



MoDOT & Patrol Employees' Retirement System
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 Website: www.mpers.org

Buyout Distribution Form

NOTE: Distributions will be made beginning January, 2018.

Member Information (please print)

Member's Full Name (Last, First, MI):	Social Security No. (last four only): XXX-XX-
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Distribution Option

Generally, the taxable portion of a single-sum distribution from a qualified plan is subject to a mandatory 20% 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. Please indicate below if you wish to directly roll over the total amount of your buyout distribution (eligible rollover distribution) to a qualified retirement plan or traditional IRA. Please **check only one** of the two options. 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 buyout distribution paid to me via ACH and I understand this cash distribution to me is subject to the 20% federal income tax withholding requirement. Attach a voided check or letter from your bank for verification of account information. (Note: see reverse side for information regarding a potential 10% penalty for individuals under age 59½.)

9 Digit Routing Number (ABA Number): <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Account Number (full account number required for ACH payment): <input type="text"/>
Name of Bank Receiving ACH Payment: <input type="text"/>	Type of Account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings

- Rollover Option:** I elect to directly roll over the entire taxable amount of my distribution to the qualified retirement plan or traditional IRA designated below.

I hereby acknowledge and certify that I reviewed MPERS' *Special Tax Notice* brochure and understand the tax implication in accordance with this distribution. If I have elected the **rollover option**, I further certify that the transferee plan named below, is an individual retirement account, individual retirement annuity, or a tax-qualified retirement plan that accepts direct rollovers. If I have elected the **cash option**, I hereby authorize MoDOT and Patrol Employees' Retirement System (MPERS) to initiate credit entries (deposits) to my account designated above to the depository financial institution named above, or, any successor institution to the named institution. I also authorize debit entries (withdrawals), if deemed necessary by MPERS to correct any credit entries made in error to my account, including deposits made subsequent to my death. I further authorize the institution named above to release to, and to provide MPERS with, my current address, the names and current addresses of all persons listed on the account, and names and current addresses of all beneficiaries on the account, including those listed as "pay on death" or "transfer on death." This authorization shall remain in force until it is revoked in writing or superseded by a subsequent authorization given to MPERS by me, or on my behalf by my designated agent or attorney-in-fact.

Signature: <input type="text"/>	Date: <input type="text"/>
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Agreement of Bank, Financial Institution or Retirement Plan (if electing the 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. **The account identified below is a qualified retirement plan or traditional IRA for purposes of accepting direct rollovers pursuant to the Internal Revenue Code.**

Traditional IRA or Qualified Retirement Plan Information (to be completed by the financial institution):		
Member Account/ID Number: <input type="text"/>	Code for Type of Rollover Account (check one): <input type="checkbox"/> 408(a) <input type="checkbox"/> Roth IRA <input type="checkbox"/> 403(a) <input type="checkbox"/> 401(a) <input type="checkbox"/> 457 <input type="checkbox"/> 408(b) <input type="checkbox"/> 401(k) <input type="checkbox"/> 403(b) <input type="checkbox"/> MO Deferred Compensation <small>*See code descriptions on the reverse side of this form</small>	
Name of Financial Institution or Retirement Plan: <input type="text"/>	Phone Number (include area code): <input type="text"/> () <input type="text"/>	
Mailing Address: <input type="text"/>	(City) <input type="text"/>	(State) <input type="text"/> (Zip Code) <input type="text"/>
Signature of Authorized Trustee: <input type="text"/>	Title: <input type="text"/>	Date: <input type="text"/>

If there is any difference between the information provided on this form and the law or policies that govern MPERS, the law and policies will prevail.

Important Information

- MPERS is a 401(a) governmental defined benefit plan.
- For your convenience, you may review MPERS' *Special Tax Notice* brochure on our website at www.mpers.org. The brochure summarizes the tax implications of this lump sum distribution at the time it is paid by MPERS.
- Your buyout distribution will not be processed until this form is completed and returned to MPERS. An incomplete or altered form will be returned to you and not processed.
- Any **cash option distribution** will be deposited directly (via ACH) into the bank account that you authorize. This distribution is considered taxable income in the year in which you receive the distribution. MPERS is required to withhold 20% for federal taxes from any cash option distribution.
- Any **rollover distribution** will be paid by check to 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. A check will be sent certified/return receipt via the United States Postal Service.
- If this distribution is a rollover to a Roth IRA, it is taxable income for the year in which you receive the distribution and MPERS is required to withhold 20% for federal taxes.
- As an active employee, you received a W-2 for use in completing your income tax return. As a recipient of this retirement distribution, 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 this buyout distribution.
- Once the rollover is paid by MPERS, the amount paid 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 before receiving the buyout distribution and we are notified of the event timely, the distribution will not be sent.

Additional 10% Penalty If You Are Under Age 59½

If you receive a cash distribution before you reach age 59½ because you elected not to roll it over, you may have to pay a penalty equal to 10% of the taxable portion of the distribution in addition to the regular income tax.

The additional 10% penalty does not apply to certain distributions:

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

The additional 10% penalty on early distributions does not apply to distributions if you were a public safety employee as defined by the IRS and you separated from service during or after the year you reached age 50. For more information on the additional 10% penalty, 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.
401(k)	A defined contribution plan where contributions can be made either before or after tax.
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)	Deferred compensation offered to employees of schools and of certain tax-exempt groups (hospitals and churches).
408(a)	Individual retirement account (traditional IRA)
408(b)	Individual retirement annuity (individual annuity contract issued by an insurance company)
Roth IRA	A rollover to a Roth IRA (or 408A) is income that is taxable at the time of rollover. Designated Roth IRAs may also be part of a 401(k), 403(b) or a 457.
457	Deferred compensation plans of state and local governments