

Application for Withdrawal or Transfer of Contributions, or Deferred Retirement

Leaving City Service

If you leave the City 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 City Service and no portability

If you leave the City 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 of the accumulated contributions and interest refunded to you by TERS may be subject to federal income tax. Under federal law, a **20 percent withholding** 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 more than five years of City Service and/or portability with another Washington state system

If you leave the City 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 money in TERS, and defer your retirement until you reach retirement eligibility (See the Retirement Handbook for eligibility). 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 of the accumulated contributions and interest refunded to you by TERS may be subject to federal income tax. Under federal law, a **20 percent withholding** 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.

If you choose a Refund

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.

Refunds are made at the end of the month following the 30-day waiting period after employment is terminated and application for a refund is received in the Retirement Department. If the forms are received in the Retirement Department after the 10th of the month, the refund will be issued the following month.

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.

Application

Please fill out the attached form indicating how you wish the Retirement Department to handle your contributions. This form must be notarized.

Tacoma Employees' Retirement System

3628 S 35th St, Tacoma WA 98409 ■ P O Box 11007, Tacoma WA 98411-0007 ■ (253)502-8200, Fax (253)502-8660
Website: <http://www.cityoftacoma.org/ters> ■ Email: TERSretirement@cityoftacoma.org

Withdrawal of Contributions or Transfer, or Deferred Retirement Election Form

Choose One of the Five Options Below

1. **Transfer** - I elect a direct transfer of eligible funds to a qualified pension plan, IRA, 457 plan, or 403(b) plan.
2. **Roth Transfer** - I elect a direct transfer of eligible funds to a Roth IRA. I am aware that this is a taxable transfer and request voluntary withholding of _____ percent.
3. **Partial Transfer** - I elect a partial direct transfer and in the amount of \$ _____ and a partial refund amount \$ _____. Tax of 20 percent will be withheld on the partial refund.
4. **Refunds on amount eligible for Rollover** - I elect a total refund of contributions eligible for rollover and am aware of the 20 percent automatic withholding provision. Direct deposit information required--see attached Form.
5. **Deferred Retirement (must have 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. **Portability** (if applicable) is with the following WA retirement system: _____

Note: You have 30 days from the date of your application to change your mind as to how your funds are handled.

Print Name

Social Security Number

Address

Phone Number

City State Zip Code

Separation Date

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. If I elect a transfer or refund of my contributions, I am aware that I am forfeiting the right to any future pension benefit.

DATE

SIGNATURE

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 his/her beneficiary, I will not receive any death benefits if he or she dies before me.

DATE

SPOUSE SIGNATURE (If not married, mark N/A)

-----**THIS FORM MUST BE NOTARIZED**-----

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: _____

Transfer to Qualified Plan or Traditional/Roth IRA

PARTICIPANT INFORMATION:

Name: _____

Address: _____
Street City ST Zip Code

Social Security Number: _____

TRANSFER INFORMATION:

Name of Traditional/Roth IRA, Qualified Plan, 403B or 457 Plan _____

Name of Trustee, Custodian, or Insurer of Plan: _____

Address: _____

City, State, Zip: _____ Telephone number: _____

Participant IRA Account Number: _____

TRANSFER AUTHORIZATION:

I request that the Tacoma Employees' Retirement System Plan directly transfer my Plan distribution to the Trustee, Custodian, or Insurer listed above of my 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.

Participant Signature

Date

NOTE: A transfer to a conventional IRA is a nontaxable rollover. A transfer to a Roth IRA is a taxable distribution. In addition, before 2010 certain income limits apply to determine if you are eligible to transfer directly to a Roth IRA. You are responsible to ensure that you meet such income limits.

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Electronic Deposit Authorization (Refund of Contributions only)

This form must be received in the Retirement Department by the 10th of the month to be processed for the current month. This authorization will not be processed without the following information completed and a blank voided check or deposit slip attached.

Member Information

Name	Social Security Number		
Mailing Address	City	State	Zip Code
Telephone Number (daytime)	Member No.		

Bank Information

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

This form authorizes The City of Tacoma/Tacoma Employees' Retirement System to make electronic deposits to the named bank or credit union account.

Signature	Date
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Attach a voided check or deposit slip here