WV Public Employees Retirement System

IMPORTANT NOTICE

Attached is an Application for Refund of Accumulated Contributions.

NOTE: If you withdraw your contributions, you will forfeit all retirement benefits under this system. If you still wish to withdraw your contributions, please mail the completed and signed application to CPRB at 4101 MacCorkle Avenue SE, Charleston, WV 25304. Faxed forms will not be accepted.

NOTE: If you become reemployed by an employer participating in this retirement system while your refund application is being processed, CPRB will stop processing your refund request and you will remain a member of this retirement system.

NOTE: PERS members must be completely off payroll for 30 days before CPRB can begin processing your refund. The 30 day waiting period begins the day after your final paydate as reported by your 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 were born before July 1, 1949 and have attained age 70 1/2 *or* were born after June 30, 1949 and have attained age 72 (or will attain age 72 during this calendar year) and you are not eligible for an annuity. Instead, contact the Consolidated Public Retirement Board to obtain 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 to obtain the correct form.

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

Consolidated Public Retirement Board
4101 MacCorkle Avenue, SE
Charleston, WV 25304
304-558-3570 or 800-654-4406
www.wvretirement.com

PERS Application For Refund Of Accumulated Contributions

Section 1: Member Information

Full Name	Social Security Number	CPRB ID

Date of Birth	Email	Telephone Number

Member Mailing Address	City	State	Zip Code

I certify that I have permanently left the employment of ___________________________________ on ___________________________
(Employer) (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. I also understand that if I become employed by an employer participating in this retirement system while my refund application is being processed, CPRB will stop processing my request and I will remain a member of this retirement system. 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. I understand that as a PERS member, I am required to be completely off payroll for 30 days before my refund can be processed. Please note that it may take up to 6-8 weeks to receive this refund.

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**

Should any portion of my account not be eligible for a direct rollover, it will be paid to me in a lump sum distribution. 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.** Check with the Plan Administrator of the receiving plan to verify they are willing and able to accept the distribution. 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. **To avoid a delay in your payment, check with the Plan Administrator of the receiving plan to determine the correct financial institution name.**

Should your mailing address change prior to your receipt of this distribution, contact CPRB and ask to speak with the Refunds Department.

Signature: ______________________________________ Date: ______________________

Mail your completed and signed application to the address below. Faxed forms will not be accepted.

CPRB
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 $59^1/_2$ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age $59^1/_2$), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 $^1/_2$ (or if an exception to the 10% additional income tax applies).

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 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, IRAs are not 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.

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. Generally, 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 $59^1/_2$ (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 joint lives or joint life expectancies of you and your beneficiary);

- Required minimum distributions after age $70^1/_2$ (if you were born before July 1, 1949) or after age 72 (if you were born after June 30, 1949), 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); and
- Distributions of certain premiums for health and accident insurance.

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 $59^1/_2$, 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 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 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 joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be 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 (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters; and
- Phased retirement payments made to federal employees.

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 $59^1/_2$, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- 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); and
- 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.

Additional exceptions apply for 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).

Will I owe State income taxes?

This notice does not address 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 you receive a partial payment of your total 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 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 the Plan 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 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 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.

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 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. 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, Contributions to *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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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. In general, the 10% additional income tax on early distributions will not 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 income tax will apply (unless an exception applies).

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 $59^1/_2$ (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 generally will 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 deceased 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 $59^1/_2$ 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 $70^1/_2$ (if you were born before July 1, 1949) or after age 72 (if you were born after June 30, 1949).

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 $70^1/_2$ (if he/she was born before July 1, 1949) or after age 72 (if he/she was born after June 30, 1949).

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, which might have certain tax advantages for you. 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 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 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 do 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 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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

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.