



Teachers' Retirement System (TRS)

IMPORTANT NOTICE

Attached is an APPLICATION FOR REFUND OF ACCUMULATED CONTRIBUTIONS and an Employer Verification Form. If you withdraw your contributions, you will forfeit all retirement benefits under this system. If you still wish to withdraw your contributions, please complete the Application and forward it and the Employer Verification form to your last employer.

NOTE: If a Qualified Domestic Relations Order (QDRO) has been entered against your benefits in this plan, you may not be able to withdraw your accumulated contributions until additional papers are completed. Staff from our office will notify you if this is the case.

DO NOT COMPLETE THIS FORM if you are a member who has attained age 70-1/2 (or will attain age 70-1/2 during this calendar year), and you are not eligible for an annuity. Instead, contact the Consolidated Public Retirement Board for the correct form.

DO NOT COMPLETE THIS FORM if you are the beneficiary of a deceased member or retirant. Instead, contact the Consolidated Public Retirement Board for the correct form.

If you have any questions, please contact the Consolidated Public Retirement Board at (800) 654-4406 or (304) 558-3570.

State of West Virginia
Consolidated Public Retirement Board
(Signature in Blue Ink Only)
4101 MacCorkle Avenue SE, Charleston, West Virginia 25304-1636
Telephone: 304-558-3570 or 800-654-4406 Fax: 304-558-1394

Teachers' Retirement System (TRS)
APPLICATION FOR REFUND OF ACCUMULATED CONTRIBUTIONS

Name: _____ SSN: _____

Mailing Address: _____
Street City State Zip

Date of Birth: _____ Telephone: (____) _____ e-mail: _____

I certify that I have permanently left the employment of _____ on _____
(Agency/Board/Department) (Month/Day/Year)

and this date is inclusive of all of my accumulated leave. This form is an official request for my accumulated contributions on deposit with the retirement system listed above. I understand that once my contributions are withdrawn, I am no longer a member of this retirement system and my credited service is likewise forfeited. I also understand that by making this withdrawal I forfeit all rights to any retirement or disability annuity. Please note that it may take up to 60 days to receive this refund. By signing this application and making an affirmative election indicating whether or not I wish to make a direct rollover, I acknowledge that I have received and read the attached notice, "Your Rollover Options," and waive my right to the 30-day notice period described in the *Notice Period* section therein.

METHOD OF DISTRIBUTION

(Check only 1 of options 1-3 below – this selection shall be irrevocable 90 days after the date signed by you or as of the date the warrant is negotiated, whichever is earlier)

Distribution Options

1. I choose to have my entire accumulated contribution balance paid to me in the form of a **LUMP SUM DISTRIBUTION**. I understand that the CPRB is required to withhold 20% of the taxable portion of my account for submission to the IRS. I understand that if I am under age 59-1/2, I may be subject to an additional 10% excise tax due to early withdrawal from a qualified retirement plan.

2. I choose to have \$ _____ of my accumulated contribution balance paid to me in the form of a **LUMP SUM DISTRIBUTION**, and the balance remaining paid in the form of a **DIRECT ROLLOVER** to the following institution(s):

(a) Name of Institution: _____ "Trustee for _____"
Member's Name

Amount: \$ _____ Trustee account above is an: **Eligible Employer Plan** **IRA** **Roth IRA**

(b) Name of Institution: _____ "Trustee for _____"
Member's Name

Amount: \$ _____ Trustee account above is an: **Eligible Employer Plan** **IRA** **Roth IRA**

I understand that the CPRB is required to withhold 20% of any taxable portion paid to me, for submission to the IRS. I understand that if I am under age 59-1/2, I may be subject to an additional 10% excise tax due to early withdrawal from a qualified retirement plan.

If there are both taxable and nontaxable amounts included in my account, I understand that the taxable amounts shall be allocated to my direct rollover(s) first and then (if not fully allocated) to my lump sum distribution. If I have designated more than one recipient of a direct rollover and there are both taxable and nontaxable amounts included in my direct rollover, I designate that the taxable amounts shall be allocated as follows: _____, and further certify that any institution designated to receive the nontaxable amounts is willing and able to accept after-tax contributions and will account for them as required by applicable law.

3. I choose to have my entire accumulated contribution balance paid in the form of a **DIRECT ROLLOVER** to the following institution(s):

(a) Name of Institution: _____ “Trustee for _____”
Member’s Name

Amount: \$ _____ Trustee account above is an: **Eligible Employer Plan** **IRA** **Roth IRA**

(b) Name of Institution: _____ “Trustee for _____”
Member’s Name

Amount: \$ _____ Trustee account above is an: **Eligible Employer Plan** **IRA** **Roth IRA**

If I have designated more than one recipient of a direct rollover and there are both taxable and nontaxable amounts included in my direct rollover, I designate that the taxable amounts shall be allocated as follows: _____, and further certify that any institution designated to receive the nontaxable amounts is willing and able to accept after-tax contributions and will account for them as required by applicable law.

Note: Distributions made in the form of a DIRECT ROLLOVER are not subject to the mandatory 20% withholding rules detailed above. Nontaxable contributions generally are eligible for direct rollover only into IRAs (traditional or Roth) or certain employer plans that will accept these types of contributions. Check with the Plan Administrator of the receiving plan to see if nontaxable contributions will be accepted. It is important that you review the enclosed notice entitled “Your Rollover Options” for details.

If you are reemployed with a participating employer, you may be eligible to buy back your credited service by reinstating the amount of your refund plus interest. Please contact our office upon reemployment for details. **After completing this form in its entirety, please forward it along with the Employer Verification Form to your last employer for completion. The employer will then submit both forms directly to the Refund Section of the Consolidated Public Retirement Board (CPRB).**

Signature: _____ Date: _____

State of West Virginia
Consolidated Public Retirement Board
(Signature in Blue Ink Only)

4101 MacCorkle Avenue SE, Charleston, West Virginia 25304-1636
Telephone: 304-558-3570 or 800-654-4406 Fax: 304-558-1394

Teachers' Retirement System (TRS)
EMPLOYER VERIFICATION FORM

STATE OF WEST VIRGINIA, COUNTY OF _____ TO WIT:

I, _____ (Employer Representative), certify that

_____, SS# _____,
(Full name of member requesting refund)

a member of the Teachers' Retirement System, is no longer an employee of _____.

The last monthly retirement report on which this member will have (or had) contributions withheld, including any adjustments that may affect the member's contributions already on file, is or will be _____.

Date of Hire _____ Last Day Physically Worked _____

Current Fiscal Year _____ Employee Contributions _____

Contract Months _____ Days Worked _____

West Virginia Code § 5-10A-1 states that honorable service is a condition to receiving any pension, annuity, disability payment or any other benefit under any of the state's retirement plans. West Virginia Code § 5-10A-2(f)(2) defines "less than honorable service" as: *Conviction of a participant of a felony for conduct related to his or her office or employment which he or she committed while holding the office or during the employment.*

WAS THE TERMINATION OF EMPLOYMENT OF THE ABOVE NAMED APPLICANT FOR "REASONS OTHER THAN HONORABLE"? Yes No

If yes, please explain

Signature of Authorized Representative

Name of Employer

Date Signed

Telephone Number

Note: Please send the Employer Verification Form and the Employee's Application for refund Form directly to:

CPRB - Refund Section
4101 MacCorkle Avenue, SE
Charleston, WV 25304

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from a plan administered by the **West Virginia Consolidated Retirement Board** (the “Plan”) is or may be eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover. This tax notice does not apply to participants in the Teachers’ Defined Contribution Plan (TDC). If you are a participant in the TDC plan, please refer to the tax notice distributed by the TDC’s third party administrator.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

This Notice is designed to satisfy the requirements of Section 402(f) of the Internal Revenue Code. If you have additional questions after reading this notice, you can contact the West Virginia Consolidated Public Retirement Board at (304) 558-3570 or 1-800-654-4406.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies).

If you do a rollover to a traditional IRA or an eligible employer plan, you will not have to pay tax until you receive payments later from the IRA or plan, and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

If you do a rollover to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount). However, if you are under age 59½ at the time of the rollover, the 10% additional income tax will not apply. See the section below titled “SPECIAL RULES AND OPTIONS – If you roll over your payment to a Roth IRA” for more details.

Where may I roll over the payment?

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 section 401(a) plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds 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). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

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, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, then unless you are a surviving beneficiary other than a spouse (see “SPECIAL RULES AND OPTIONS – If you are not a plan participant” below) you may still do a rollover 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, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). 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 amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. The Plan administrator can tell you what portion of a payment is eligible for rollover. Any payment from the Plan 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 lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Distributions of premiums for accident or health insurance, such as are authorized by W. Va. Code § 5-10-6a.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (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.

The 10% additional income tax does not apply to the following payments from the Plan:

- 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 public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments 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 qualified domestic relations order (QDRO)
- 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.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under 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 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).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot 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 a 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 the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution 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 is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part

of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not 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 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.

If you miss the 60-day rollover deadline

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

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were 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*.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan 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-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

You should consult a tax advisor if you are interested in rolling over your distribution to a Roth IRA. You cannot roll over a distribution from the Plan to a designated Roth account in another employer's plan.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant'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 participant was born on or before January 1, 1936.

If you are a surviving spouse.

If you receive a payment from the Plan 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 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 70½.

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. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse.

If you receive a payment from the Plan 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 will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Life expectancy treatment of single sum distributions.

If you are receiving a single sum distribution of the deceased participant's account balance because an annuity is not available, you may be able to elect life expectancy treatment of this distribution. Such an election would generally permit you to spread the required minimum distributions over your lifetime, and might permit you to roll over a larger portion of the distribution. There are limitations on the timing of this election, so you should consult your personal tax advisor promptly to see if this option makes sense for you.

Payments under a qualified domestic relations order

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options 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). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan 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 a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required by federal law 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*.

NOTICE PERIOD

Generally, payment cannot be made from the Plan until at least 30 days after you receive this notice. Thus, you have at least 30 days to consider whether or not to have your payment 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 the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your payment will then be processed in accordance with your election as soon as practical after it is received by the Plan administrator.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. 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, or by calling 1-800-TAX-FORM.