**Section 2700.710 Beneficiary Election of Method of Distribution**

a) If the Participant dies prior to January 1, 2022, before the account has been exhausted, the remaining account values shall be paid to the Designated Beneficiary or Non-Designated Beneficiary. For purposes of this Section, a "Non-Designated Beneficiary" is a Beneficiary who is not a natural person, such as a trust, estate or other legal entity. The Beneficiary shall have the right to elect the time and method of distribution, subject to the limitations set forth by the Plan, notwithstanding Section 2700.730(b), in the following manner:

1) If the Participant dies before the required beginning distribution date under subsection 2700.710(j), payments to:

A) a surviving spouse may be delayed until December 31 of the year in which the Participant would have attained age 72 (or 70½ if the Participant was born before July 1, 1949). The entire account must be withdrawn over a period not extending beyond the single life expectancy of the surviving spouse. If the surviving spouse, who is the Designated Beneficiary, dies prior to the required beginning date, the surviving spouse's designated Beneficiary shall receive distribution in full by the end of the fifth calendar year that contains the fifth anniversary of the surviving spouse's death or over a period of time designated by the single life expectancy of the surviving spouse in the year following the year of death and reduced by one for each subsequent year of distribution.

B) a non-spousal Beneficiary must be distributed in full by the end of the fifth calendar year that contains the fifth anniversary of the Participant's death, or distributed in full over a period of time designated by the single life expectancy of the Beneficiary in the year following year of death and reduced by one for each subsequent year of distribution.

C) a Non-Designated Beneficiary must be distributed in full by the end of the calendar year that contains the fifth anniversary of the Participant's death.

2) If the Participant dies on or after the required beginning date:

A) The Beneficiary may elect to receive distribution for the period of time up to, but not longer than, the Participant's life expectancy in the year of death, determined by the Single Life Expectancy Table and reduced by one each subsequent year, or the Beneficiary's recalculated single life expectancy as of the year following the year of death of the Participant. A non-spousal Beneficiary must have that age reduced by one for each subsequent year of distribution.

B) A surviving spouse may elect distributions over the surviving spouse's own single life expectancy. In the case of the death of the surviving spouse, this period of time may be used to continue payments to the spouse's declared Beneficiaries.

C) A Non-Designated Beneficiary must be distributed in full by the end of the calendar year that contains the fifth anniversary of the Participant's death.

3) If the account holder is a Designated Beneficiary, distributions to a successor Beneficiary may continue at least as quickly as, but no longer than, the single life expectancy of the deceased designated Beneficiary reduced by one for each subsequent year of distribution.

b) If the Participant dies on or after January 1, 2022, before the account has been exhausted, the remaining account values shall be paid to the Eligible Designated Beneficiary, Designated Beneficiary, or Non-Designated Beneficiary. The Beneficiary shall have the right to elect the time and method of distribution, subject to the limitations set forth by the Plan, notwithstanding Section 2700.730(b), in the following manner:

1) An Eligible Designated Beneficiary that is a surviving spouse may elect to receive distributions over the period of time up to, but not longer than, the Beneficiary single life expectancy, or in full by the end of the calendar year that contains the tenth anniversary of the Participant's death. If no election is made by September 30 of the year following the year of the Participant’s death or year the Participant would have turned age 72 (or 70½ if the Participant was born before July 1, 1949), whichever is later, then the account will be distributed in full by the end of the calendar year that contains the tenth anniversary of the Participant's death.

2) An Eligible Designated Beneficiary that is not a surviving spouse may elect to receive distributions over the period of time up to, but not longer than, the Beneficiary’s single life expectancy, or in full by the end of the calendar year that contains the tenth anniversary of the Participant's death.

A) If no election is made by September 30 of the year following the year of the Participant’s death or year the Participant would have turned age 72 (or 70½ if the Participant was born before July 1, 1949), whichever is later, then the account will be distributed in full by the end of the calendar year that contains the tenth anniversary of the Participant's death.

B) A minor child shall cease to be an Eligible Designated Beneficiary as of the date the individual reaches majority and any remaining account value must be distributed within 10 years after that date.

3) Any other Designated Beneficiary must be distributed in full by the end of the calendar year that contains the tenth anniversary of the Participant's death.

4) A Non-Designated Beneficiary must be distributed in full by the end of the calendar year that contains the fifth anniversary of the Participant's death.

5) In the case that a Designated Beneficiary dies before the account has been entirely distributed, rules for distributions to a successor Beneficiary are as follows:

A) Upon the death of a Designated Beneficiary, the account shall be entirely distributed to a successor Beneficiary by the date the Designated Beneficiary would have been required to receive a complete distribution.

B) Upon the death of an Eligible Designated Beneficiary who is not a surviving spouse, the account shall be distributed to a successor Beneficiary within 10 years after the death of the Eligible Designated Beneficiary.

C) Upon the death of an Eligible Designated Beneficiary who is a surviving spouse:

i) If the surviving spouse dies before distributions have begun, then the surviving spouse becomes the Participant for purposes of this Section and for the purposes of distributions to a successor Beneficiary.

ii) If the surviving spouse dies after distributions have begun but before the account is entirely distributed, the remaining account value shall be entirely distributed to a successor Beneficiary within 10 years after the death of the Eligible Designated Beneficiary.

(Source: Amended at 47 Ill. Reg. 12412, effective August 4, 2023)