

[Company Name]
[Company Address]
[City, State, Zip Code]
[Date]

[Employee Name]
[Employee Address]
[City, State, Zip Code]

Re: Notice of Vested Profit-Sharing Plan Distribution

Dear [Employee Name],

This letter is to inform you of the distribution regarding your vested account balance in the [Company Name] Profit-Sharing Plan. Following your [separation of service / retirement / reaching plan age], you are entitled to receive the vested portion of your account.

Distribution Summary:

- **Total Vested Balance:** \$[Amount]
- **Valuation Date:** [Date]
- **Vesting Percentage:** [Percentage]%

Payment Options:

You may choose one of the following methods for your distribution:

1. **Direct Rollover:** Funds are transferred directly to an Individual Retirement Account (IRA) or another qualified employer plan. This option defers current income taxes.
2. **Lump-Sum Cash Payment:** A check is issued directly to you. Please note that this amount is subject to mandatory 20% federal income tax withholding and potential early withdrawal penalties.
3. **Partial Distribution:** A combination of a rollover and a cash payment.

Action Required:

Please review the attached "Special Tax Notice Regarding Plan Payments" and return the enclosed Election Form by [Deadline Date]. If we do not receive your selection by this date, the distribution will be processed according to the plan's default provisions.

If you have any questions regarding your account or the distribution process, please contact the Benefits Department at [Phone Number] or [Email Address].

Sincerely,

[Signature]

[Name of Plan Administrator]

[Title]

Enclosures: Distribution Election Form, Special Tax Notice