PERS Oregon Public Employees Retirement System

11410 SW 68th Parkway, Tigard OR 97223
Mailing Address – PO Box 23700, Tigard OR 97281-3700
Phone – 503-598-7377 toll free 888-320-7377
Fax - 503-598-0561 website – www.oregon.gov/pers

2122

Police Officer and Firefighter Unit Payment Application

This form is strictly for the PERS Chapter 238 program (Tier One/Tier Two). Call PERS or visit our website if this is not the form you need.

Section A: Applicant information (Type or print clearly in dark ink. Illegible forms may be returned to applicant. This could delay your request.)

First name	MI	Last name	Social Security number

Section B: Unit payment information

As a purchaser of police officer and firefighter (P&F) units, you select the effective date of your P&F unit payments. Payments begin the first of the month following the P&F Unit Benefit effective date.

- See *Federal Tax Information Disclosure* for information about tax laws that may affect when and how you choose to receive your P&F unit payments.
- P&F unit payments may begin on or after the date of your service or disability retirement or upon reaching age 50, whichever is later, and stop at age 65.
- Payments are made over a minimum of five years (60 months) unless payments begin after you reach age 60.
- You can take more than 60 months as long as your payments don't extend beyond your 65th birthday.
- Each P&F unit purchased provides a $20 monthly benefit if paid for 60 months: $10 from your contributions and $10 from your employer.
- Eight fully paid-up units provides $160 per month for 60 months. Receiving your P&F unit account over a longer period of time (more than 60 months) reduces the amount of each monthly payment.
- Any amount in your unit account in excess of $4,000 at the time payments start will be refunded to you.
- The maximum payment from your employer is a $10 monthly benefit for each P&F unit purchased, or $80 a month for eight units even if your unit benefits begin after your reach age 60.
- If you die before all the scheduled payments are made to you, any remaining unit account balance at your death will be paid in a lump sum to your designated beneficiary. Only your remaining account balance is paid; there is no match from employer contributions.

Section C: Unit payment request

I would like my police officer and firefighter unit benefit effective

☐ on my retirement date: ______________ 1, ______, to be paid over ________ (number) months.

☐ delayed until: ______________ 1, _______, to be paid over ________ (number) months.

Section D: Applicant signature

______________________________ ______________________
Signature (do not print) Date

Office use only
☒ PERS ☐ OPSRP ☐ IAP
☐ Member ☐ Alternate payee
☐ Cross reference member SSN

P&F	

Providing your Social Security number (SSN) is voluntary. It will be used for confirmation purposes. If you choose not to supply your SSN, it may take PERS staff longer to process your form.

In compliance with the Americans with Disabilities Act, PERS will provide help filling out this form upon request. You may request help by calling **503-598-7377, toll-free 888-320-7377**, or **TTY 503-603-7766.**

ORS: 238.440

Form #459-119.pdf (6/27/2007) **SL3 IIM Code: 2122**

Print Form Clear Fields

Withholding on Lump-Distributions Information

2010 Form W-4P

2172

What Is Form W-4P?
This form is for recipients of income from annuity, pension, and certain other deferred compensation plans to tell payers whether income tax is to be withheld and on what basis. Your options depend on whether the payment is periodic or nonperiodic (including an eligible rollover distribution) as explained on page 4. You can use this form to choose to have no income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or to have an additional amount of tax withheld. (Continued on page 2.)

Sign this form. Form W-4P is not valid unless you sign it.

A

Form **W-4P**

Federal Tax Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2010

Type or print your full name	Your Social Security number
Home address (number and street or rural route)	Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code	

Complete the following applicable lines:

1 Check here if you **do not want** any federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ▶ ☐
Note: 20 percent withholding is mandatory for certain qualifying distributions unless you elect a direct transfer rollover to a traditional IRA or other eligible employer plan.

2 I want my withholding from each **periodic** pension or annuity payment to be figured using the number of allowances and marital status shown. (You may also designate an additional dollar amount on line 3.) .... ▶ ______ (Enter number of allowances.)
Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher "Single" rate

3 I want the following additional amount withheld from each pension or annuity payment. (**Note:** *For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.)* .... ▶ $________

Your signature ▶ Date ▶

Oregon state tax withholding will be based on Section A unless you complete Section B. Retirees who are not Oregon residents who do not want Oregon tax withholding should check the box on Line 1 in Section B.

B

Form **W-4P**

Oregon State Tax Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2010

Type or print your full name	Your Social Security number
Home address (number and street or rural route)	Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code	

Complete the following applicable lines:

1 Check here if you **do not want** any state income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ▶ ☐

2 Total number of allowances and marital status you are claiming withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) .... ▶ ______ (Enter number of allowances.)
Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher "Single" rate

3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** *For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.)* .... ▶ $________

Your signature ▶ Date ▶

Instructions:
Please print in ink or type.
Please sign and date each form you complete. Incomplete forms will be returned.
Mail to: PERS, P.O. Box 23700, Tigard, OR 97281-3700.

- If you receive periodic payments and if you complete line 3 of the form, you must complete line 2, including the number of allowances. The amount you enter on line 3 will be deducted in addition to the amount deducted based on the marital status and allowances entered on line 2.
- Refer to IRS Publication 505, *Tax Withholding and Estimated Tax,* if you need further instructions.
- Contact the Oregon Department of Revenue at **503-378-4988 (Salem)** with questions regarding Oregon state tax.

Office use only
☒ PERS ☐ OPSRP ☐ IAP
☐ Member ☐ Alternate payee
☐ Cross reference member SSN

P&F

What Do You Need To Do?
If you do not want tax withheld, you can skip the worksheet attached and go directly to form W-4P. Otherwise, complete lines A through G of the worksheet below. Many recipients can stop at line G.

Sign this form. Form W-4P is not valid unless you sign it.

Other Income?
If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or taxable Social Security), you should consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Call 800-829-3676 for copies of Form 1040-ES and Pub. 505, *Tax Withholding and Estimated Tax.*

When Should I File?
Complete the form, and give it to the payer as soon as possible to avoid other withholding problems.

Multiple Pensions? More Than One Income?
To figure the number of allowances you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You can file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding will usually be more accurate if you claim all allowances on the Form W-4P for the largest source of income subject to withholding.

Personal Allowances Worksheet

A Enter “1” for **yourself** if no one else can claim you as a dependent .... A ____

B Enter “1” if: .... B ____
- You are single and have only one pension; or
- You are married, have only one pension, and your spouse has no income subject to withholding; or
- Your income from a second pension or a job or your spouse’s pension or wages (or the total of all) is $1,500 or less.

C Enter “1” for your **spouse.** You may choose to enter -0- if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering -0- may help you avoid having too little tax withheld.) .... C ____

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return .... D ____

E Enter “1” if you will file as a **head of household** on your tax return .... E ____

F **Child Tax Credit** (including additional child tax credit):
- If your total income will be less than $61,000 ($90,000 if married), enter “2” for each eligible child; then **less** “1” if you have three or more eligible children.
- If your total income will be between $61,000 and $84,000 ($90,000 and $119,000 if married), enter “1” for each eligible child plus “1” **additional** if you have six or more eligible children .... F ____

G Add lines A through F, and enter total here. (**Note:** *This may be different from the number of exemptions you claim on your tax return.*) .... G 0

For accuracy, complete all worksheets that apply.
- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** below.
- If you have more than one source of income subject to withholding or a spouse with income subject to withholding **and** your combined income from all sources exceeds $18,000 ($32,000 if married), see the **Multiple Pensions/More Than One Income Worksheet** on page 3 to avoid having too little tax withheld.
- If **neither** of the above situations applies to you, **stop here,** and enter the number from line G above on line 2 of federal Form W-4P on page 1.

Deductions and Adjustments Worksheet

Note: *Use this worksheet only if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2010 tax return.*

1. Enter an estimate of your 2010 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5 percent of your income, and miscellaneous deductions. (Get **Pub. 919**, *How do I adjust my tax withholding,* for details.) .... 1 $____
2. Enter: .... 2 $____
   $11,400 if married filing jointly or qualifying widow(er),
   $8,400 if head of household, or
   $5,700 if single or married filing separately.
3. **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter -0- .... 3 $ 0
4. Enter estimate of your 2010 adjustments to income, including alimony, deductible IRA contributions, and student loan interest. .... 4 $____
5. **Add** lines 3 and 4 and enter the total. .... 5 $ 0
6. Enter an estimate of your 2010 income not subject to withholding (such as dividends or interest) .... 6 $____
7. **Subtract** line 6 from line 5. Enter the result, but not less than zero. .... 7 $ 0
8. **Divide** the amount on line 7 by $3,650, and enter the result here. Drop any fraction .... 8 $ 0
9. Enter the number from **Personal Allowance Worksheet,** line G, above .... 9 $ 0
10. **Add** lines 8 and 9, and enter the total here. If you plan to use the **Multiple Pensions/More Than One Income Worksheet,** also enter the total on line 1 below. Otherwise, **stop here**, and enter this total on Form W-4P, line 2 on page 1 .... 10 $ 0

Multiple Pensions/More Than One Income Worksheet

Note: *Use this worksheet only if the instructions under line G on page 2 direct you here. This applies if you (and your spouse if married filing a joint return) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).*

1. Enter the number from line G on page 2 (or from line 10 of the **Deductions and Adjustments Worksheet** on page 2 if applicable) 1 0
2. Find the number in **Table 1** below that applies to the **lowest** paying pension or job, and enter it here. **However**, if you are married filing jointly and the amount from the highest paying pension or job is $65,000 or less, do not enter more than "3". .... 2 ______
3. If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter -0-) and on Form W-4P, line 2, page 1. **Do not** use the rest of this worksheet .... 3 ______

Note: *If line 1 is **less than** line 2, enter -0- on Form W-4P, line 2, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.*

4. Enter the number from line 2 of this worksheet .... 4 ______
5. Enter the number from line 1 of this worksheet........ 5 0
6. **Subtract** line 5 from line 4 .... 6 0
7. Find the amount in **Table 2** below that applies to the **highest** paying pension or job, and enter it here .... 7 $______
8. **Multiply** line 7 by line 6, and enter the result here. This is the additional annual withholding needed .... 8 $ 0
9. **Divide** line 8 by the number of pay periods remaining in 2010. For example, divide by 12 if you are paid every month and you completed this form in December 2009. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment........ 9 $______

Table 1

Married Filing Jointly: If wages from **LOWEST** paying pension or job are–	Enter on line 2 above	All Others: If wages from **LOWEST** paying pension or job are–	Enter on line 2 above
$0 - $ 7,000	0	$0 - $ 6,000	0
7,000 - 10,000	1	6,001 - 12,000	1
10,001 - 16,000	2	12,001 - 19,000	2
16,001 - 22,000	3	19,001 - 26,000	3
22,001 - 27,000	4	26,001 - 35,000	4
27,001 - 35,000	5	35,001 - 50,000	5
35,001 - 44,000	6	50,001 - 65,000	6
44,001 - 50,000	7	65,001 - 80,000	7
50,001 - 55,000	8	80,001 - 90,000	8
55,001 - 65,000	9	90,001 - 120,000	9
65,001 - 72,000	10	120,001 and over	10
72,001 - 85,000	11		
85,001 - 105,000	12		
105,001 - 115,000	13		
115,001 - 130,000	14		
130,001 and over	15		

Table 2

Married Filing Jointly: If wages from **HIGHEST** paying pension or job are–	Enter on line 7 above	All Others: If wages from **HIGHEST** paying pension or job are–	Enter on line 7 above
$0 - 65,000	$550	$0 - 35,000	$550
65,001 - 120,000	910	35,001 - 90,000	910
120,001 - 185,000	1,020	90,001 - 165,000	1,020
185,001 - 330,000	1,200	165,001 - 370,000	1,200
330,001 and over	1,280	370,001 and over	1,280

Additional Instructions

Section references are to the Internal Revenue Code.

When should I complete the form? Complete Form W-4P, and give it to the payer as soon as possible. Get **Pub. 919,** *How Do I Adjust My Tax Withholding?* to see how the dollar amount you are having withheld compares to your projected total tax for 2010. You may also use the Withholding Calculator on the IRS website at *www.irs.gov/individuals* for help in determining how many withholding allowances to claim on your Form W-4P.

Multiple pensions/more than one income. To figure the number of allowances you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding will usually be more accurate if you claim all allowances on the Form W-4P for the highest source of income subject to withholding and zero allowances are claimed on the others.

Other income. If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Call 800-TAX FORM (800-829-3676) to get Form 1040-ES and Pub. 505, *Tax Withholding and Estimated Tax.* You can also get forms and publications from the IRS website at *www.irs.gov*.

Note: Social Security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding on these payments.

Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement accounts (IRAs); and from commercial annuities. The method and rate of withholding depends on (a) the kind of payment you receive, (b) whether the payments are delivered outside the United States or its commonwealths and possessions, and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. See special withholding rules that apply to payments outside of the United States and payments to foreign persons.

Because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount of tax to be withheld by using lines 2 and 3 of Form W-4P.

Choosing not to have income tax withheld. You (or in the event of death, your beneficiary or estate) can choose not to have income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's EIN in the area reserved for "your Social Security number" on Form W-4P.

You may **not** make this choice for eligible rollover distributions. See *Eligible rollover distribution - 20 percent withholding.*

Caution: *There are penalties for not paying enough income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.*

Periodic payments. Withholding from periodic payments of a pension or annuity is figured in the same manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than one year. They may be paid annually, quarterly, monthly, etc.

If you want income tax to be withheld, you must designate the number of withholding allowances on line 2 of Form W-4P, and indicate your marital status by checking the appropriate box. Under current law, you cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3. If you do not want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P, and submit the form to your payer. However, see *Payments to Foreign Persons and Payments Outside the United States.*

Caution: *If you do not submit Form W-4P to your payer, the payer must withhold on periodic payments as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least $2,080 a month.*

If you submit a Form W-4P that does not contain your correct taxpayer identification number (TIN), the payer must withhold as if you are single claiming zero withholding allowances, even if you choose not to have income tax withheld.

There are some kinds of periodic payments for which you **cannot** use Form W-4P because they are already defined as wages subject to federal income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces, payments from certain nonqualified deferred compensation plans, and state and local deferred compensation plans described in section 457. Your payer should be able to tell you whether federal Form W-4P applies.

For periodic payments, your Form W-4P stays in effect until you change or revoke it. Your payer must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choice.

Nonperiodic payments—10 percent withholding. Your payer must withhold a flat 10 percent from nonperiodic payments (see **Eligible rollover distribution-20 percent withholding** below) unless you choose not to have income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have income tax withheld from a nonperiodic payment (if permitted) by submitting Form W-4P (containing your correct TIN) to your payer and checking the box on line 1. Generally, your choice not to have income tax withheld will apply to any later payment from the same plan. You cannot use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount you want withheld.

Caution: *If you submit a Form W-4P that does not contain your correct TIN, the payer cannot honor your request not to have income tax withheld and must withhold 10 percent of the payment for federal income tax.*

Eligible Rollover Distribution—20 percent withholding. Distributions you receive from qualified pension or annuity plans (e.g., 401(k) pension plans, IRAs, and section 457(b) plans maintained by a governmental employer), or tax-sheltered annuities that are eligible to be rolled over tax free to an IRA or qualified plan are subject to a flat 20 percent withholding. The 20 percent withholding rate is required, and you **cannot** choose not to have federal income tax withheld from eligible rollover distributions. See Pub. 505 for more details. Do not give Form W-4P to your payer unless you want an additional amount withheld. Then, complete line 3 of Form W-4P, and submit the form to your payer.

Note: The payer will not withhold income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA, qualified pension plan, governmental section 457(b) plan (if allowed by the plan), or tax-sheltered annuity.

Distributions that are (a) required by law, (b) one of a specified series of equal payments, or (c) qualifying "hardship" distributions are **not** "eligible rollover distributions" and are not subject to the mandatory 20 percent federal income tax withholding. See Pub. 505 for details. See also *Nonperiodic payments—10 percent withholding.*

Changing Your "No Withholding" Choice

Periodic payments. If you previously chose not to have income tax withheld and you now want withholding, complete another Form W-4P, and submit it to your payer. If you want income tax withheld at the rate set by law (married with three allowances), write "Revoked" next to the checkbox on line 1 of the form. If you want tax withheld (if permitted) at any different rate, complete line 2 on the form.

Nonperiodic payments. If you previously chose not to have income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1, and submit Form W-4P to your payer.

Payments to Foreign Persons and Payments Outside the United States

Unless you are a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are delivered to you outside the United States or its possessions. You **cannot** choose not to have income tax withheld on line 1 of Form W-4P. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30 percent federal withholding tax under section 1441 on the taxable portion of a periodic or nonperiodic pension or annuity payment that is from US sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities,* and Pub. 519, *US Tax Guide for Aliens*, for details. A foreign person should submit form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to the payer before receiving any payments. The form W-8BEN must contain the foreign person's TIN.

Statement of Income Tax Withheld From Your Pension or Annuity

By January 31 of next year, your payer will furnish a statement to you on Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., showing the total amount of your pension or annuity payments and the total income tax withheld during the year. If you are a foreign person who has provided your payer with form W-8BEN, your payer instead will furnish a statement to you on form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, by March 15 of next year.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from periodic pension or annuity payments based on your withholding allowances and marital status, (b) request additional federal income tax withholding from your pension or annuity, (c) choose not to have income tax withheld, when permitted, or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payments(s). Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Print Form | Clear Fields

PERS Oregon Public Employees Retirement System
11410 SW 68th Parkway, Tigard OR 97223
Mailing Address – PO Box 23700, Tigard OR 97281-3700
Phone – 503-598-7377 toll free 888-320-7377
Fax - 503-598-0561 website – http://.oregon.gov/pers

Federal Tax Information Disclosure

This notice explains how you can defer federal income tax on your PERS Chapter 238 Program or Oregon Public Service Retirement Plan (OPSRP) Pension Program or Individual Account Program benefits and contains important information you will need before you decide how to receive your benefits.

This notice is provided to you because all or part of the distribution that you will soon receive may be roll over eligible to a traditional IRA or an eligible employer plan. A rollover is a distribution 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 distribution 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, a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, a money purchase plan, a section 403(b) annuity plan, a section 403(b) tax-sheltered annuity plan, and an eligible section 457(b) plan maintained by a governmental employer.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your distribution 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, if 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. 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 PERS. Check with the plan administrator that is to receive your rollover before making the rollover.

Introduction: Basic Information

There are two ways you may be able to receive a distribution that is eligible for rollover:

- certain distributions can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept your distribution, or
- the distribution can be **paid to you**.

If you choose a **direct rollover**:

- Your distribution will not be taxed in the current year, and no income tax will be withheld.
- Your distribution will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your distribution 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 distribution 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 PERS.

If you choose to have a distribution that is eligible for rollover **paid to you**:

- You will receive only 80 percent of the taxable amount of the distribution because PERS is required to withhold 20 percent of the distribution and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your distribution 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 distribution before age 59 ½, you may have to pay an additional 10 percent tax.
- You can roll over all or part of the distribution by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the distribution. 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 percent of the distribution to a traditional IRA or an eligible employer plan, **you must replace the 20 percent withheld from the taxable portion of your distribution**. If you roll over only the 80 percent that you received, you will be taxed on the 20 percent that was withheld and not rolled over.

Your right to waive the 30-day notice period. Generally, neither a direct rollover nor a distribution can be made from PERS 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 distribution directly rolled over. If you do not wish to wait until this 30-day notice period ends before we process your distribution, you may waive the notice period by checking the appropriate box on the attached acknowledgement form. Your distribution will then be processed as soon as practical after PERS receives the acknowledgement.

If you fail to affirmatively elect to make or not to make a direct rollover within at least 30 days and no more than 180 days after notice is provided, PERS shall pay the eligible rollover distribution directly to you.

Part 1: Distributions That Can and Cannot Be Rolled Over

Distributions from PERS 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. Distributions from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. PERS can tell you what portion of your distribution is an eligible rollover distribution.

After-tax contributions. If you made after-tax contributions to PERS, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

a) **Rollover into a traditional IRA.** If you made after-tax contribution to PERS, you can roll over your after-tax contribution to a traditional IRA either directly or indirectly.

   If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of and report to the IRS 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 plan.** You can roll over after-tax contributions from PERS to another plan qualified under code section 401(a) or a section 403(a) annuity plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earning on those contributions. You **cannot** roll over after-tax contributions to a governmental 457 plan. 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 PERS 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.

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

Distributions spread over long periods. You cannot roll over a distribution if it is part of a series of equal (or almost equal) distributions 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 or more years.

Required minimum distributions. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your distribution cannot be rolled over because it is a "required minimum distribution" that must be paid to you.

Part 2: Direct Rollover

A **direct rollover** is a direct distribution of the amount of your PERS or OPSRP 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 distribution that is an eligible rollover distribution, as described in Part 1 above. You are not taxed on any taxable portion of your distribution for which you choose a **direct rollover** 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 benefits for which you choose a **direct rollover**. PERS does not allow a **direct rollover** if your distributions for the year are less than $200.

Direct rollover to a traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your distribution made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your distribution made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the distributions. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your distribution 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).

Direct 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 to any subsequent distribution. Check with the plan administrator before making your decision.

Change in tax treatment resulting from a direct rollover. The tax treatment of any distribution 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 PERS. For example, if you were born before January 1, 1936, you might be entitled to 10-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 titled "Additional 10 percent tax if you are under age 59½" and "Special tax treatment if you were born before January 1, 1936."

Part 3: Distribution Paid To You

If your distribution can be rolled over (see Part 1 above) and the distribution is made to you in cash, it is subject to 20 percent federal income tax withholding on the taxable portion. The distribution 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 apply.

Mandatory withholding. If any portion of your distribution can be rolled over under Part 1 above and you do not elect to make a **direct rollover**, PERS is required by law to withhold 20 percent 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 distribution of $10,000, only $8,000 will be paid to you because PERS 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 distribution from PERS. 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 distributions for the year are less than $200.

Voluntary withholding. If any portion of your distribution is taxable but cannot be rolled over under Part 1, 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 percent will be taken out of this portion of your distribution for federal income tax withholding. To elect out of withholding, ask PERS for the election form (W-4P) and related information.

Sixty-day rollover option. If you receive a distribution that can be rolled over under Part 1, 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 your distribution, you must contribute the amount of the distribution you received to a traditional IRA or eligible employer plan within 60 days after you receive the distribution. The portion of your distribution 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 percent of your distribution that can be rolled over under Part 1, including an amount equal to the 20 percent of the taxable portion that was withheld. If you choose to roll over 100 percent of your distribution, 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 percent that was withheld. On the other hand, if you roll over only the 80 percent of the taxable portion that you received, you will be taxed on the 20 percent that was withheld.

Additional 10 percent tax if you are under age 59 ½. If you receive a distribution before you reach age 59½ and you do not roll it over, you may have to pay an extra tax equal to 10 percent of the taxable portion of the distribution in addition to the regular income tax. The additional 10 percent tax generally does not apply to (1) distributions that are paid after you separate from service with your employer during or after the year you reach age 55, (2) distributions that are paid because you retire due to disability, (3) distributions that are paid as equal (or almost equal) distributions over your life or life expectancy (or you and your beneficiary's lives or life expectancies), (4) distributions that are paid directly to the government to satisfy a federal tax levy, (5) distributions that are paid to an alternate payee under a qualified domestic relations order, or (6) distributions that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10 percent tax.

The additional 10 percent tax will not apply to distributions from a governmental 457 plan except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10 percent tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special tax treatment if you were born before January 1, 1936. If your distribution can be rolled over under Part 1 and you do not roll it over to a traditional IRA or an eligible employer plan, the distribution will be taxed in the year you receive it. However, if the distribution qualified as a "lump-sum distribution," it may be eligible for special tax treatment. A lump-sum distribution is a distribution, within one year, of your entire PERS or OPSRP balance that is payable to you after you have reached age 59½ or because you have separated from service with your employer. For a distribution to be treated as a lump-sum distribution, you must have been a participant in PERS or OPSRP 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.

10-year averaging. If you received 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 distribution 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 PERS before 1974, you may elect to have the part of your distribution that is attributable to your pre-1974 participation in PERS taxed as long-term capital gain at a rate of 20 percent.

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. If you have previously rolled over a distribution from PERS (or certain other similar plans of the employer), you cannot use this special averaging treatment for later distributions from PERS. If you roll over your distribution 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 distributions from that IRA, plan, or annuity. Also, if you roll over only a portion of your distribution 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 distribution. See IRS Form 4972 for additional information on lump-sum distributions and how you elect the special tax treatment.

Part 4: Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to distributions to employees also apply to distributions to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in PERS results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a distribution that can be rolled over, as described in Part 1 above, paid in a **direct rollover** to a traditional IRA, to an eligible employer plan, or paid to you. If you have the distribution paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. You have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the distribution yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your distribution is generally not subject to the additional 10 percent tax described in Part 3 above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions as described in Part 3 above. If you receive a distribution because of the member's death, you may be able to treat the distribution as a lump-sum distribution if the member met the appropriate age requirements, whether or not the member had five years of participation in PERS.

How To Obtain Additional Informaiton

This notice summarizes only federal (not state or local) tax rules that might apply to your distribution. 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 a professional tax advisor before you take a distribution of your PERS benefits. You can also find more specific information on the tax treatment of distributions 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 website at www.irs.gov, or by calling 800-TAX-FORM.

PERS Oregon Public Employees Retirement System

11410 SW 68th Parkway, Tigard OR 97223
Mailing Address – PO Box 23700, Tigard OR 97281-3700
Phone – 503-598-7377 toll free 888-320-7377
Fax - 503-598-0561 website – http://oregon.gov/pers

2113

PERS: Acknowledgement of Receipt of Federal Tax Information Disclosure

This form is strictly for the Tier One/Tier Two program. Call PERS or visit our website if this is not the form you need.

Section A: Applicant information (Type or print clearly in dark ink. Illegible forms may be returned to applicant. This could delay your request.)

First name	MI	Last name	Social Security number*
Mailing address (street or PO box)			PERS number (optional)
City / State / Zip / Country			Date of birth (mm-dd-yyyy)
Day phone number	Evening phone number		E-mail (optional)

You must complete and return this form regardless of the type of benefit payment you elected.

Section B: Receipt Acknowledgement

We have provided a copy of the Federal Tax Information Disclosure for rollover-eligible distributions. You must acknowledge you have received this disclosure information. You have 30 days from the date of your signature to review this information.

This notice will expire 180 days from the date of your signature. If processing the distribution requires additional time, PERS will send you a new acknowledgement form and disclosure.

PERS cannot process your distribution until after the first 30 days unless you voluntarily waive the 30-day period. If you check the box below to waive the 30-day notice period, PERS will process your distribution as soon as possible. **Note: If you have retired, the first payment will not be made before the first of the month following your effective date of retirement.**

☐ By checking this box, I waive my right to the 30-day notice period to review the Federal Tax Information Disclosure.

Acknowledgement

By signing below, I acknowledge I have received the Federal Tax Information Disclosure. I understand this notice will expire 180 days from the date of my signature. If processing the distribution requires additional time, PERS will send me another Federal Tax Information Disclosure and acknowledgement form to sign.

Signature of applicant (do not print) ____________________ Date ____________________

Note: If the Federal Tax Information Disclosure does not accompany this form, you may obtain a copy by calling the PERS Customer Service Center at 503-598-7377, toll free at 888-320-7377, or on the PERS website at http://oregon.gov/pers.

Office use only
☒ PERS ☐ OPSRP ☐ IAP
☐ Member ☐ Alternate payee
☐ Cross reference member SSN

P&F

* **Providing your Social Security number (SSN) is voluntary. It will be used for confirmation purposes. If you choose not to supply your SSN, it may take PERS staff longer to process your form.**

In compliance with the Americans with Disabilities Act, PERS will provide help filling out this form upon request. You may request help by calling **503-598-7377, toll-free 888-320-7377**, or **TTY 503-603-7766.**

Print Form | Clear Fields

PERS Oregon Public Employees Retirement System

11410 SW 68th Parkway, Tigard OR 97223
Mailing Address – PO Box 23700, Tigard OR 97281-3700
Phone – 503-598-7377 toll free 888-320-7377
Fax - 503-598-0561 website – http://oregon.gov/pers

2157

Direct Transfer Rollover Acceptance

This form is strictly for the Tier One/Tier Two program. Call PERS or visit our website if this is not the form you need.

Section A: Applicant information (Type or print clearly in dark ink. Illegible forms may be returned to applicant. This could delay your request.)

First name	MI	Last name	Social Security number*

Section B: Rollover Acceptance

As an authorized representative, agent, custodian, trustee, or plan administrator of an eligible employer plan or deferred compensation plan, I hereby accept the direct transfer rollover from the Oregon Public Employees Retirement Systems plan, a qualified retirement plan under Internal Revenue Code 401(a), as specified below.

Choose one here: The plan ☐ **will** ☐ **will not** accept and separately account for after tax dollars.

Section C: Rollover account information

Financial institution name ______________________

Rollover account number (if available) ______________________

Rollover plan type ______________________

Section D: Rollover mailing address and confirmation

____
Address

____
City State Zip

____
Name and title

Section E: Authorized signature

My signature below indicates acceptance of the rollover of contributions and earnings.

______________________ ______________
Authorized signature (do not print) Date

If authorized representative signature is not available, have the plan administrator authorize the acceptance of the transfer by written confirmation. Call our Customer Service Center at 503-598-7377 or toll-free 888-320-7377 if you have additional questions.

Please complete and return this form immediately to avoid any delay in providing benefits.

Fax or mail the Direct Transfer Rollover Acceptance form to:
Oregon PERS
PO Box 23700
Tigard, OR 97281-3700

Office use only
☒ PERS ☐ OPSRP ☐ IAP
☐ Member ☐ Alternate payee
☐ Cross reference member SSN

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Print Form Clear Fields