Ohio Public Employees Retirement System
277 East Town Street, Columbus, Ohio 43215-4642
1-800-222-PERS (7377) www.opers.org

Combined Plan Refund Application

When you leave public employment, complete this Application to receive your payment.

Amounts in your individual defined contribution account **fluctuate daily**; therefore, the amount of your refund will also **fluctuate daily** and continue to fluctuate until the account is liquidated for payment.

If you have made contributions to either the Traditional Pension Plan or the Member-Directed Plan, you will need to complete an application specific to the plan to receive those funds. You may access these forms at www.opers.org.

Before you apply for your refund, please read the enclosed *Special Tax Notice Regarding OPERS Payments*, as well as the following:

Eligibility under Ohio retirement law to receive your refund

• Three months must have passed since you left public employment. If you return to public employment before the refund is issued, you will not receive a refund of your account.

• Spousal consent is required if you are eligible to retire under the Combined Plan and are legally married. OPERS will provide you with a spousal consent form.

Please consider the following before taking your refund

• If you have at least 18 months of contributing service credit in the Combined Plan, your spouse, children or dependent parents may be eligible for survivor benefits if your death occurs within 27 months after leaving public employment. If you have met eligibility requirements for an age and service retirement benefit, your spouse or other sole surviving dependent beneficiary may be eligible for a survivor benefit.

• If you have at least five years or 60 contributing months of service credit in the Combined Plan, and become permanently disabled within two years of leaving public employment, you may apply for disability benefits.

• If you have at least five years or 60 contributing months of service credit in the Combined Plan, you are entitled to a monthly retirement benefit at age 60.

See next page

Section 1 - Personal Information

Social Security Number

First Name

MI

Last Name

Street or Mailing Address

Apt. Number

City

State

ZIP Code

-

Province

Country

Postal Code

Date Of Birth

Month Day Year

Are you legally married?

Yes No

Spouse Date Of Birth

Month Day Year

Home Phone Number

Work Phone Number

Cell Phone Number

E-mail Address

Section 2 - Rollover Request For Eligible Distributions

Confirm that your plan administrator accepts rollovers from Section 401(a) employer plans. Complete the trustee information below if you want to roll over all or a portion of your refund to an IRA or eligible retirement plan. If you are 70½ or older, a portion of your refund must be paid directly to you as a minimum required distribution and cannot be rolled over.

Trustee Name

Trustee Address

Trustee Address

City

State

ZIP Code

-

Account Number

Percentage or amount of taxable portion to be rolled over to this trustee % or $, .

Percentage or amount of after-tax portion to be rolled over to this trustee % or $, .

The after-tax amount can be rolled over to an IRA or defined contribution plan. See enclosed Special Tax Notice Regarding OPERS Payments.

Please confirm one of the following rollover alternatives with your trustee:

☐ My trustee will not accept a rollover directly from OPERS. Send the check to my mailing address provided on this form and I will present it to my trustee.

☐ My trustee will accept a rollover directly from OPERS. Send the check to the address provided on this form.

Section 3 - Certification By Payroll Officer

If you left employment less than a year ago, this Section must be completed by your former employer's payroll officer. If this Section is not completed, OPERS will contact your former employer.

I certify that this employee has terminated covered employment and that no leave of absence has been granted.

The last day this employee was paid for covered public service was: **Month** ___ **Day** ___ **Year** ___

The last retirement contribution is on the *Report of Retirement Contributions* for period ending: **Month** ___ **Day** ___ **Year** ___

Payroll Officer Signature____ **Month** ___ **Day** ___ **Year** ___

Do not print or type name

Payroll Officer First Name ___ **MI** ___ **Last Name** ___

Department ___

Employer Code ____ - __

Work Phone Number ___ ___ ____

See next page

Section 4 - Acknowledgment

This Section must be completed by the applicant and signed in the presence of a Notary Public or your former employer's payroll officer. IF NOTARIZED, THE NOTARY'S STAMP OR SEAL IS REQUIRED.

State of ______________________________, County of ____.

In accordance with Article VIII of the Plan Document for the Combined Plan, I am applying for a refund of my account in the Combined Plan.

I am no longer employed with ____.

The date of my last service was: Month __ __ Day __ __ Year __ __ __ __

I have not returned to public employment. I am not on a leave of absence and do not expect to transfer to another governmental unit covered by OPERS. **I understand that a refund will cancel my service credit and benefits under the Combined Plan as set forth in Chapter 145 of the Ohio Revised Code and the Plan Document for the Combined Plan.**

I acknowledge that, as part of this Application, I have received and reviewed the *Special Tax Notice Regarding OPERS Payments* addressing my payment and direct rollover rights. After receiving this notice, I have at least 30 days to consider whether to have my payment directly rolled over. If I do not wish to wait until the 30-day notice period ends before my Application is processed, I must waive the notice period by making an affirmative election indicating whether or not I wish to make a direct rollover.

I acknowledge that I have been advised of my right to consider my decision of whether to make a direct rollover and, in signing this Application and submitting it to OPERS, I elect to waive my right to the 30-day notice period regarding my direct rollover rights and I authorize the Ohio Public Employees Retirement System to process my payment based on this Application.

Being duly sworn, I, the undersigned, state that the information provided in this Application is complete and true to the best of my knowledge and belief.

Member Signature____ Month __ __ Day __ __ Year __ __ __ __

Do not print or type name

Sworn and subscribed to me this ____________ day of ____________________________, 20__________________

Notary Public ____ My commission expires ____________________

OR

Payroll
Officer Verification ____ Month __ __ Day __ __ Year __ __ __ __

Do not print or type name

OPERS

Ohio Public Employees Retirement System

SPECIAL TAX NOTICE REGARDING OPERS PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in the Ohio Public Employees Retirement System (OPERS) and contains important information you will need before you decide how to receive your OPERS benefits.

This notice is provided to you by OPERS because all or part of the payment that you will soon receive from OPERS may be eligible for rollover by you or OPERS to a traditional IRA or an eligible employer plan. A rollover is a payment by you or OPERS of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, defined contribution plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from OPERS. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact an OPERS customer service representative at 1-800-222-7377

SUMMARY

There are two ways you may be able to receive an OPERS payment that is eligible for rollover:

(1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit (DIRECT ROLLOVER); or

(2) The payment can be PAID TO YOU.

If you choose a direct rollover:

- Your payment will not be taxed in the current year and no income tax will be withheld.

- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.

- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from OPERS.

If you choose to have an OPERS payment that is eligible for rollover paid to you:

- You will receive only 80% of the total taxable amount of the payment because OPERS is required to withhold 20% of the taxable amount of the payment and send it to the IRS as income tax withholding to be credited against your taxes.

- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59-1/2, you may have to pay an additional 10% tax.

- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Except for individuals over the age of 70 ½, payments from OPERS may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. OPERS can tell you what portion of your payment is an eligible rollover distribution.

After-tax Contributions. If you made after-tax contributions to OPERS, these contributions may be rolled into either a traditional IRA or to an employer plan that is a defined contribution plan that provides separate accounting for amounts rolled over and that accepts rollovers of the after-tax contributions. OPERS can tell you how much of your payment is the taxable portion and how much is the after-tax portion. The following rules apply:

(a) Rollover Into A Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. You are responsible for keeping track of, and reporting to the Internal Revenue Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

(b) Rollover Into An Employer Defined Contribution Plan. You can roll over after-tax contributions from OPERS to another employer plan that is qualified under Code section 401(a) using a direct rollover if the other plan is a defined contribution plan providing separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct OPERS to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan. You CANNOT roll over after-tax contributions to a governmental 457 plan.

The following types of payments *cannot* be rolled over:

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

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70-1/2 or retire, whichever is later, your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution. You are not taxed on any taxable portion of your payment until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a direct rollover.

Direct Rollover To A Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

Dierct Rollover To A Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent prior to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Change In Tax Treatment Resulting From A Direct Rollover. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from OPERS. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled *Additional 10% Tax If You Are Under Age 59-1/2* and *Special Tax Treatment If You Were Born Before January 1, 1936.*

PAYMENT PAID TO YOU

If your payment can be rolled over and the payment is made to you, it is subject to 20% federal income tax withholding on the taxable portion. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Mandatory Federal Income Tax Withholding. If any portion of your payment can be rolled over and you do not elect to make a direct rollover, OPERS is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because OPERS must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see *Sixty-Day Rollover Option* below), you must report the full $10,000 as a taxable payment from OPERS. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

Voluntary Federal Income Tax Withholding. If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding.

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

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

> ***Example:*** The taxable portion of your payment that can be rolled over above is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from OPERS, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld.
>
> If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

Additional 10% Tax If You Are Under Age 59-1/2. If you receive a payment before you reach age 59-1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer when the separation from service occurs during or after the year you reach age 55, (2) payments that are paid directly to the government to satisfy a federal tax levy, or (3) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment If You Were Born Before January 1, 1936. If you receive a lump sum distribution from OPERS that can be rolled over and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the plan that is payable to you after you have reached age 59-1/2 or because you have separated from service with your employer. For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using 10-year averaging (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in OPERS before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in OPERS taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into OPERS from a 403(b) tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from OPERS, you cannot use this special averaging treatment for later payments from OPERS. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

SURVIVING SPOUSES AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees.

If you are a surviving spouse, you may choose to have a payment that can be rolled over paid in a direct rollover to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse or another beneficiary, your payment is generally not subject to the additional 10% tax, even if you are younger than age 59-1/2.

If you are a surviving spouse or another beneficiary, you may be able to use the special tax treatment for lump sum distributions. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in OPERS.

Your Right To Waive The 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by OPERS.

HOW TO OBTAIN ADDITIONAL INFORMATION

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

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