



# MEMBER-DIRECTED PLAN RETIREMENT APPLICATION

Ohio Public Employees Retirement System  
277 East Town Street, Columbus, Ohio 43215-4642

1-800-222-PERS (7377)  
www.opers.org



## STEP 1: Member Information

Social Security Number

OPERS ID

First Name

MI

Last Name

Are you legally married?  Yes  No

## STEP 2: Distribution Options (You may select one or both options below. Please completely fill in bullet selections.)

**Annuity Option 1: Percentage of your account you wish to take as a monthly benefit from**

OPERS:    %

**Choose Only One Plan of Payment:**

**Single Life Plan**

**Joint Life Plan** – I choose percent    % (Whole percent between 10 and 100%. You may select a percentage less than 10% if required by a court order to designate a former spouse).

**Multiple Life Plan** (multiple survivors - at least two, but not more than four)

**Lump Sum Option 2: Percentage of your account you wish to have transferred to another qualifying account or paid directly to you:**   %

**Please note: If you elect to roll over or take a full distribution of your entire account balance, you must apply for a refund of your account through the OPERS online refund application, rather than filling out a retirement application.**

## Qualified Account Information

I am rolling over to a:  Roth IRA  Traditional IRA or Eligible Retirement Plan

Account Number for Qualified Account

Name of Qualified Institution or Trust Company

Address of Qualified Institution or Trust Company

City

State

ZIP Code

**STEP 3: Member Banking Information for Monthly Benefit**

Bank Name

Bank Routing Number

Account Number

(Choose only one)

Checking **-OR-**  Savings

Example Check > Valid routing numbers begin with 0,1, 2 or 3



**STEP 4: Beneficiary Information (You must provide at least one beneficiary. Does NOT apply to the Lump Sum Option)**

1. First Name

MI

Last Name

Social Security Number

Birth Date

Gender

Male  Female  Prefer Not To Say

Relationship to Member

Spouse  Child  Other \_\_\_\_\_ Allocation (Multiple Life Plan only)  %

2. First Name

MI

Last Name

Social Security Number

Birth Date

Gender

Male  Female  Prefer Not To Say

Relationship to Member

Spouse  Child  Other \_\_\_\_\_ Allocation (Multiple Life Plan only)  %



**STEP 8: Member Acknowledgment**

**This section must be completed and signed in the presence of a Notary Public when the application is completed in full.**

State of \_\_\_\_\_ , County of \_\_\_\_\_ .

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

I acknowledge I have selected a distribution option, selected a plan of payment, and designated a beneficiary on my OPERS account in Steps 2 and 5 of this application in accordance with any court orders issued under the laws of this state or another state regarding the division of marital property, received by OPERS, and to which I may be subject.

I acknowledge that, as part of this Application, I have received and reviewed the Special Tax Notice Regarding OPERS Payments addressing my direct rollover rights.

Member Signature \_\_\_\_\_ Today's Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
Do not print or type name

Sworn and subscribed to me this \_\_\_\_\_ day of \_\_\_\_\_ , 20 \_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_ / \_\_\_\_ / \_\_\_\_



# SPECIAL TAX NOTICE REGARDING OPERS PAYMENTS

Ohio Public Employees Retirement System  
277 East Town Street, Columbus, Ohio 43215-4642

1-800-222-PERS (7377)  
www.opers.org

You are receiving this notice because you are eligible to receive a payment from the Ohio Public Employees Retirement System (OPERS) that you can transfer (roll over) to an IRA or another employer plan. This notice is intended to help you decide whether to roll over the payment (or some portion of it).

## GENERAL INFORMATION ABOUT ROLLOVERS

- What can I do with an amount that is eligible for rollover?
- How can a payment affect my taxes?
- How can a rollover affect my taxes?
- What types of retirement accounts and plans may accept my rollover?
- How do I do a rollover?
- How much may I roll over?
- If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?
- If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?
- Will I owe state income taxes?

## SPECIAL RULES AND OPTIONS

- If your payment includes after-tax contributions
- If you miss the 60-day rollover deadline
- If you receive a payment and you were born on or before January 1, 1936
- If you roll over your payment to a SIMPLE IRA
- If you roll over your payment to a Roth IRA
- If you aren't a Plan participant
- If you are a nonresident alien
- Other special rules

## FOR MORE INFORMATION

### General Information About Rollovers

This notice describes the rollover rules that apply to payments from OPERS that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules).

Rules that apply to most payments from a plan are described in this "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if you have after-tax contributions. If you have additional questions after reading this notice, you can contact an OPERS Member Services Representative at 1-800-222-7377 or a professional tax advisor. Please do not return this notice to OPERS, but keep this notice with your other important documents.

#### What can I do with an amount that is eligible for rollover?

When an amount payable (that is, an amount you are eligible to take as a payment from OPERS) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into another employer plan,
- Roll it over into an IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and OPERS' terms. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

#### How can a payment affect my taxes?

If you don't do a rollover, you will be taxed on a payment from OPERS, and, if you are under age 59½, you will also have to pay a 10% additional tax (unless an exception applies).

#### How can a rollover affect my taxes?

If you do a rollover, you won't have to pay tax until you receive payments later.

#### What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan (such as a section 401(k) plan), a section 403(b) plan, or a governmental section 457(b) plan) that will accept the rollover.

The rules of the IRA or employer plan that receives the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs aren't subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

For additional information on IRAs, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

### How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

**If you do a direct rollover**, OPERS will make the payment directly to your IRA or an employer plan. You should contact the IRA provider or the administrator of the employer plan for information on how to do a direct rollover.

**If you do a 60-day rollover, you will receive a payment** from OPERS and then make a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you don't do a direct rollover, OPERS is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received). 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 amount withheld. If you don't roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional tax on early distributions if you are under age 59½ (unless an exception applies).

### How much may I roll over?

You may roll over all or part of the amount eligible for rollover. Any payment from OPERS is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Corrective distributions of contributions that exceeded tax law limitations.
- Amounts treated as distributed as a result of the purchase of a collectible.

OPERS can tell you what portion of a payment is eligible for rollover.

### If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

If you are under age 59½, you will have to pay the 10% additional tax on early distributions for any payment from OPERS (including amounts withheld for income tax) that you don't roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over. The 10% additional tax doesn't apply to the following payments from OPERS:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in substantially equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and, in the year of separation, have reached age 50 or 25 years of service under OPERS;
- Payments made due to disability;
- Payments made after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a division of property order (DPO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating

to personal or family emergency expenses (emergency personal expense distributions);

- Payments made from a defined contribution plan that are qualified long-term care distributions;
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long-term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year); and
- Payments from a pension-linked emergency savings account.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*. For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

### If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the part of the payment that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional 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:

- The exception for payments from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under OPERS for qualified public safety employees) doesn't apply to payments from an IRA;
- The exception for payments made pursuant to a DPO under a plan doesn't apply to an IRA (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); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

## Special Rules and Options

### **If your payment includes after-tax contributions**

After-tax contributions included in a payment aren't taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you can't take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

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 direct rollover of only a portion of the amount paid from OPERS and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that isn't a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

If you do a direct rollover of the entire amount paid from OPERS to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions, and no part of the payment is directly rolled over. In this case, if you roll over \$10,000 to an IRA that isn't a Roth 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 isn't 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.

### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline can't be extended. However, the IRS has 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification.

Otherwise, to apply for a waiver from the IRS, 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-A,

### **Will I owe state income taxes?**

This notice does not address any state or local income tax rules (including withholding rules).

*Contributions to Individual Retirement Arrangements (IRAs)* under the heading *Rollovers*.

### **If you receive a payment and were born on or before January 1, 1936**

If you were born on or before January 1, 1936, and receive a lump sum payment that you don't 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*.

### **If you roll over your payment to a SIMPLE IRA**

You can only roll over a payment from OPERS to a SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the SIMPLE IRA plan.

### **If you roll over your payment to a Roth IRA**

If you roll over a payment from OPERS to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE IRA), a special rule applies under which the amount of the payment rolled over, reduced by any after-tax amounts, will be taxed. In general, the 10% additional tax on early distributions won't apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1, of the year of the rollover, the 10% additional tax will apply on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. Later payments from the Roth IRA that are qualified distributions won't 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 aren't qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies). For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

### **If you aren't a plan participant**

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

**If you are a surviving spouse**

If you receive a payment from OPERS as the surviving spouse of a deceased participant, you have the same rollover options that the participant 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 either 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 tax on early distributions (unless an exception applies) and required minimum distributions from your IRA will be based on your age.

If you treat the IRA as an inherited IRA, payments from the IRA won't be subject to the 10% additional tax on early distributions. However, if the participant had started taking required minimum distributions from OPERS, required minimum distributions must continue to be made from the inherited IRA. If the participant had not started taking required minimum distributions from OPERS, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

**If you are a surviving beneficiary other than a spouse**

If you receive a payment from OPERS because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA won't be subject to the 10% additional tax on early distributions. You will have to take required minimum distributions from the inherited IRA.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

**Payments under a division of property order**

If you are the spouse or former spouse of the participant who receives a payment from OPERS under a DPO you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that

will accept it). However, payments under the DPO won't be subject to the 10% additional tax on early distributions. For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

**If you are a nonresident alien**

If you are a nonresident alien and you don't do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, OPERS 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 IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, 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, not including payments from a designated Roth account in OPERS, OPERS isn't required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

You may have the ability to repay certain distributions from OPERS. If you took a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on other repayments, see IRS Publication 575, *Pension and Annuity Income*, or consult a professional tax advisor.

**Your Right to Waive the 30-Day Notice Period**

Generally, neither a direct rollover nor a payment can be made from OPERS 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 this 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.

**Your Right to Receive this Notice**

If you receive an electronic version of this notice via the OPERS website, you may also receive this notice on a written paper document by calling OPERS at 1-800-222-7377. Upon receipt of your request, this notice on a written paper document will be sent to you at no charge.

**For More Information**

You may wish to consult with OPERS or a professional tax advisor before taking a payment from OPERS. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from 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 1-800-TAX-FORM.