PART 1 - DISPOSITION OF RETIREMENT CONTRIBUTIONS

Social Security Number:	Last Name:	First Name, Middle Initial:
Telephone Number:	Mailing and Email Address:	

Before you fill out this form be sure you understand your rights, which are described on the attached information sheet. I have terminated my employment with_________________________________ on ___________________________ and hereby select one of the following options:

☐ **WITHDRAWAL/ROLLOVER REFUND**: I elect to cancel my membership rights and elect to rollover and/or receive a refund of my eligible contributions (plus interest if applicable). I have read my rights and hereby waive any and all claims that I might have against my Employer or ICERS for retirement or disability benefits. **I understand that my decision to withdraw my contributions means that I will not receive any benefit whatsoever from the contributions which my Employer made on my behalf.** Please enter the amounts you wish to rollover and/or refund below. Pre-tax and interest amounts may be split between refund and rollover; post-tax amounts must be *either* fully refunded *or* rolled over. **Federal Tax Withholding:** If you do not elect a direct rollover, ICERS will apply the IRS's default withholding rate of 20% on distributions. If you would like more than 20% withheld, please be sure to complete and return the Form W-4R to ICERS. The IRS does not permit withholding of less than 20%. **State Tax Withholding:** If you do not elect a direct rollover, ICERS will apply a default-withholding rate of 2% on distributions to California residents. If a California resident would like a different amount withheld, please be sure to complete and return the Form DE-4P. Please note, state tax withholding will not be withheld if you are not a California resident.

Pre-Tax Contributions: **Rollover Amount** ________________ **Refund Amount** __________________

Interest: **Rollover Amount** ________________ **Refund Amount** __________________

Apply any additional Pre-tax contributions owed to: ☐ **Rollover Amount** ☐ **Refund Amount**

Post-Tax Contributions: ☐ **Rollover** ☐ **Refund**

Name of Institution or Legal Name of Qualified Plan:	**Account Number:**
Mailing Address:	**City, State, Zip:**

☐ **RECIPROCITY**: I elect to leave my contributions on deposit in the Retirement Fund. I hereby agree to submit concurrent applications for RECIPROCAL retirements on the same date. I understand that Reciprocity is irrevocable once it is established. I have accepted or intend to accept employment, through which I will be covered under a Retirement System with Reciprocity.

My new employer is:

Name of County, PERS Covered Public Agency or Other Reciprocal System:	Date of Employment:

☐ **DEFERRED RETIREMENT**: I certify that I am credited with FIVE or more years of service credit in ICERS. I elect to leave my contributions on deposit in the Retirement Fund and to defer my retirement. I understand that I retain the right to elect to withdraw my contributions upon request. I understand that I must file an application for Retirement at the appropriate time.

☐ **LEAVE MY FUNDS ON DEPOSIT**: I elect to leave my contributions on deposit in the Retirement Fund even though I am not vested with five-years of service credit in ICERS. I understand that my contributions will continue to earn interest.

☐ **DISABILITY RETIREMENT**: I elect to leave my contributions on deposit in the Retirement Fund, because I have or plan to file an Application for **SERVICE-CONNECTED** or **NONSERVICE-CONNECTED** Disability Retirement.

I authorize ICERS, in the event that contributions are owed, to adjust my service accordingly. I certify and swear under penalty of perjury that all of the information on this form is true and correct.

Government Code 31760.3 requires that the member's current spouse or registered domestic partner be notified of the member's selection of benefits. If member cannot obtain signature of spouse or domestic partner the Justification for Non Signature of Spouse or Domestic Partner form must be completed and signed.

Signature of Member:	Date:
Signature of Spouse or Domestic Partner:	Date:
Signature of Staff or Notary:	Date:

PART 2 - WITHDRAWAL REQUEST INFORMATION

IT IS STRONGLY ENCOURAGED THAT YOU SEEK THE PROFESSIONAL GUIDANCE OF YOUR TAX CONSULTANT.

A. MEMBERS WHO ELECT TO LEAVE CONTRIBUTIONS ON DEPOSIT VESTED VS. NON-VESTED

- **VESTED MEMBERS (5 OR MORE YEARS OF SERVICE)**

  You may elect to leave your retirement funds with ICERS and defer your retirement benefits. If you defer your retirement, you can apply for retirement benefits upon reaching age 50 and after 10 years in membership, or upon attaining age 70. If you are a safety member, you may apply for your benefit at the time when you would have earned 20 years of service or upon reaching age 50 and 10 years of membership in ICERS, whichever is sooner. Also, if you defer and subsequently return to covered employment, you will return at your original entry age. Members who elect to defer their retirement will continue to earn interest, if applicable, on their contributions and may subsequently withdraw their retirement contributions and interest, if applicable, by submitting this Termination Form. Service credit is not earned while in deferred membership status.

- **NON-VESTED MEMBERS (LESS THAN 5 YEARS)**

  If you have less than five years and elect to leave your contributions on deposit, generally, you will be only eligible to receive the balance of your contributions and interest, if applicable, at any time you choose to have your funds disbursed. Leaving your contributions on deposit will usually not result in attaining retirement benefit eligibility. There are certain circumstances, however, that could allow a non-vested member to become eligible for a retirement benefit such as, becoming age 70, re-entering membership and earning enough service to become vested, establishing reciprocity (see reciprocity section), or purchasing available service credit to become vested. Also, if you defer and if you enter employment within 6 months after leaving your ICERS covered employment, you will return at your original entry age. Members who elect to defer their retirement will continue to earn interest, if applicable, on their contributions and may subsequently withdraw their retirement contributions and interest, if applicable, by submitting this Termination Form. Service credit is not earned while in deferred membership status.

- **MEMBERS WHO ELECT RECIPROCITY (TRANSFER TO A RECIPROCAL AGENCY)**

  As a member of ICERS, accepting covered employment with one of the reciprocal retirement systems listed below, you will have certain rights if you enter that employment within 6 months after leaving your ICERS covered employment and leave your retirement funds with ICERS. These rights include continuation of basic death and disability benefits; service under all systems will be added together to determine eligibility for benefits; contribution rates in the reciprocal system may be based on your age when you first entered ICERS rather than your current age; and final compensation used to determine your retirement benefits from ICERS will be the highest income earned under either of the linked systems, provided that you retire from the systems at the same time. Contributions you have elected to leave on deposit with ICERS may not be withdrawn while you remain in employment covered by one of the reciprocal systems. Once reciprocity is established, it may not be broken without significant consequences. Please contact ICERS 442-265-7550 for further information regarding reciprocity.

  Reciprocal Systems

  Other 1937 Act County Systems and their affiliated Districts: Alameda; Contra Costa; Fresno; Kern; Los Angeles; Marin; Mendocino; Merced; Orange; Sacramento; San Bernardino; San Diego; San Joaquin; San Mateo; Santa Barbara; Sonoma; Stanislaus; Tulare; Ventura.

  State of California and contracting agencies (PERS-Public Employees' Retirement System), STRS (State Teachers' Retirement System), JRS (Judges' Retirement System), San Luis Obispo County Pension Trust.

B. MEMBERS WHO ELECT TO WITHDRAW THEIR RETIREMENT

Upon terminating your employment you can terminate your membership and withdraw your contributions and interest, if applicable, from ICERS. By requesting a withdrawal of your retirement contributions and terminating your membership in ICERS, you will be waiving and giving up any rights to retirement benefits which you might have been able to claim if you had remained a member. If you believe that you are disabled, either from your employment or you have a disability that is not job connected but still prevents you from working, by withdrawing your funds from ICERS you will be giving up the right to apply for disability retirement benefits. ICERS staff is available at 442-265-7550 to explain the nature and extent of retirement and disability benefits available to you, if you desire.

- **LUMP SUM WITHDRAWALS**

  This information is important in your decision of how to receive you retirement benefits from ICERS.

  A retirement refund from ICERS that is eligible for "rollover" can be withdrawn in three ways. You can have your payment (1) paid to you; or (2) paid in a "direct rollover"; or (3) combination of direct rollover and payment to you. A rollover is a payment of your ICERS retirement fund to your individual retirement account (IRA) or to another eligible retirement plan. The choice you make will affect the tax and/or penalties you will owe on your withdrawal. The term "IRA", as used in this notice, includes individual retirement accounts. For more information regarding lump sum withdrawals, please read the attached Special Tax Notice Regarding Plan Payments and Federal Income Tax.

  Federal Tax Withholding: If you do not elect a direct rollover, ICERS will apply the IRS's default withholding rate of 20% on distributions. If you would like more than 20% withheld, please be sure to complete and return the Form W-4R to ICERS. The IRS does not permit withholding of less than 20%.

  State Tax Withholding: If you do not elect a direct rollover, ICERS will apply a default-withholding rate of 2% on distributions to California residents. If a California resident would like a different amount withheld, please be sure to complete and return the Form DE-4P. Please note, state tax withholding will not be withheld if you are not a California resident.

C. MEMBERS WHO HAVE BEEN DISCHARGED

If you will be appealing a discharge from your Employer, withdrawing your retirement funds will cause a break in retirement service with serious consequences to your pension rights even if you are reinstated to employment.

Employee: Initial__________ Date____________
Spouse: Initial__________ Date____________

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

PART 3-SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS AND FEDERAL INCOME TAX

YOUR OPTIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

This notice explains how you can continue to defer federal income tax on your retirement savings in the Imperial County Employees' Retirement System (ICERS or "Plan") and contains important information you will need before you decide how to receive your Plan benefits. This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. Other tax rules apply for California.

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be transferred (rolled over) to an IRA, Roth IRA, or an eligible employer plan. A rollover is a payment by you or ICERS (your "Plan Administrator") 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. This notice is intended to help you decide whether to do such a rollover.

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.

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FOR MORE INFORMATION

General Information About Rollovers

This notice describes the rollover rules that apply to payments from the Plan.

Rules that apply to most payments from the Plan are described in this "General Information About Rollovers" section, including a rule if your benefit doesn't exceed $7,000.

What can I do with an amount that is eligible for rollover?

When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into another employer plan,
- Roll it over into an IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

How can a payment affect my taxes?

If you don't do a rollover, you will be taxed on a payment from the Plan, and, if you are under age 59½, you will also have to pay a 10% additional tax (unless an exception applies).

How can a rollover affect my taxes?

If you do a rollover, you won't have to pay tax until you receive payments later.

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 plan (such as a section 401(k) plan), a

section 403(b) plan, or a governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that receives the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs aren't 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.

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

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 provider or the administrator of the employer plan for information on how to do a direct rollover.

If you do a 60-day rollover, you will receive a payment from the Plan and then make 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 don't 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).

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 amount withheld. If you don't 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?

You may roll over all or part of the amount 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 expectancies of you and your beneficiary);
- Required minimum distributions;
- Corrective distributions of contributions that exceed tax law limitations; and
- Distributions used to pay certain premiums for health and accident insurance.

The Plan administrator or payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on distributions before age 59½?

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 don't 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 substantially equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments made after you separate from service as a qualified public safety employee and you will have reached age 50, or 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- 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; and

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*.

For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

If I do a rollover to an IRA, will the 10% additional income tax apply to a later distribution from the IRA before age 59½?

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 on the part of the payment 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 from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees) doesn't apply to payments from an IRA.
- The exception for QDRO doesn't apply to an IRA (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 substantially equal payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to 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).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

Will I owe state income taxes?

This notice doesn't describe any state or local income tax rules (including withholding rules).

How much time do I have to decide?

Generally, neither a direct rollover nor a payment can be made from the plan 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 withdrawal 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 withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan administrator.

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 generally included in the payment, so you can't take a rollover of only after-tax contributions.

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).

The Plan Administrator can tell you the amount of any after-tax contributions included in your distribution request. If you do a direct rollover to an IRA 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 payment 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 isn't 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 payment 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 isn't 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 isn't 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 can't be extended. However, the IRS has 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)*, under the heading *Rollovers.*

If you receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum payment that you don't 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 are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If you retired as a public safety officer and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income, not to exceed $3,000, the amounts, (1) that were paid by the Plan to an insurer of health coverage or qualified long-term care insurance or (2) that were received by you from the Plan and used to pay for premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a SIMPLE IRA

You can only roll over a payment from the Plan to a SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the SIMPLE IRA plan.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE 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 tax on early distributions won't 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 on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. Later payments from the Roth IRA that are qualified distributions won't 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 aren't qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

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 aren't a Plan participant

Payments after death of the participant. If you receive a payment after the participant's death that you don't roll over, the payment will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional tax on early distributions and the special rules for public safety officers don't 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 either 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 tax on early distributions (unless an exception applies) and required minimum distributions from your IRA will be based on your age.

  If you treat the IRA as an inherited IRA, payments from the IRA won't be subject to the 10% additional tax on early distributions. However, if the participant had started taking required minimum distributions from the Plan, required minimum distributions must continue to be made from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

  Under current IRS guidance, effective June 26, 2013, same-sex couples legally married in a jurisdiction with laws authorizing same-sex marriage will be treated as married for federal tax purposes and the rules described in this Notice for surviving spouses will be applicable. Note that individuals who are in registered domestic partnerships, civil unions, or other similar relationships that may be recognized under state law but are not considered a legal marriage under state law, will not be treated as married for federal tax purposes. Individuals who are not considered married spouses for federal tax purposes would be covered by the rules described under the section below titled "*If you are a surviving beneficiary other than a spouse.*"

  Note that California state law recognizes same-sex spouses and, for California state tax purposes, also treats registered domestic partners in the same manner as spouses. This means that it appears there will continue to be a difference in treatment of registered domestic partners for federal and California tax purposes. This area of the law is evolving and anyone affected by these situations may wish to consult with a professional financial or tax advisor.

- ***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 won't be subject to the 10% additional tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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)*.

Payments under a qualified domestic relations order (QDRO). If you are the spouse or former spouse of the participant who receives a payment from the Plan under a 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 won't be subject to the 10% additional tax on early distributions.

For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

If you are a nonresident alien

If you are a nonresident alien and you don't 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 IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, 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).

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 qualified disaster recovery distribution.

For More Information

You may wish to consult with ICERS, 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.

If you have additional questions after reading this notice, you can contact ICERS at 442-265-7550.

PART 4 – SICK LEAVE OPTION

(Applies only if you have 10 years of continuous service)

I wish to apply one of the following options for my sick leave hours:

- ☐ Cash out 15% of my accumulated sick leave hours
- ☐ Apply my remaining sick leave hours toward my retirement

Printed Name:	**Date:**
Signature of Member:	**Date:**