

Member Information		
Member's Full Name: (Last, First, MI)	Social Security No.: xxx – xx –	Date of Retirement:

Number of Payments & Distribution Option

Generally, the taxable portion of a single-sum distribution from a qualified plan is subject to a mandatory 20 percent Federal income tax withholding, unless you authorize a direct rollover to another retirement plan or traditional IRA. More detailed information should be obtained from a tax specialist. We have enclosed a Special Tax Notice for your convenience. Please indicate below if you wish to directly rollover all or any portion of the amount of your BackDROP distribution (eligible rollover distribution) to a qualified retirement plan or traditional IRA. Please check one option only. If you elect the cash option, please indicate if you wish to receive the distribution in one lump sum payment or three annual installments. If you elect the rollover option, your financial institution or qualified plan official must sign where indicated.

- ☐ **Cash Option:** I elect to have my entire cash distribution paid to me in (*check one*)..... ☐ One Lump Sum Payment – OR –
- *Payment will be deposited in the same account as your monthly retirement benefit.* ☐ Three Annual Installments
 - *I understand this cash distribution to me is subject to the 20% federal income tax withholding requirement.*
- ☐ **Rollover Option:** I elect to directly rollover the entire taxable amount of my distribution to the qualified retirement plan or traditional IRA designated below. Please complete a separate form for each rollover.
- ☐ **Combination Cash & Rollover Option:** I elect to directly rollover \$ _____ or _____ percent of my distribution to the qualified retirement plan or traditional IRA designated below, with the remainder paid to me directly in a lump-sum.
- I understand that the cash portion of this payment *will be deposited in the same account as your monthly retirement benefit.*
 - I understand that any portion of the amount distributed to me will be subject to the 20% federal income tax withholding requirement. Please complete a separate form for each rollover.

Agreement of Bank, Financial Institution or Retirement Plan (If electing a rollover option)

In accordance with the above authorization of the depositor, we agree to deposit the forthcoming rollover amount from MPERS in the following account. We also authorize debit entries (withdrawals), if deemed necessary by MPERS, to correct any credit entries made in error to this account, including deposits made subsequent to the member's death. *The account identified below is a qualified retirement plan or traditional IRA for purposes of accepting direct rollovers pursuant to the Internal Revenue Code.* The account information is for the financial institution's account, not the individual's account with the financial institution.

☐ **Check box if this financial institution or retirement plan CANNOT accept rollovers via direct deposit (ACH).**

Financial Institution Direct Deposit (ACH) Information	
Routing Number (ABA Number): <div style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; margin-top: 5px;"></div>	Account Number (<i>full account number required for ACH payment</i>):
Name of Bank Receiving ACH Payment:	Type of Account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings

Traditional IRA or Qualified Retirement Plan Information

Member Account/ID Number:	Code for Type of Rollover Account (<i>check one</i>): <i>**See code descriptions on the reverse side of this form**</i> <input type="checkbox"/> 408(a) <input type="checkbox"/> 403(a) <input type="checkbox"/> 401(a) [including 401(k)] <input type="checkbox"/> 457 <input type="checkbox"/> 408(b) <input type="checkbox"/> 403(b) <input type="checkbox"/> MO Deferred Compensation
Name of Financial Institution or Retirement Plan:	Phone Number (<i>include area code</i>): () () ()
Mailing Address (Street):	(City) (State) (Zip Code)
Signature of Authorized Trustee:	Title: Date:

Terms of Application & Member Signature

I hereby acknowledge and certify that I reviewed MPERS' *Special Tax Notice* brochure and understand the tax implication in accordance with this distribution. I further certify that the transferee plan named above, if any, is an individual retirement account, individual retirement annuity, or a tax-qualified retirement plan that accepts direct rollovers. (*See important BackDROP information on the reverse side of this form.*)

Signature of Member:	Phone Number: (include area code)	Date:
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If there is any difference between the information provided on this form and the law or policies which govern MPERS, the law and policies will prevail.

Important BackDROP Information

- MPERS is a 401(a) governmental defined benefit plan.
- For your convenience, MPERS provides you with a *Special Tax Notice* brochure that summarizes the tax implications of this lump sum distribution at the time it is paid by MPERS.
- Your BackDROP distribution will **not** be processed until this form is fully completed and returned to MPERS. An incomplete or altered form will be returned to you and not processed.
- Your BackDROP payment will be deposited via ACH, if applicable, on the last working day of the effective month of your retirement.
 - Any **cash option payment** will be deposited directly (via ACH) into the same account that you authorized for your monthly benefit payment. MPERS is required to withhold 20% for Federal taxes from any cash option distribution.
 - Any **rollover payment** will be deposited directly (via ACH) with your financial institution who will then deposit it into your traditional IRA or qualified retirement plan account, as instructed in the "Agreement of Bank, Financial Institution, or Retirement Plan" section of this form.

If depositing via ACH is not available, a check will be sent certified/return receipt via the United States Postal Service on the last working day of the effective month of your retirement.

- The BackDROP distribution is taxable income for the year in which you receive the payment. MPERS is not liable for any Federal or State taxes incurred by you as a result of this distribution.
- As an active employee, you received a W-2 for use in completing your income tax return. As a retiree, you will receive a 1099-R. When MPERS prepares 1099-R tax forms for the applicable tax year, you will receive a 1099-R for your monthly benefit payments **and** a separate 1099-R for your BackDROP distribution.
- Once the rollover is paid by MPERS, it takes on the tax consequences of the receiving traditional IRA or eligible employer plan and the *Special Tax Notice* brochure no longer applies. We recommend that you contact a tax professional to discuss your personal tax situation.
- If you should die after electing the BackDROP, but before receiving the distribution, it will be paid to your estate.

Additional 10% Tax if You Are Under Age 59½

If you receive a payment before you reach age 59½ and you do not roll it over, you may have to pay an extra tax equal to 10% of the taxable portion of the payment in addition to the regular income tax.

The additional 10% tax does not apply to:

- Payments that are paid after you separate from service with your employer during or after the year you reach age 55.
- Payments that are paid because you retire due to disability.
- Payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your beneficiary's life or life expectancies).
- Payments that are paid directly to the government to satisfy a federal tax levy.
- Payments that do not exceed the amount of your deductible medical expenses.

The additional 10% tax on early distributions does not apply to distributions if you were a Uniformed member of the Highway Patrol and you separated from service in or after the year you reach age 50. For more information on the additional 10% tax, see IRS Form 5329.

Federal Tax Code Descriptions

401(a)	A qualified trust which is part of a stock bonus, pension or profit-sharing plan of an employer for employees or their beneficiaries. Includes 401(k) plans and Deferred Compensation Plans of State and Local governments.
403(a)	An annuity contract purchased by an employer for an employee (this is not a trust but is purchased from an insurance company).
403(b)	Type of deferred compensation only offered to employees of schools and of certain tax-exempt groups (hospitals & churches).
408(a)	Individual Retirement Account (Traditional IRA). Not Roth IRA or Educational IRA
408(b)	Individual Retirement Annuity (individual annuity contract issued by an insurance company).
457	Deferred Compensation Plans of State and Local governments.