For those members with different beneficiary designations for each GIC owned these designations will need to be modified as each GIC rolls over to the new SVA. (**NOTE:** should language be included indicating when/if a notice will be sent?)

In the absence of a beneficiary designation, then the Custodian shall pay the Participant's Account balance in a lump sum(s) in the following order of priority:

- A. The surviving spouse
- B. Surviving children, including adopted children, in equal shares
- C. Surviving parents, in equal shares
- D. The legal representative of the estate of the last to die of the Participant and his beneficiary.

59. May I withdraw funds prior to retirement?

Yes, you may withdraw your funds from the Plans at any time, even while you remain employed, subject however, to any IRS or Plan penalties or processing fees that might be applicable (see Question 53). The IRS penalties are not related in any respect to retirement from the United States Intelligence Community.

60. How do I request a withdrawal of funds?

For purposes of receiving funds under the Plans, a withdrawal request must be filed by a Plan Participant or Beneficiary with the Plan Administrator. Such request shall be in writing and may be filed by either the claimant or the claimant's authorized representative. Funds are paid by the Custodian or Insurer, not GEMBA, if your request is approved. The GEMBA Advisory Committee is vested with authority to construe the terms of the Plan. Once funds are requested of the Custodian for the benefit of the member, the withdrawal is final and the request cannot be rescinded.

61. How are written withdrawal requests processed?

- A. GIC/SVA - Written requests for GIC (or SVA after 1/1/2010) withdrawals are processed every two weeks in accordance with the published contribution and withdrawal schedule for each calendar year.

- B. VAC - Written requests for distributions received by GEBA prior to 3 p.m. EST are sent to the offering Insurer (MetLife) on the same day. Checks are mailed to the member directly from the Insurer. Direct transfer or 1035 exchange distribution proceeds are sent directly to the new institution.
- C. GEBA MAX - Written requests for distribution received by GEBA prior to 3 p.m. EST are sent to Jackson National Life Insurance Company the same day. Checks are mailed directly to the member from Jackson National Life Insurance Company.

62. What happens if a claim for funds is denied?

If a claim is wholly or partially denied by the Plan Administrator, written notification of the benefit determination shall be provided to the claimant within 90 days of receipt of the claim and shall include:

- A. Specific reason or reasons for the adverse determination
- B. Reference to the specific Plan provisions on which the denial was based
- C. A description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why the information is needed
- D. A description of the Plan's appeal procedures and notice that failure to file an appeal in writing with the Advisory Committee within 90 days following receipt of the denial will render the Advisory Committee decision final.
- E. Name of the Advisory Committee member to whom the claimant may forward his appeal.

If the claimant elects to appeal to the Advisory Committee, he, or his duly authorized representative, may submit any written comments, documents, records or other information relating to the claim for benefits he feels are pertinent. The Claimant, or his duly authorized representative, shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

Upon receipt of the appeal, the Advisory Committee shall examine all comments, documents, records, and other information submitted by the claimant. The Advisory Committee shall provide the claimant with written notification of the benefit determination on appeal. The written notification shall be furnished within 60 days after receipt of the claimant's appeal and shall include:

- A. The specific reason for the denial
- B. Reference to the specific Plan provisions on which the denial is based.
- C. A statement reminding the claimant they are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other relevant information
- D. A statement of the claimant's right to bring an action under Section 502(a) of the Act.

63. May the funds be assigned?

Funds are intended for you and your Beneficiary. No benefit payable under the Agreement shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of

any kind, and any attempt to accomplish the same shall be void. However, a Participant may transfer his interest in a Traditional IRA and/or Roth IRA to his spouse or former spouse under 408(d)(6) of the Code.

64. What are the different ways my funds may be paid?

Your funds may be paid in any of the following ways:

- A. Lump Sum or Partial Distribution.
- B. Installment Payment (IRA Plan Only) - The IRA Plan permits you to elect to receive funds in installments, meaning your lump sum benefit is paid out over a period you select which cannot exceed (a) your life expectancy, (b) the life expectancy of you and your designated Beneficiary, (c) a specified period no greater than your life expectancy, or (d) a specified period no greater than the joint life expectancy of you and your designated Beneficiary. Under the installment option your undistributed funds are invested in the same way as other assets held by the Custodian and thus are subject to fluctuation during the payout period (for VAC only). Installment payments may be subject to administrative charges established from time to time by the Custodian.

65. Do the plans affect my Employer-Employee Relationship?

The adoption of the Plans was entirely voluntary on the part of the Association. It is not an employment contract and does not give you any right to be retained in the service of the United States Intelligence Community or any other employer.

66. Can the Plans ever be changed?

Yes, the Association reserves the right to amend the Plans. No amendment may be made, however, which would deprive you of the benefits already accrued to you.

67. What happens if the Plans are discontinued?

The Association intends to continue the Plan indefinitely. However, the Association reserves the right to terminate the Plans and the Fund. The plan shall terminate upon whichever of the following occurs first

- A. The date terminated by action of the Advisory Committee provided the Custodian has been given 30 days notice of the termination.
- B. The dissolution, merger, consolidation or reorganization of the Association or the sale by the Association of all or substantially all of its assets, unless the successor or purchaser makes provision to continue the Plan, in which event the successor or purchaser shall substitute itself as the Association under the Plans.

Upon termination of the plan, the Plan shall cease (1) accepting new contributions from members and (2) purchasing new group annuity investments on behalf of Plan participants. Thereafter, the Custodian shall, upon 30 days notice either (1) distribute each Participants' account to the Participant (or beneficiary if deceased) within 5 days after the close of the Plan, or (2) defer the distribution of each participant's account until the expiration of the existing contracts within which the participant's accounts are invested. In the event the second option is exercised by the Association, the Custodian shall, within 5 days of the expiration of each existing annuity

contract, distribute to the Participant (or beneficiary if deceased) the portion of the participant's account which was invested in such contract.

68. When will I receive statements of my funds?

GIC and SVA statements will be mailed quarterly by GEBA.

Variable Annuity Contracts (VAC) will be mailed quarterly by the underlying Insurer (MetLife).

GEBA MAX (Jackson National Life Insurance Co.) statements are sent annually on the plan anniversary date.

69. What are my rights as a Plan Participant?

As a Participant in the Plan(s) you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that as a Plan Participant you shall be entitled to:

- A. Examine, without charge, at the Plan Administrator's office all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration.
- B. Obtain, upon written request to the Plan Administrator's office, copies of documents governing the operation of the plan, including insurance contracts and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- C. Receive a summary of the Plan Annual Financial Report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary financial report.
- D. Obtain, at least once a year, a statement of your total funds. The Plan shall provide these statements free of charge.
- E. If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Whether a document or record is relevant to a claim for benefits shall be determined in accordance with federal regulations at 29 CFR Section 2560.503-1(m)(8). If you have a claim for benefits which is denied or ignored, in whole or in part, upon appeal, you may bring a civil action in state or Federal court under Section 502 of the Act.
- F. File suit in a Federal Court, if any materials a Participant is entitled to under the Act were not received within thirty (30) days of the Participant's request, unless the materials were not sent because of matters beyond the control of the Plan Administrator. The Court may require the Plan Administrator to pay up to \$110 for each day's delay until the materials are received.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the persons who are responsible for the operation of the Plans. These persons are referred to as Fiduciaries, and must act solely in the interest of the Plan Participants, and they must, therefore, exercise prudence in the performance of their Plan duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Plan Participants. No one, including the Plan Administrator, may discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor or the Division of Technical Assistance and Inquiries, Employees Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

The GEMBA Individual Retirement Account (IRA) Plan Disclosure Statement

Internal Revenue Service Regulations require that you be given this Disclosure Statement to assure that you are apprised of the pertinent statutory rules governing individual retirement accounts (IRAs) generally, and the GEMBA Individual Retirement Account (IRA) plan in particular, and the projected growth of the value of your IRA account under assumed circumstances. This Disclosure Statement is not intended to replace the advice of your own tax and legal advisors.

You are allowed under federal regulations to revoke or cancel your IRA within seven (7) days from the date you established it or, if later, from the date you receive this notice. We consider that the date you establish your IRA is the date you will make your first contribution to the IRA either by check or Agency payroll allotment. A revocation treats an IRA as if it never existed, and entitles you to a full refund of your entire contribution. We will refund your contribution in full, neither crediting your account for earnings, nor charging it with any administrative expenses.

In order to cancel, you must notify us in writing. Your letter should be sent by registered or certified mail, return receipt requested. Address your revocation to:

Plan Administrator
The GEMBA Individual Retirement Account (IRA) Plan
P.O. Box 206
Annapolis Junction, MD 20701-0206

Any questions regarding this procedure may be directed to:

Plan Administrator
GEMBA, Inc.
P.O. Box 206
Annapolis Junction, MD 20701-0206

Disclosures for the Traditional IRA

You are eligible to establish and contribute to your Traditional IRA if you are younger than age 70 ½ and you have received compensation during the year. For this purpose, "compensation" means the total amount of payments made to you for services rendered, including overtime pay, bonuses, and commissions. See "Compensation" under Definitions and Question #2 under Part One – Traditional IRAs for further information.

An individual may contribute, each year, the lesser of \$5,000 for 2009 and thereafter (for individuals over age 50, \$6,000 for 2009 and thereafter) or 100% of compensation, which is included in the individual's gross annual income. This contribution limit applies to both Traditional and Roth IRA accounts. The total contributions combined cannot exceed the IRA annual contribution limit. See Question #8 under Part One – Traditional IRAs for information on the deadline for annual contributions.

IRA ANNUAL CONTRIBUTION LIMITS

Year	Limit
2008	\$5,000
2009	\$5,000
2010	\$5,000 increased by cost-of-living adjustments (in \$500 increments)

A non-working spouse may also make a contribution of \$5,000, provided a joint return is filed. The total maximum amount that may be contributed during a tax year to both a Spousal IRA (an IRA established for a nonworking spouse) and an individual IRA is \$10,000 (not including catch up contributions for individuals over age 50).

Transfers to a Traditional IRA from another Traditional IRA account are tax free so long as this transfer occurs only once in a one-year period. A lump sum distribution to an individual must be reinvested within 60 days from the date it was received to qualify as a rollover. See Question #13 under Part One – Traditional IRAs for further information.

Unless you have multiple Traditional IRA accounts and you assume responsibility for making required distribution upon attaining age 70 ½, the entire account balance must be paid out to the individual for whose benefit the account is maintained either in a single sum payment not later than the close of the taxable year in which age 70 ½ is attained, or must be distributed beginning not later than the close of the taxable year in which 70 ½ is attained as follows:

- A. Over the life expectancy of the individual or the joint life expectancy of the individual and their designated Beneficiary;
- B. Over a certain period not exceeding the life expectancy of the individual or the joint life expectancy of the individual and their designated Beneficiary.

If an IRA owner's designated Beneficiary is not the owner's spouse, the entire account must be distributed by the end of the fifth year following the year of the account owner's death, unless the account is payable to a designated Beneficiary over a period not longer than that Beneficiary's remaining life expectancy and the first distribution occurs before the end of the calendar year in which the IRA account owner's death occurred. However, if it is a Traditional IRA, and distributions to the IRA owner had started before the death of the IRA owner, distributions must continue to the Beneficiary as rapidly as under the original schedule of payments to the IRA owner. A distribution in the form of an annuity whose form satisfies these rules is also permitted. If the surviving spouse of the IRA owner is the beneficiary of the IRA, the spouse may transfer the IRA into a spousal IRA in his or her own name. This would treat the surviving spouse as the IRA owner for all purposes. The surviving

spouse may then also choose to name a new beneficiary to inherit the IRA after he or she dies. If the surviving spouse does not elect to transfer the IRA to a spousal IRA, distributions must be made under the regulations governing a non-spousal IRA beneficiary.

Generally, amounts withdrawn from a Traditional IRA after age 59 ½ are taxed as ordinary income in the year you receive them. However, nondeductible Traditional IRA contributions recovered are not taxed. The nontaxable amount is prorated based upon the value of all your IRAs. For assistance determining the taxable portion, consult your tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590.

Generally, distributions made before age 59 ½ are includible in gross income and are subject to a 10% IRS penalty tax. File IRS Form 5329 to pay the penalty. See Question #14 under Part One – Traditional IRAs for further information on the exceptions to this penalty.

If you are not an active participant in an employer-sponsored plan, the entire contribution to your Traditional IRA is deductible. If you are an active participant in an employer-sponsored plan, your Traditional IRA contribution may still be completely or partly deductible on your tax return, depending on the amount of your Modified Adjusted Gross Income (MAGI) (see chart). If your MAGI is below the phase-out range, your IRA contributions are fully deductible. If your MAGI is above the phase-out range, you may not deduct your IRA contributions. If your MAGI falls within the phase-out range, you may only take a partial deduction. For taxable years beginning in 2009, an individual who is not personally an active participant in another plan but whose spouse is an active participant, the deduction limit phases out as MAGI moves from \$166,000 - \$176,000.

No deduction is allowed in any event for any Traditional IRA contribution which is made during the taxable year in which the individual reaches the age of 70 ½. No deduction is allowed for a rollover contribution because it is not treated as income to the individual.

Joint Returns	
Taxable Years Beginning In	MAGI Phase-out Range
2008	\$85,000 - \$105,000
2009	\$89,000 - \$109,000

Single & Head of Household	
Taxable Years Beginning In	MAGI Phase-out Range
2008	\$53,000 - \$63,000
2009	\$55,000 - \$65,000

Regardless of whether your IRA contribution is deductible, you may contribute to your IRA up to the allowable limits. However, the amount contributed above your permitted deductible contribution, if any, is a nondeductible contribution. Earnings derived from nondeductible contributions are not taxed until distributed. You must report your nondeductible contributions on IRS Form 8606. If you fail to report your nondeductible contributions or if you overstate your nondeductible contributions, you may be subject to taxes and penalties. See Questions #7 and #14 under Part One – Traditional IRAs for further information.

Disclosures for the Roth IRA

You are eligible to establish and contribute to a Roth IRA if you received compensation (or earned income if you are self employed) during the year for personal service you rendered. There is no age limit for Roth IRA contributions; however, there are income limits. See Question #18 under Part Two – Roth IRAs and the chart below for further information.

Filing Status	Modified AGI	Contribution Limit
Married Filing Jointly or Qualifying Widow(er)	2008- Less than \$159,000 2009- Less than \$166,000	Maximum Limit
	2008- More than \$159,000 but less than \$169,000 2009- More than \$166,000 but less than \$176,000	Reduced Amount
	2008- \$169,000 or more 2009- \$176,000 or more	No Contributions Allowed
Married Filing Separately and you lived with your spouse at any time during the year.	Zero (\$0.00)	Maximum Limit
	More than zero, but less than \$10,000	Reduced Amount
	\$10,000 or more	No Contributions Allowed
Single, Head of Household or Married Filing Separately and you did NOT live with your spouse at any time during the year.	2008- Less than \$101,000 2009- Less than \$105,000	Maximum Limit
	2008- More than \$101,000, but less than \$116,000 2009- More than \$105,000, but less than \$120,000	Reduced Amount
	2008- \$116,000 or more 2009- \$120,000 or more	No Contributions Allowed

An individual may contribute, each year, the lesser of \$5,000 for 2009 and thereafter (for individuals over age 50, \$6,000 for 2009 and thereafter) or 100% of compensation, which is included in the individual's gross annual income. This contribution limit applies to both Traditional and Roth IRA accounts. The total contributions combined cannot exceed the IRA annual contribution limit. See Question #21 under Part Two – Roth IRAs for further information on contribution limits and Question #24 under Part Two – Roth IRAs for information on the deadline for annual contributions.

A non-working spouse may also make a contribution of \$5,000, provided a joint return is filed. The total maximum amount that may be contributed during a tax year to both a Spousal IRA (an IRA established for a nonworking spouse) and an individual IRA is \$10,000 (not including catch up contributions for individuals over age 50).

Unlike contributions to a Traditional IRA, contributions to a Roth IRA are not deductible from the owner's gross income.

Unlike a Traditional IRA, the minimum distribution rules do not apply to Roth IRAs during the participant's lifetime. However, after the death of the Roth IRA owner, certain minimum distribution rules that apply to Traditional IRAs also apply to Roth IRAs as explained in IRS Publication 590.

Distributions after five years that are made when the owner is at least 59 ½ years of age or on account of death, disability, or the purchase of a home by a first time homebuyer (limited to \$10,000), are not included in gross income. See Question #32 under Part Two – Roth IRAs for further information on the tax treatment of Roth IRA distributions.

Transfers to a Roth IRA from another Roth IRA account are tax free so long as this transfer occurs only once in a one-year period. A lump sum distribution to an individual must be reinvested within 60 days from the date it was received to qualify as a rollover. See Question #29 under Part Two – Roth IRAs for further information.

Disclosures for all IRA's

Contributions can only be accepted in the form of a bi-weekly Agency payroll allotment (NSA civilian employees only), check, automatic debit from savings/checking account, or any combination of the above. Except for certain rollovers and transfers, contributions will not be accepted for the taxable year on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A) of the Code.

Since the investment of your account is at your discretion and investment performance of some of the permissible investment vehicles is not guaranteed, growth in the value of your account is not and cannot be projected or guaranteed. See Questions #9 and #10 under Part One – Traditional IRAs and Questions #25 and #26 under Part Two – Roth IRAs for further information.

No part of the IRA funds may be invested in life insurance contracts nor in certain collectibles.

The interest (ownership) of an individual in the balance of the account is Non-forfeitable.

The assets of an IRA may not be commingled with other property except in a common trust fund or common investment fund.

The Custodian of your IRA, PNC Bank Inc., is a bank (as defined in Section 408(n) of the Code).

If the individual or Beneficiary engages in any prohibited transaction described in Section 4975(c) of the Internal Revenue Code (for example, a transaction in which the individual, directly or indirectly, borrows money from the account), the entire balance of the account will lose its exemption from tax, (by reason of Sections 408(e)(2)(A) and 408A(e)(2)(A) of the Internal Revenue Code) and the owner of the account must include in gross income for the taxable year during which the benefited individual or Beneficiary engages in the prohibited transaction, the fair market value of the account.

If a benefited individual uses all or any portion of an individual retirement account as security for a loan, then, under section 408(e)(4), the portion so used is treated as distributed to such individual and the benefited individual must include such distribution in gross income for the taxable year during which he so uses such account.

Any non-qualified amount withdrawn from the account (including amounts deemed distributed as the result of a prohibited loan or use as security for a loan) before age 59 ½, death or disability (except timely withdrawals of excess contributions before the due date of the individual's federal income tax return for the year in which the excess contribution was made) must be included in the individual's gross income for that year, and will (under Sections 408(f) and 408A(f) of the Internal Revenue Code) be subject to an additional federal tax of 10%.

The tax on lump sum distributions (under Section 402(e) of the Internal Revenue Code) is not applicable to distributions from IRAs.

There will be a 6% federal excise tax imposed (under Section 4973 of the Internal Revenue Code) on any excess contributions which are not withdrawn from the account before the individual files the tax return for that year. This tax will continue to be imposed every year that the excess amount is not withdrawn. See IRA publication 590 for more information.

An excise tax may be imposed on the individual (under Section 4974 of the Internal Revenue Code) if certain accumulations are permitted to exist. For example, if the amount distributed from the IRA in any year after the individual reaches age 70 ½ is less than the amount required to be distributed during that year there will be a tax equal to 50% of the amount by which the minimum amount required to be distributed exceeds the amount actually distributed. See IRA publication 590 for more information. IRS Form 5329 is required as an attachment to Form 1040 (or separately if you do not file a Form 1040) for any year that contribution limits are exceeded, a premature distribution takes place, less than the required minimum amount is distributed from a Traditional IRA, or a prohibited transaction takes place.

Distributions do not qualify for capital gains tax treatment.

The proceeds from the IRA account may be used by the participant or the Beneficiary of the participant as a rollover contribution to another account in accordance with the Code.

An individual who makes eligible contributions to either a traditional or a Roth IRA (or a combination of both) may be eligible for the saver's tax credit. The amount of the credit is based on income and filing status and could reduce any federal income tax you pay dollar-for-dollar. For qualifying individuals, the credit rate can be as low as 10 percent and as high as 50 percent, depending on the individual's AGI. The lower the individual's income, the higher the credit rate. This credit is available to you if you are age 18 or older, not a full-time student, not claimed as a dependant on someone else's returns, and have an AGI, for the year of the credit, that for 2008 does not exceed: \$53,000 if you are married filing jointly; \$39,750 if you are a head of household, or \$26,500 if you are single, married filing separately, or a qualifying widow(er). See IRS Publication 590 for further information.

The IRA Agreement has been approved by the Internal Revenue Service as to form and use as an IRA account contract. Approval by the IRS is a determination only as to the form of the account and does not represent a determination on the merits of such an account contract.

This Disclosure is our best attempt to restate in non-technical and concise language the statutory requirements with respect to Individual Retirement Accounts. The GEMBA IRA Plan has been approved as to form by the IRS, as have the forms used by GEMBA to establish Roth IRA accounts. However, such approval does not represent a determination or recommendation by the IRS as to the merits of such accounts. Further information relative to any of the above may be obtained from any district office of the Internal Revenue Service ("IRS"), or by consulting IRS form 590. You may obtain a copy of publication 590 online at www.irs.gov.

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