



# Beneficiary Request for Refund of Employee Contributions

MSEP 2011 • Judicial Plan 2011

Please print. • Detailed Instructions included on last page of this form.

## SECTION A - DECEASED MEMBER INFORMATION

Social Security Number or Member ID \_\_\_\_\_

Date of Birth \_\_\_\_\_

Name (last/first/middle) \_\_\_\_\_

Refund for What Type of Service?

MSEP 2011

Judicial Plan 2011

## SECTION B - BENEFICIARY INFORMATION

Please attach a photocopy of the member's death certificate.

Name (last/first/middle) \_\_\_\_\_

Relationship to Deceased

Spouse

Other

Social Security Number \_\_\_\_\_

Date of Birth \_\_\_\_\_

Primary Phone \_\_\_\_\_

Cell  Home  Work

Alternate Phone \_\_\_\_\_

Cell  Home  Work

Alternate Phone \_\_\_\_\_

Cell  Home  Work

Mailing Address (PO or street/city/state/zip) \_\_\_\_\_

Citizenship

U.S. Citizen

Resident Alien (attach IRS form W-9)

Nonresident Alien (attach IRS form W-8BEN)

## SECTION C - DISTRIBUTION ELECTION

Choose ONE option below to indicate how you would like to receive the refund of contributions. A refund of contributions, that is not directly rolled over to a pre-tax qualified plan, is taxable income. For a detailed explanation of the payment options and tax consequences, read the *Special Tax Notice* (attached). We recommend you contact a tax consultant or financial advisor before electing a payment method.

Rollover Option

I elect to directly roll over the entire taxable amount of the refund to the qualified retirement plan designated in Section D.

- Federal tax rules may prohibit me from rolling over the ENTIRE lump-sum balance. If the cash portion of my distribution is less than the IRS minimum, MOSERS will automatically calculate and issue the IRS "required minimum distribution" of cash directly to me. (See instructions for additional details.)
- A rollover to any qualified retirement plan requires that an official from that financial institution or employer plan complete and sign the Rollover Agreement in Section D.**

Combination Cash & Rollover Option

I elect to directly roll over \$\_\_\_\_\_ of the refund to the qualified retirement plan designated in Section D, with the remainder paid directly to me in a lump sum.

- MOSERS is required to withhold 20% of the taxable portion of my cash distribution for federal income tax (unless the amount is less than \$200). I will be responsible for any state, local, or other taxes that may apply.
- If I am younger than 59½, a 10% early distribution tax penalty may apply.
- Federal tax rules may prohibit me from rolling over the ENTIRE lump-sum balance. If the cash portion of my distribution is less than the IRS minimum, MOSERS will automatically calculate and issue the IRS "required minimum distribution" of cash directly to me. (See instructions for additional details.)
- A rollover to any qualified retirement plan requires that an official from that financial institution or employer plan complete and sign the Rollover Agreement in Section D.**

Cash Option

I elect to receive the entire taxable amount of the refund as a cash payment.

- MOSERS is required to withhold 20% of the taxable portion of my cash distribution for federal income tax (unless the amount is less than \$200). I will be responsible for any state, local, or other taxes that may apply.
- If I am younger than 59½, a 10% early distribution tax penalty may apply.
- MOSERS will mail a paper check to the address indicated above.

➔ Section D and Section E are continued on the back of this page.

Financial institution signature (if applicable) is REQUIRED in Section D.  
 Notarized signature(s) are REQUIRED in Section E.

**SECTION D - FINANCIAL INSTITUTION/EMPLOYER PLAN SIGNATURE - ROLLOVER AGREEMENT**

If you elect to roll over your distribution to any qualified retirement plan you must have an official from your financial institution or employer plan complete and sign the Rollover Agreement below.

**Spouse Rollover Options**

- MO Deferred Comp Plan
- Traditional IRA - 408(a), 408(b)
- Inherited Traditional IRA
- Eligible Employer Plan - 401(a), 401(k), 403(a), 403(b), 457(b)
- Roth IRA - 408(a)
- Inherited Roth IRA

**NonSpouse Rollover Options**

- Inherited Traditional IRA
- Inherited Roth IRA

**Account Number**

**Name of Financial Institution/Employer Plan**

**Mailing Address** (PO or street/city/state/zip)

**Phone Number**

In accordance with the above authorization of the depositor, we agree to deposit into the account listed above the forthcoming rollover amount from MOSERS, a qualified plan under Section 401(a) of the Internal Revenue Code (IRC). The account identified above is a qualified retirement plan for purposes of accepting direct rollovers pursuant to the IRC.

**Official's Signature & Title**

**Date**

**SECTION E - APPLICANT SIGNATURE & NOTARIZATION**

- I acknowledge and certify that I read the *Special Tax Notice* and the *Terms of Application* (attached).
- I certify that the transferee plan named above, if any, is a qualified retirement plan that accepts direct rollovers.
- **I hereby apply to withdraw contributions made by the deceased member identified in SECTION A from the Missouri State Employees' Retirement System (MOSERS).**

**BENEFICIARY must sign in the presence of a notary!**

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally appeared \_\_\_\_\_, known to me to be the person who executed the foregoing *Beneficiary Request for Refund of Contributions* and acknowledged to me that he/she executed the foregoing instrument as his/her free act and deed for the purposes therein stated; and at the time of this acknowledgment he/she appeared mentally alert and of full mental capacity. In testimony whereof, I subscribed my name and applied my official stamp on the date and year above written.

NOTARY SEAL

**Signature of Beneficiary**

**Signature of Notary**

# Beneficiary Request for Refund of Contributions

MSEP 2011 • Judicial Plan 2011

Use this form to request a refund of employee contributions made to MOSERS.

1. Carefully read the entire form, the *Terms of Application* below, and the *Special Tax Notice* included with these instructions.

## TERMS OF APPLICATION

- Any refund not directly rolled over to a pre-tax qualified retirement plan will be reported as taxable income in the year of payment.
- MOSERS is not liable for any taxes incurred by you as a result of this distribution.
- The refund of contributions becomes irrevocable once MOSERS mails or electronically transfers payment.
- MOSERS is prohibited by law from issuing a refund if the spouse or child of a vested member is eligible for a survivor benefit based on the member's death. Monthly survivor payments can begin when the member would have reached normal retirement eligibility.

2. Complete Section A with the deceased member's information.
3. Complete Section B with information about YOU, the beneficiary requesting the refund, and attach a copy of the member's death certificate.
4. Choose ONE option in Section C indicating how you want to receive your refund of contributions.

*Please note: federal tax rules prohibit rolling over the ENTIRE lump-sum balance if you 1) turned age 70½ on or before December 31, 2019, or 2) are age 72 or older. If the cash portion of your distribution is less than the IRS minimum, MOSERS will automatically calculate and issue the IRS "required minimum distribution" of cash directly to you, regardless of your distribution election.*

- **Rollover Option** – If you receive a refund of member contributions from MOSERS because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is a direct rollover to an inherited IRA.
    - Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions.
    - All funds rolled into an inherited IRA must be taken out within 10 years regardless of your age.
  - **Combination Cash & Rollover Option** – If you elect the combination cash and rollover option, you may specify the amount of the distribution to be paid to the qualified retirement plan designated in Section D. The remainder will be paid to you in a lump sum.
    - Refunded contributions are considered taxable income for the year in which you receive the payment. MOSERS is required to withhold 20%\* of the taxable portion of a cash distribution for federal income tax.
    - You will be responsible for any state, local, or other taxes that may apply.
  - **Cash Option** – If you elect the cash option, the distribution will be paid directly to you.
    - Refunded contributions are considered taxable income for the year in which you receive the payment. MOSERS is required to withhold 20%\* of the taxable portion of a cash distribution for federal income tax.
5. A rollover to any qualified retirement plan requires that an official from that financial institution/employer plan must complete and sign the Rollover Agreement in Section D.
  6. Sign Section E in the presence of a notary and have your signature notarized.
  7. Submit the completed, signed, notarized form to MOSERS by mail or fax.
  8. Your refund will not be processed until this form is completed and returned to MOSERS.

# SPECIAL TAX NOTICE

## TAXES AND YOUR ROLLOVER DISTRIBUTION

### General Information

You will be taxed on a lump-sum payment from MOSERS if you do not roll it over. You may roll over your payment to either a traditional IRA (an individual retirement plan or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover.

- **MO Deferred Comp** – You have the option to roll over your lump-sum distribution into MO Deferred Comp. Taxes on the balance can be deferred until you start withdrawing money (must begin at age 72), at which time you will be taxed only on the amount withdrawn. See the *Special Tax Notice Regarding Plan Payments* on the MO Deferred Comp website ([www.modeferredcomp.org](http://www.modeferredcomp.org)) for details.

The rules of the IRA or employer plan that hold the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). The amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

MOSERS operates as a tax qualified plan under section 401(a) of the Internal Revenue Code (IRC). Refer to IRS Publications 575 (*Pension and Annuity Income*) and 590A and 590B (*Individual Retirement Arrangements*) for more information on your tax liability.

This notice does not describe any state or local income tax rules (including withholding rules). You may wish to consult a professional tax advisor, and your state and/or local taxing authority about your state and local tax liability before taking a lump-sum distribution.

### Rolling Over a Distribution

There are two ways to roll over your lump-sum payment from MOSERS.

- **A Direct Rollover** – MOSERS will make the lump-sum payment directly to your MO Deferred Comp account, IRA, or other employer plan. If you elect to roll over your distribution, you must have an official from your financial institution or employer plan complete and sign the Rollover Agreement on the form supplied by MOSERS. Check with your accepting plan as they may have additional requirements.
- **60-Day Rollover** – You may still roll over your lump-sum payment by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, MOSERS is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire payment amount, the portion not rolled over will be taxed and subject to the 10% additional income tax on early distributions if you are younger than age 59½ (unless an exception applies).

### Rollover Amounts for Individuals Older than Age 72

Beginning on April 1 of the year after the year in which you turn age 72 or retire (whichever is later), a certain portion of your payment generally cannot be rolled over because a "required minimum distribution" must be paid to you. MOSERS can tell you what portion is eligible for rollover.

### Early Distributions Payments from MOSERS

If you are younger than age 59½, you will pay an additional 10% income tax for any payment from MOSERS (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over. Exceptions include:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a qualified public safety employee\* and you are at least age 50 in the year of the separation
- Payments made because you retire due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments directly made to government to satisfy a federal tax levy
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments that are paid to an alternate payee under a division of benefits order (DBO)

\* A qualified public safety employee is any uniformed state employee who provides police protection, fire fighting services, or emergency medical services for any area within the jurisdiction of Missouri (effective 8/17/06).

If your distribution from MOSERS is rolled over to another plan, the distribution from the receiving plan may be subject to different restrictions and tax consequences than those that apply to distributions from MOSERS.

# SPECIAL TAX NOTICE

## Early Distributions Payments from an IRA

If you receive a payment from an IRA that includes funds rolled over from MOSERS when you are younger than age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

## SPECIAL TAX RULES AND OPTIONS

### After-Tax Contributions

After-tax contributions included in a payment are not taxed.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

### Rollover to a Roth IRA

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, *Individual Retirement Arrangements* (IRAs).

You cannot roll over a payment from MOSERS to a designated Roth account in an employer plan.

### The 60-Day Rollover Deadline has Passed

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements* (IRAs).

### Payments After Death of Member

If you receive a distribution after the member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the member was born on or before January 1, 1936.

# SPECIAL TAX NOTICE

## Survivor of Deceased Member

### *Surviving Spouse*

If you receive a payment from MOSERS as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 72.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. All funds rolled into an inherited IRA must be taken out within 10 years regardless of your age.

### *NonSpouse Survivor*

If you receive a refund of member contributions from MOSERS because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. All funds rolled into an inherited IRA must be taken out within 10 years regardless of your age.

Please complete, sign, and notarize a *Beneficiary Request for Refund of Employee Contributions* form and submit it to MOSERS.

## Born on or Before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

## Eligible Retired Public Safety Officer Using Pension to Pay for Health Coverage or Qualified Long-Term Care Insurance

If you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

## Nonresident Alien

If you are a nonresident alien and you do not choose the direct rollover option to a U.S. IRA or U.S. employer plan, instead of withholding 20%, MOSERS is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

## Other Special Rules

If your payments for the year are less than \$200, MOSERS is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

## FOR MORE INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules are complex and contain many conditions and exceptions that are not included in this notice.

You may wish to consult with a MOSERS benefit counselor, a professional tax advisor, or your state/local taxing authority before taking a distribution payment from MOSERS.

Detailed information on the federal tax treatment of payments to/from employer plans can be found in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590A and 590B, *Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling (800) TAX-FORM or (800) 829-1040.