



## Application for Withdrawal of Contributions or Deferred Retirement

### Leaving Employment

If your employment ends before you are eligible to retire, you have several options for your contributions and interest earned. As you evaluate your options, keep in mind that Tacoma Employees' Retirement System (TERS) staff is not authorized to provide tax advice. Please consult your tax advisor or the IRS before deciding how to take payment of your tax-deferred funds.

#### Members with less than five years of TERS service credit and no portability

If you leave employment with fewer than five years of service, and do not have portability with another eligible Washington state retirement system, you have three options for your retirement contributions:

1. Apply for rollover of your contributions and interest into another qualified plan.
2. Apply for a refund of your contributions and interest. A portion or all the accumulated contributions and interest refunded to you by TERS may be subject to IRS federal income tax. Under federal law, a **mandatory 20 percent withholding tax** will be deducted when taxable lump sum payments that are eligible for rollover are paid directly to members.
3. If you are 60 years or older, you may choose to leave your contributions and interest in TERS and defer your retirement to a future date.

#### Members with five years or more of TERS service credit and/or have portability with another WA State system

If you leave employment and have more than five years of service, or have portability with another eligible Washington state retirement system, you have three options for your retirement contributions:

1. You may leave your funds in TERS and defer your retirement until you reach retirement eligibility (See the Retirement Handbook for eligibility can be found on TERS website). A retirement will provide a monthly payment for life for the member when an application for retirement has been completed.
2. Apply for rollover of your contributions and interest into another qualified plan.
3. Apply for a refund of your contributions and interest. A portion or all the accumulated contributions and interest refunded to you by TERS may be subject to IRS federal income tax. Under federal law, a **mandatory 20 percent withholding tax** will be deducted when taxable lump sum payments that are eligible for rollover are paid directly to members.

Please advise the Retirement Department if you have portability with another Washington state pension system or are going to be employed with another Washington State entity that has a retirement system with portability.

#### Refunds

If you are under-age 59½, at the time of distribution, and do not rollover your contributions, you may have to pay an additional 10 percent income tax penalty on early distributions/withdrawals. Members who terminate employment at age 55 or later will not have to pay the penalty.

You can still decide to rollover all or part of the tax-deferred contributions to an IRA or another eligible retirement plan that accepts rollovers, if you have withdrawn funds paid to you. If you decide to rollover your funds, you must make the rollover within 60 days of the date the payment was issued.

Refunds are processed on the last business day of each month following a 30-day waiting period after employment is terminated and Application for Withdrawal has been submitted to the Retirement Department. Forms must be received in the Retirement Department by the 10<sup>th</sup> of the month; after that date, your refund will be issued the following month.

#### Application

Please fill out the attached form indicating how you wish the Retirement Department to handle your contributions. This form must be notarized if withdrawing funds. Notarization is not required if deferring.



Contribution Withdrawal or Deferred Retirement Election Form

Member Information table with fields: Last Name, First Name, MI, SSN (last four), Mailing Address, City, State, Zip Code, Phone Number, Email, Marital Status (Single, Married/Domestic Partner), Separation Date

Choose One of the Five Options Below

- 1. Refund - I elect a total refund of my contributions and interest that is eligible for rollover and am aware of the 20 percent IRS withholding tax provision. (See page 3).
2. Partial Refund / Transfer - I elect a partial refund and a partial transfer of my contributions and interest. Withholding tax provision will apply to the amount that is refunded. (See page 3 & 4)
3. Transfer - I elect a transfer of eligible funds to a qualified pension plan. (See page 4)
4. Roth Transfer - I elect a transfer of eligible funds to a Roth IRA. I am aware that this is a taxable transfer and request voluntary withholding of \_\_\_\_\_ percent. (See page 4)
5. Deferred Retirement (vested with 5 or more years of Service Credit, Age 60, or Portability with an eligible WA State Retirement System) - I elect to leave my contributions in TERS and am eligible to receive a deferred retirement upon eligibility. I am a dual member of the following retirement system: \_\_\_\_\_.

I attest that I have been advised of my options regarding the withdrawal of contributions or a deferred retirement. If I am eligible and elect a deferred retirement, I would be eligible for a pension benefit with monthly payments for life.

Retirement Waiver (Age 60 or more, vested with 5 or more years and/ or include portability or dual membership)

I acknowledge as a vested member that by electing a transfer or refund of my contributions and interest, I forfeit and waive my right to a future pension benefit for life and have been provided a retirement estimate.

Please check box if you elect to irrevocably waive your right to a lifetime retirement benefit. [ ]

Signature and Date fields for the member

By signing below, I acknowledge that my spouse's election of the option specified is irrevocable. If my spouse has elected a withdrawal of contributions or a deferred retirement option but has not designated me as their beneficiary, I will not receive any death benefits if they die before me.

Spouse Signature and Date fields

NOTARY REQUIRED ONLY IF WITHDRAWING CONTRIBUTIONS

State of \_\_\_\_\_

County of \_\_\_\_\_

I certify that I know or have satisfactory evidence that \_\_\_\_\_ / \_\_\_\_\_ (is/are) the person(s) who appeared before me; and said person(s) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Date

Notary Public Signature

(SEAL)

Print Name

My appointment expires: \_\_\_\_\_



### Electronic Deposit Authorization (Refund Only)

**Form requires the following:**

- Handwritten Signature Only**     **Attach Blank Voided Check or Supporting Bank Documentation**

Member Information				
Last Name	First Name	MI	Birth Date	SSN (last four)
Mailing Address		City	State	Zip Code
Phone Number	Email			Member No. (Office Use)

Bank Information	
Bank Name	Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings
Account Number	Routing Number

**Check box if the bank information listed above is the same account prior to separation. If so, blank voided check is NOT required.** *(City of Tacoma and Tacoma Public Library Employees Only)*

I authorize the Tacoma Employees' Retirement System to make a deposit into my bank or credit union account listed above.

Signature	Date
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**Attach blank voided check  
OR  
Supporting bank documentation**



### Contribution Transfer Election Form

**Participant Information:**

Last Name		First Name		MI	SSN
Mailing Address			City		State Zip Code
Phone Number		E-mail			

**Transfer / Rollover to Account**

Account Type (select one) <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Inherited IRA <input type="checkbox"/> Eligible Plan _____		Rollover Amount <input type="checkbox"/> 100% <input type="checkbox"/> Specific Amount \$ _____			
Name of Financial Institution / Trustee / Custodian / Insurer					
Financial Institution Mailing Address		City		State	Zip Code
Financial Institution Phone number		Financial Institution Email Address			
Financial Institution Routing Number (ACH Deposit if applicable)		Financial Institution Account Number (ACH Deposit if applicable)			
Participant's Account Number					

**TRANSFER AUTHORIZATION:**

I request that the Tacoma Employees' Retirement System plan transfer my contributions to the Trustee, Custodian, or Insurer of a qualified plan or IRA as soon as reasonably possible after receiving this Transfer Election Form.

I have determined that the qualified plan or IRA listed above accepts direct Transfers. If the transfer is to a Roth IRA, I have determined that I meet any applicable income limitations on such transfer.

I have notified the Trustee, Custodian, or Insurer of that IRA that I am directing the Trustee of the Tacoma Employees' Retirement System Plan (the Plan) to directly transfer my Plan distribution to the IRA listed above.

I confirm that the information on this Transfer Election Form is complete and accurate. The Plan Trustee may conclusively rely on this Transfer Election Form without further inquiry.

Signature	Date
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NOTE: A transfer to a conventional IRA is a nontaxable rollover. A transfer to a Roth IRA is a taxable distribution.