

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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**TIMOTHY D. LAURENT, *et al.*,**

**On behalf of themselves and all  
others similarly situated,**

**Plaintiffs,**

**v.**

**PRICEWATERHOUSECOOPERS LLP, *et al.*,**

**Defendants.**

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**06-CV-2280 (JPO)**

**NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING**

**PLEASE READ THIS NOTICE CAREFULLY**

**To: <<First Name>><<Last Name>>  
<<Address1>>  
<<Address2>>  
<<City>>, <<State>> <<Zip>>**

**Your Settlement ID Number: <<ID Number>>**

**Your Estimated Individual Net Settlement Amount: <<Net>> (See Item 4 below<sup>1</sup>)**

A settlement has been reached by parties to this lawsuit that, if approved by the Court, will award you monetary benefits. This Court-approved notice explains the lawsuit, the proposed settlement, and your rights (including your right to object to this settlement) and your obligations if the Court grants final approval of the proposed settlement.

WHEN IT APPROVED THIS NOTICE, THE COURT DID NOT AND DOES NOT EXPRESS ANY OPINION ABOUT THE TRUTH OR FALSITY OF THE ALLEGATIONS IN THE LAWSUIT OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED BY EITHER SIDE.

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<sup>1</sup> As explained more fully in Item 4, this amount is an estimate only, based on currently available data, of the amount you would receive under the proposed plan of allocation. That amount is not a guaranteed amount and is provided solely for informational purposes.

The Court has certified a mandatory, non-opt-out class (the “Class”) of certain persons who received lump sum pension payments from the Retirement Benefit Accumulation Plan for Employees of PricewaterhouseCoopers LLP (the “Plan”) between March 23, 2000 and August 17, 2006. Under the proposed settlement, members of the Class (or in some cases, a Class member’s Successor, as defined in the Settlement Agreement and described below) would receive an additional lump sum due to an alleged failure to calculate benefits in accordance with the federal pension law known as the Employee Retirement Income Security Act (“ERISA”) and the terms of the Plan.

**THE CLASS IS DEFINED AS:**

All persons (“participants”) who accrued benefits after June 30, 1994 under the Retirement Benefit Accumulation Plan for Employees of Price Waterhouse LLP or the Retirement Benefit Accumulation Plan for Employees of PricewaterhouseCoopers LLP, who held a Cash Balance Account and received (and/or whose alternate payees or whose beneficiaries or estates received) a lump sum payment under the Plan between March 23, 2000 and August 17, 2006 prior to such participants attaining age 65. In addition, to be a member of the Class, you must be identified on the spreadsheet maintained by the parties for purposes of administering the settlement.

Note, however: if the Class member whose name appears on the first page of this notice is deceased, the settlement benefit that the Class member would have received under this Settlement will instead be paid to the Class member’s Successor, which is either the Class member’s **spouse** (if surviving), the Class member’s **estate** (if still open), or the deceased **spouse’s estate** (if still open), determined in that order. See Item 5 below.

**THE BASIC FACTS ARE:**

- This is a class action lawsuit called *Laurent v. PricewaterhouseCoopers LLP*, Case No. 06-CV-2280, filed in 2006 in the United States District Court for the Southern District of New York (the “Court”). Judge J. Paul Oetken is presiding over the case.
- The persons who brought this lawsuit against the Plan and its sponsor, PricewaterhouseCoopers LLP (“PwC”), are Timothy Laurent and Smeeta Sharon, who are former employees of PwC who were also participants in the Plan. Mr. Laurent and Ms. Sharon are the Class representatives and are referred to in this notice as “Plaintiffs.” The Plan and PwC are the “Defendants.” Plaintiffs’ attorney, Eli Gottesdiener, is the lawyer for the Class and was appointed by the Court for that purpose (“Class Counsel”). Further information regarding contacting Class Counsel appears in Items 8 and 10 below.
- On October 31, 2022, the Court granted preliminary approval to the proposed settlement between Plaintiffs and Defendants and authorized issuing this notice to you. A hearing on the parties’ request for final approval of the settlement, as well as on Class Counsel’s motion for service awards to Plaintiffs, settlement administration costs, and Class Counsel attorneys’ fees, costs, and expenses will take place on January 27, 2023 at 12:30 p.m. before Judge Oetken at the United States District Court for the Southern District of New York, 40 Foley Square, New York, NY 10007-1312. You may appear at the hearing, but you are not required to do so. If you object to the settlement, you must do so in writing no later than December 28, 2022. Instructions for making written objections are included in Item 10 in this notice.
- See Item 15 to learn how to obtain further information regarding the settlement, including a copy of the complete Settlement Agreement, Class Counsel’s motion for Class Representative service awards, settlement administration costs, Class Counsel attorneys’ fees, costs and expenses, the parties’ filings in the case, and all orders of the Court regarding the lawsuit and the settlement.

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| <b>1. Why Did I Receive This Notice?</b> |
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The Court ordered this notice to be sent to you because you have been identified as a member of the Class defined above. As a result, you have a right to know about the proposed settlement, know about your rights and obligations under it (if it is approved) and know about your right to object to it or aspects of it before it is submitted to the Court for its final approval. You are also entitled to know, if the Court gives final approval to the settlement, how you would receive your settlement benefit, including the options available to select the form of your settlement benefit.

## **2. What Is The Class Action About?**

Plaintiffs are former PwC employees who participated in the Plan during their employment and earned pension benefits under the Plan's terms and who elected a lump sum distribution of their retirement benefits before attaining age 65 (normal retirement age). Plaintiffs have alleged that the Plan failed to calculate lump sum distributions from the Plan in accordance with ERISA and the terms of the Plan. This claim brought by Plaintiffs is sometimes called a "whipsaw" claim. This claim alleged that the Plan projected benefits to normal retirement age using a rate ("projection rate") that understated the value of future investment experience when it was calculating accrued benefits under the Plan.

## **3. Why Is There A Settlement?**

Plaintiffs filed suit in the Southern District of New York in 2006 and later amended their claims. Defendants have denied that they incorrectly calculated lump sum payments due under the Plan and disputed that any miscalculations occurred or that any additional payments were required. The case was actively litigated in the Court, as well as in the applicable court of appeals, known as the United States Court of Appeals for the Second Circuit, from 2006 through 2022. The Class was certified by the Court in 2014.

The Parties have engaged in substantial fact discovery and extensive motion practice. The Parties disagree on all the critical issues, including whether Defendants have any liability to Plaintiffs and the Class, whether Plaintiffs and the Class suffered any compensable damage and if so, the extent of that damage.

Both sides continue to believe in the merits of their respective positions. However, they want to avoid the risk and expense of continued litigation and get the benefits contemplated by this settlement, including a final resolution of all claims, known and unknown, that have been or might be asserted in this lawsuit or any other claims by the Class members and related parties concerning or arising out of the Plan. After extensive study and a period of intensive negotiations with Defendants, Plaintiffs concluded that settlement on the terms set forth in the Settlement Agreement are fair, reasonable, adequate and in the best interests of the Class members. Defendants also believe that settling this lawsuit in accordance with the terms and conditions of the Settlement Agreement are in the best interests of Defendants and all affected Plan participants.

## **4. What Does The Proposed Settlement Provide?**

### **A. What is the Total Settlement Amount and Net Settlement Fund?**

The proposed settlement would create a total settlement fund of \$267 million, also known as the Total Settlement Amount.

If the Court approves the settlement, certain expenses connected to the lawsuit and settlement will be deducted from the Total Settlement Amount, leaving the Net Settlement Fund, which is the amount that will be available for distribution to the Class. These expenses, each of which must be specifically approved by the Court, are: (1) service awards to Plaintiffs for their role in this litigation; (2) settlement administration costs (excluding Plan administration costs, which are the responsibility of the Plan); and (3) Class Counsel's attorneys' fees, costs and expenses. If the maximum amount requested by Plaintiffs and Class Counsel for these expenses are approved by the Court, the Net Settlement Fund is estimated to be approximately \$177.3 million.

Class Counsel will, no later than 45 days prior to the final approval hearing, file a motion for approval of Plaintiffs' service awards, settlement administration costs, and Class Counsel's attorneys' fees, costs and expenses. Plaintiffs have agreed to seek service awards not in excess of \$50,000 for Mr. Laurent and \$40,000 for Ms. Sharon. Class Counsel has agreed to seek an award of attorneys' fees not in excess of one-third of the Total Settlement Amount and to seek reimbursement of out-of-pocket litigation costs and expenses incurred through the end of the lawsuit, not to exceed \$500,000. In addition, Plaintiffs and Class Counsel have agreed to seek settlement administration costs not in excess of \$125,000. The Court will not award more than these amounts and, if the Court awards less, the Net Settlement Fund available for distribution to Class members will be increased proportionally. However, an increase in the Net Settlement Fund will not necessarily mean that your settlement payment will increase. The effect of any such potential increase in the Net Settlement Fund on each Class member will vary depending on the Class member's particular circumstances.

As described in Item 10, the Court will consider all objections from Class members before awarding any amounts for Plaintiffs' service awards, settlement administration costs, and Class Counsel's attorneys' fees, costs and expenses.

## **B. What do Class Members Get in the Settlement?**

As indicated above, it is currently estimated that the Net Settlement Fund will be approximately \$177.3 million. There are approximately 16,000 members of the Class. Your individual settlement payment, as well as the settlement payments to each Class member, will not be an average. Instead, if the settlement is approved by the Court, the amount of each Class member's settlement payment from the Net Settlement Fund will be based on the relative alleged underpayments Class members experienced, which is a function of several factors including the amount of the Class member's lump sum distribution(s) and the year in which such distribution(s) were made. For purposes of the determining Estimated Individual Net Settlement Amount, Class members distributions have been recalculated using an assumed projection rate equal to the applicable 30-year Treasury rate plus 1 percentage point to determine what participants should have been originally paid, brought forward with interest.

Remember that settlement payment amounts on the first page are *estimates* only. They are provided for informational purposes only and shall be subject to change to reflect, without limitation, (a) correction of any errors; (b) discovery of additional data; (c) the amount actually approved by the Court for Plaintiffs' service awards, settlement administration costs and Class Counsel's attorneys' fees, costs and expenses; and (d) any changes in information available or discovered between the time of the estimate and the time of final settlement payment calculations.

## **C. What Do Class Members Give Up in the Settlement?**

Every Releasor, including you, will release, acquit and forever discharge the Plan, its sponsor PwC and related parties from legal claims that they brought or could have brought in this lawsuit or that in any way relate to or arise out of the Plan. The "Releasors," as defined in the Settlement Agreement, include Plaintiffs, Class members, Class members' successors, and their respective successors, assigns, beneficiaries, dependents, heirs, administrators, executors, estates, personal trustees, personal agents, advisors and representatives of any kind. The persons and entities released in the Settlement Agreement (the "Released Parties") include the Plan, PwC, the Plan Sponsor, any committee of the Plan, and their respective affiliates, parents, subsidiaries, predecessors, successors, assigns, and each of their respective current and former fiduciaries, trustees, partners, principals, employees, members, directors, officers, agents, advisors, consultants, attorneys, actuaries, recordkeepers, insurers, representatives of any kind or any persons acting or purporting to act on their behalf.

This release also means that you will not be able to challenge the amount you receive in the settlement, other than by objecting in writing as described in Item 10 below.

This is only a general summary of the release contained in the Settlement Agreement. See Item 15 to learn how to obtain a copy of the entire Settlement Agreement (which includes the release) and other related filings with the Court. See Items 8 and 10 for information on how to contact Class Counsel to find out more information or have your questions about the settlement answered.

## **5. How Will I Receive My Share Of The Settlement?**

If the Court approves the settlement and it becomes final, each individual net settlement benefit will be paid in the form of an additional lump sum and, to the greatest extent possible, as a tax-qualified plan benefit. Attached to your copy of this notice is a form providing you with the option of (i) receiving a check for rolling the payment over to an individual retirement account ("IRA") with no tax withholding or (ii) receiving a check payable directly to you net of the Plan's withholding of applicable income taxes (the "Election of Rollover/Direct Payment Form").

If you are the Class member named on the first page of this notice, you should elect, by completing the Election of Rollover/Direct Payment Form and returning it to the Notice Administrator (at the address below), one of the following rollover/distribution options:

**Option 1 – Rollover:** A direct rollover of 100% of your settlement benefit to an IRA that you designate in response to this notice. If you select this option (which is available only if your *final* settlement benefit is at least \$1,000), a check will be made payable to the qualified plan or IRA that you identify on the attached election form, on your behalf, and sent directly to you. You must then forward the check to the appropriate financial institution holding the IRA.

**Option 2 – Direct Payment:** A direct payment to you of 100% of your settlement benefit. If you elect this distribution option, the funds, net of the Plan’s withholding for income taxes, will be distributed and sent directly to you.

The Plan will automatically withhold applicable federal, state and local income taxes (including 20% for federal tax purposes) from the payment to each class member unless you elect the rollover option discussed above. No opinion concerning tax consequences to individual Class members of the settlement payment each will receive is being given or will be given by the Plan, Plan counsel or Class Counsel. In addition, no representation or warranty regarding such tax consequences are made to you by virtue of the settlement. Each Class member’s tax obligations are the sole responsibility of the Class member, and you understand that your tax consequences may vary depending upon your particular circumstances.

**ATTENTION—DEADLINE FOR MAKING ELECTION: To make a timely election, you must complete the information requested on the Election of Rollover/Direct Payment Form attached to this notice and return that page to the Notice Administrator by February 18, 2023. IF YOU DO NOT MAKE A TIMELY ELECTION, you will be deemed to have elected option two (“Direct Payment”) and your settlement benefit (net of the Plan’s withholding for income taxes) will be sent directly to you.**

The form should be completed and mailed to the Notice Administrator at the following address:

Laurent v. PwC Settlement  
c/o Notice Administrator  
P.O. Box 16  
West Point, PA 19486

Note: If the Class member named on the first page of this notice is deceased, and you are that Class member’s surviving spouse, you should follow the same election procedure described above, indicating on the Election of Rollover/Direct Payment Form that you are the surviving spouse of the Class member and that the rollover or direct payment that you elect should be paid in your name.

If the Class member named on the first page of this notice is deceased, and you are NOT that Class member’s surviving spouse, you should indicate that fact on the Election of Rollover/Direct Payment Form and return it to the Notice Administrator, who will forward the completed form to the Plan for appropriate action consistent with the settlement terms.

If you have any questions about the benefit election procedure, you can contact the Notice Administrator at:

E-mail: laurentpension@classinfosource.com  
Telephone: (833) 215-9289

## **6. When Will I Receive My Share Of The Settlement?**

The timing of the distribution of the net settlement fund to Class members will depend on when, if approved, the Court’s approval of the settlement becomes truly final under the law. Should someone file an appeal challenging something about the settlement, a distribution of the settlement proceeds would not occur unless and until such an appeal was resolved and the settlement became final. If the settlement is approved and becomes final, you should be paid within approximately 90 days after the settlement is final, in the form that you elected in the benefit election form described in Item 5 above, or by check mailed to your address if you do not return a completed election form.

## **7. Can I Be Excluded From The Settlement?**

No. If the Court approves the settlement, you will be bound by it. By the same token, you do not need to do anything now to share in the benefits of an approved settlement.

## 8. Do I Have A Lawyer In The Case?

Yes. The Court has appointed Plaintiffs' counsel Eli Gottesdiener of the Gottesdiener Law Firm, PLLC as Class Counsel. Contact information for Mr. Gottesdiener is included in Item 10 below. If you want to be represented by your own lawyer at this time, you are free to obtain separate counsel at your own expense.

## 9. How Will Class Counsel Be Paid?

As explained in Item 4A above, Class Counsel will, no later than 45 days prior to the final approval hearing, file a motion for approval of Class Counsel's attorneys' fees, costs and expenses. You have a right to review Class Counsel's motion for attorneys' fees, costs and expenses, and to object to the amounts requested in that motion. You can obtain a copy of that motion and supporting documentation either by contacting Class Counsel directly or visiting [www.LaurentPensionClassAction.com](http://www.LaurentPensionClassAction.com), where the motion will be posted shortly after it is filed with the Court.

## 10. How Do I Tell The Court If I Don't Like The Proposed Settlement?

You can tell the Court you object to the settlement if you do not agree with the proposed settlement, including the method to be used to determine the amount that will be allocated to you under the settlement, the amounts requested for Plaintiffs' service awards, settlement administration costs, and Class Counsel's attorneys' fees, costs and expenses. To object, you must send the Court a notice of your objection, along with a written statement that indicates all bases for your objection, all documentation in support of your objection, legal authority, if any, supporting your objection, as well as a notice of intention to be heard if you intend to appear at the hearing described in Item 11 and, if you intend to appear, a list of witnesses you may call for live testimony. Be sure to include your name, address, telephone number, and signature, as well as a full explanation of why you object to the settlement, and all documentation that supports your objection. **Your written objection must be received by the Court by December 28, 2022.** Your objection must be sent to the following address:

United States District Court for the Southern District of New York  
Attn: *Laurent v. PricewaterhouseCoopers LLP*, No. 06-CV-2280  
40 Foley Square  
New York, NY 10007-1312

**You will not be able to challenge the amount you receive under the settlement with anyone, including the Plan administrator, except by objecting with the Court as described in this notice.**

**Your written objection must also be simultaneously mailed to these lawyers listed below.**

### CLASS COUNSEL

Eli Gottesdiener  
Gottesdiener Law Firm, PLLC  
498 7th Street  
Brooklyn, NY 11215  
[eli@gottesdienerlaw.com](mailto:eli@gottesdienerlaw.com)

### DEFENSE COUNSEL

Daniel J. Thomasch  
Gibson, Dunn & Crutcher LLP  
200 Park Avenue  
New York, NY 10166-0193  
[DThomasch@gibsondunn.com](mailto:DThomasch@gibsondunn.com)

**11. When And Where Will The Court Decide Whether To Give Final Approval Of The Settlement?**

The Court will decide whether to give final approval to the settlement at what is known as a “fairness hearing” to be held at 12:30 p.m. on January 27, 2023 at the United States District Court for the Southern District of New York, 40 Foley Square, New York, NY 10007-1312.

At the fairness hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections from Class members, the judge will consider all of them. At or after the hearing, the Court will decide whether to approve the settlement and decide the motion for Plaintiffs’ service awards, settlement administration costs and Class Counsel’s attorneys’ fees, costs and expenses.

**12. Do I Have To Attend The Fairness Hearing?**

No, but you are invited to attend (at your own expense).

**13. May I Speak At The Fairness Hearing?**

Yes, but only if you file a written objection as described in Item 10 above.

**14. What Happens If I Do Nothing At All Now?**

If you do nothing at all now and the settlement is finally approved, you will receive your share of the Net Settlement Fund shortly after the approval becomes truly final, as described in Item 6 above.

Note, however: the parties strongly recommend that you fill out the election form attached to your copy of this notice and return it to the Notice Administrator, because if you neglect to fill out the form in a timely manner you will receive a direct payment of your settlement benefit, net of withheld taxes, when you may have wished to roll the proceeds into an IRA with no withholding for taxes.

**15. How Do I Get More Information?**

More detailed information about the lawsuit and proposed settlement, including the key pleadings and filings of the parties, the orders and rulings entered by the Court, and the Settlement Agreement, may be obtained (1) at the following website, [www.LaurentPensionClassAction.com](http://www.LaurentPensionClassAction.com); (2) by requesting them directly from Class Counsel (see Items 8 and 10 above); (3) at the Office of the Clerk, United States District Court for the Southern District of New York, 40 Foley Square, New York, NY 10007-1312, during regular business hours; or (4) by registering and paying a modest fee to the PACER service, [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov), which permits inspection of the papers filed in the case online.

**ALL INQUIRIES CONCERNING THIS NOTICE SHALL BE DIRECTED TO CLASS COUNSEL, NOT THE COURT.**

Dated: November 29, 2022.

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Laurent v. PwC Settlement  
c/o Notice Administrator  
P.O. Box 16  
West Point, PA 19486

ELECTION FORM  
*Laurent v. PricewaterhouseCoopers, LLP*  
Case No. 06-cv-2280 (S.D.N.Y.)

<<FirstName>> <<LastName>>  
<<Address1>>  
<<Address2>>  
<<City>>, <<St>> <<Zip>>



Your Settlement ID Number: <<ID Number>>

Your Estimated Individual  
Net Settlement Amount: <<Net>>

### **ELECTION OF ROLLOVER / DIRECT PAYMENT**

This form applies to you if (A) you are a Class member entitled to a settlement benefit as described in the attached notice **or** (B) you are the surviving spouse of the Class member identified above, **or** (C) you are the administrator of the estate of a Class member or the administrator of the estate of the Class member's surviving spouse. If you are the surviving spouse, please provide your name in Section 2 and clearly indicate that you are the surviving spouse, so that payment can be made in your name.

#### **Section 1: CONTACT INFORMATION - Update your contact information ONLY if the above is incorrect.**

|                         |
|-------------------------|
| Name: _____             |
| Mailing Address: _____  |
| City, State, ZIP: _____ |

#### **Section 2: Complete this section if Class Member is deceased - Required Information**

If the Class member identified above is deceased, complete this section and return this form to the Notice Administrator.

|  |
|--|
| The Class member's date of death: _____  |
| Name of Surviving Spouse (if applicable): _____ (Continue to Section 3)  |
| If spouse is deceased, or the Class member had no spouse at the time he/she died, provide the following information:   |
| If the Class member's estate is still open, please provide the relevant contact information:   |
| Estate administrator's name: _____   |
| Estate administrator's address: _____  |
| Estate administrator's email: _____  |
| Estate administrator's telephone: _____  |
| Estate Tax ID Number: _____  |
| (Direct Payment will be made to the estate, continue to Section 4)   |
| If the Class member's estate is not open and the estate of the deceased spouse (if applicable) is still open, please provide the relevant contact information: |
| Spouse's estate administrator's name: _____  |
| Spouse's estate administrator's address: _____   |
| Spouse's estate administrator's email: _____   |
| Spouse's estate administrator's telephone: _____   |
| Spouse's Estate Tax ID Number: _____   |
| (Direct Payment will be made to the estate of the deceased spouse, continue to Section 4)  |



**Section 3: Check the appropriate box below to make your election after you read the attached *Special Tax Notice*. Under either election, a check will be sent to you at the address listed above.**

**If you do not return this form, you will receive a direct payment of your settlement benefit, net of required tax withholding, at the address above.**

**OPTION 1 – IRA ROLLOVER** [available if your final settlement benefit is at least \$1,000 (see Note below)]

I elect a direct rollover of 100% of my settlement benefit, payable to the following IRA. The rollover check will be made out to the IRA and sent to you at the address listed above. You will need to give the check to the financial institution.

|  |  |
|--|--|
| Name of IRA: _____<br>(ex. John Doe IRA)   | Account Number: _____<br>(ex. 123456789) |
| Trustee or Institution Holding Your Account: _____<br>(ex. Fidelity Investments) |  |
| Address of Institution: _____  |  |
| Phone Number of Institution: _____   |  |

NOTE: The amount of the settlement benefit listed in the attached notice and page 1 of this Election Form is an estimate. Since your final settlement benefit might be larger, you may check the IRA ROLLOVER box even if the estimate is less than \$1,000. However, if your final settlement amount is less than \$1,000, an election to receive a rollover payment will be void and you will receive a direct payment under option 2 below.

**OPTION 2 – DIRECT PAYMENT**

I elect a direct payment to me of 100% of my settlement benefit. If you elect this option, a check payable to you for the amount of the settlement benefit, less required tax withholding, will be sent to you at the address listed above.

**To make a timely election of either Option 1 or 2, you must sign where indicated below and return this page before February 18, 2023 to:**

Laurent v. PwC Settlement  
c/o Notice Administrator  
P.O. Box 16  
West Point, PA 19486

**Section 4: AFFIRMATION (required)**

|  |                                     |  |
|--|-------------------------------------|--|
| By signing below, I certify that to the best of my knowledge, the information on this Election Form is true and correct. |                                     |  |
| _____<br>Signature   | _____<br>Printed Name / Capacity    | _____<br>Date  |
| _____<br>Contact Phone Number  | _____<br>Class Member Date of Birth | _____<br>Social Security Number<br>(class member / surviving spouse) |

If you are unsure and/or have any questions, you should contact the Notice Administrator at:

Email: laurentpension@classinfosource.com  
Telephone: (833) 215-9289

**SPECIAL TAX NOTICE**  
**REGARDING SETTLEMENT PAYMENTS RELATED TO THE**  
**RETIREMENT BENEFIT ACCUMULATION PLAN FOR EMPLOYEES OF**  
**PRICEWATERHOUSECOOPERS LLC**

**IMPORTANT:** This notice only applies to individuals entitled to a lump sum payment of their settlement benefit as noted on the attached Election of Rollover/Direct Payment form.

**YOUR ROLLOVER OPTIONS**

You are receiving this notice because the settlement payment that you may be entitled to receive from the Retirement Benefit Accumulation Plan for Employees of PricewaterhouseCoopers LLP (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

**GENERAL INFORMATION ABOUT ROLLOVERS**

**How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 ½ (or if an exception applies).

**Where may I roll over the payment?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

**How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

*If you do a direct rollover*, the Plan will make the check payable directly to your IRA and will send it to you. You will then need to provide the check to the IRA. You should contact the IRA sponsor or the administrator for information on how to do a direct rollover.

*If you do not do a direct rollover*, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the pay-

ment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes and may be required to withhold for state and local taxes as well. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the taxes withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

**If I don’t do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments after your death
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses

**If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

**Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

## **SPECIAL RULES AND OPTIONS**

### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

### **If you roll over your payment to a Roth IRA**

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 ½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

### **If you are not a plan participant**

***Payments after death of the participant.*** If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

- **If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 ½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½.

- **If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

### **If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

## **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; and IRS Publication 590, Individual Retirement Arrangements (IRAs). These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.