



**Personal.
Innovative.
Secure.**

Terminating PERA-Covered Employment

For PERA Defined Benefit Plan Participants

Do not use this booklet or forms to withdraw your: PERA 401(k) Plan account, PERA 457 Plan account, or PERA Defined Contribution (DC) Plan account.

Includes PERA Forms:

Rollover Request—Defined Benefit Plan
Refund Request—Defined Benefit Plan

Please read the following information in this booklet before completing a Rollover Request—Defined Benefit Plan or Refund Request—Defined Benefit Plan form to withdraw your Colorado PERA member contribution account(s). The information in this booklet explains the PERA benefits and rights you will forfeit if you withdraw your account(s), as well as the details of taxes and other penalties you may incur as a result of your decision to withdraw your account(s).

**Colorado
Public
Employees'
Retirement
Association**

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Este folleto también se imprime en español. Puede imprimir una copia o solicitar que se le envíe una por correo desde el sitio web de PERA en www.copera.org. También podrá solicitar el envío del folleto llamando al Centro de atención al cliente de PERA al 303-832-9550 o 1-800-759-7372.

Part I:

Terminating PERA-Covered Employment

When you terminate PERA-covered employment, you will need to decide whether to leave your account at PERA or withdraw it. In this section, we will provide you with information to help you make this decision. *Note:* Effective January 1, 2010, the Denver Public Schools Retirement System (DPSRS) merged with Colorado PERA. If you had an account at DPSRS, your account is now a PERA account under the DPS benefit structure. As a result, you may have two member contribution accounts with PERA—one under the PERA benefit structure and one under the DPS benefit structure. If you choose to refund, you must withdraw both accounts unless you are eligible to retire from one or both benefit structures and choose to take a benefit.

Reasons to Leave Your Account(s) at PERA

- Your PERA account(s) is a retirement account(s) for future retirement income. If you withdraw your account(s) now, you will not have a retirement benefit in the future for the time you worked for a PERA employer.
- You will retain the rights associated with your membership and if you return to PERA membership, continue to earn service credit.
- Your account(s) will continue to earn interest. The interest rate is set by the PERA Board and is subject to change annually. The current interest rate is 3 percent compounded annually.
- You will not have to pay the 10 percent IRS tax penalty if you withdraw your account(s) after age 59½, but before age 70½. See the IRS Publication 575, *Pension and Annuity Income* for more information.
- You may continue coverage in the PERA life insurance program (if already enrolled), at the same low group rate by setting up an automatic direct pay arrangement with Unum.
- You may consider applying for PERA's disability program rather than withdrawing your account, if you have more than five years of service credit and are terminating PERA-covered employment because of a potentially disabling condition. See the *Colorado PERA Disability Program* booklet.
- If you are an inactive member and leave your account(s) at PERA:
 - Contact PERA whenever your address changes or once every five years to keep your account(s) from being turned over to Colorado's Unclaimed Property Fund. We encourage you to contact PERA annually by phone, e-mail, letter, or you may go to the PERA Web site at www.copera.org and click on "Contact Us" in the top right corner of the home page. From there, choose the link "To Claim Your Account(s)" to update your account(s).

- Withdraw your PERA account(s) or begin a monthly benefit by April 1 following the year in which you reach age 70½ or the IRS will impose a tax penalty on your withdrawal or benefit.

If You Have a PERA Benefit Structure Account

- If you are eligible for retirement (see Retirement Eligibility on next page), you may receive a benefit or withdraw your account with a possible match on your contributions and interest. You will receive, at time of refund, a 100 percent match equal to your contributions and interest. (If you are not retirement eligible, you may receive a 50 percent match.) For specific match provisions on your account, see the Withdrawing Your PERA Member Contribution Account(s) section on page 3.
- If you die before your effective date of PERA retirement, your qualified survivors may be eligible for a survivor benefit and in some cases, a lump-sum payment.
- You have the option to enroll in the PERACare Health Benefits Program and may receive a subsidy toward your health care premium, if you choose to receive a monthly benefit in the future.
- If you have 25 or more years of service credit and you are not eligible to retire at the time you terminate PERA employment, you may be eligible for a monthly benefit that is indexed (increased) based on the annual increase provisions of your plan. If you meet the following qualifications, you should contact PERA's Customer Service Center for additional information:
 - You began PERA membership on or before December 31, 2006, and;
 - You are eligible to retire on January 1, 2011, and;
 - You have 25 or more years of service credit.

If You Have a DPS Benefit Structure Account

- If you are eligible for retirement (see Retirement Eligibility below), you may receive a benefit or withdraw your account with a possible match on your contributions and interest. You will receive, at time of refund, a 100 percent match equal to your contributions and interest if you are an inactive member who terminated employment on or after January 1, 2001, and you have five years of service credit; otherwise no match will be included.
- If you have five years of service credit under the DPS benefit structure, you have the option to enroll in the PERACare Health Benefits Program and may receive a subsidy toward your health care premium.
- If you become an inactive member (either because your DPS benefit structure account is frozen through exercising portability, or because you terminated your employment with all PERA employers) and you are eligible to receive a reduced or full service retirement benefit, you may apply for a monthly retirement benefit at the time you become an inactive member or any time in the future. If you are not eligible to receive a retirement benefit when you become an inactive member, you are only eligible to receive a monthly benefit when you reach full service retirement eligibility. See Retirement Eligibility below.

Retirement Eligibility

PERA Benefit Structure

If you began PERA membership on or before June 30, 2005, and you have five years of service credit on January 1, 2011, the following age and service requirements apply:

PERA Benefit Structure	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
30 years	50
20 years	60
Any years	65

If you began PERA membership between July 1, 2005, and December 31, 2006, and you have five years of service credit on January 1, 2011, the following age and service requirements apply:

PERA Benefit Structure	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
35 years	Any age
30 years	55
20 years	60
Any years	65

If you began PERA membership on or before December 31, 2006, and you have less than five years of service credit on January 1, 2011, or if you began membership between January 1, 2007, and December 31, 2010, the following age and service requirements apply:

PERA Benefit Structure	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
35 years	Any age
30 years	55
25 years	60
Any years	65

Regardless of when you began PERA membership, the following age and service requirements apply for a reduced benefit:

PERA Benefit Structure	
Reduced Retirement Benefit	
Minimum Service Credit	Minimum Age
25 years	50
20 years	55
5 years	60

State Troopers/CBI Agents:

State Troopers/CBI Agents	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
30 years	Any Age
25 years	50
20 years	55
5 years	65
Reduced Service Retirement Benefit	
Minimum Service Credit	Minimum Age
20 years	50
5 years	50

DPS Benefit Structure

If you have five years of service credit on January 1, 2011, the following age and service requirements apply:

DPS Benefit Structure	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
30 years	50
25 years*	55
5 years	65
*15 years must be earned	

Continued on next page

DPS Benefit Structure	
Reduced Retirement Benefit	
Minimum Service Credit	Minimum Age
15 years	55
25 years	Any age

DPS Benefit Structure	
Reduced Retirement Benefit	
Minimum Service Credit	Minimum Age
25 years	50
20 years	55
5 years	60

If you do not have five years of service credit on January 1, 2011, the following age and service requirements apply:

DPS Benefit Structure	
Service Retirement Benefit	
Minimum Service Credit	Minimum Age
35 years	Any age
30 years*	55
25 years	60
5 years	65

*20 years must be earned service credit

Withdrawing Your PERA Member Contribution Account(s)

The forms provided in this booklet are for withdrawing your PERA Defined Benefit (DB) Plan account(s). If you want to:

- Withdraw your PERA 401(k) account, call 1-800-759-7372 and select the 401(k)/DC option.
- Withdraw your PERA Defined Contribution (DC) Plan account, call 1-800-759-7372 and select the 401(k)/DC option.
- Withdraw your PERA 457 Plan account, call Great-West at 1-800-838-0457.

The money in your PERA account(s) will consist of your tax-deferred (pre-tax) member contributions and may contain tax-paid (after-tax) money, which would have been contributed to the PERA benefit structure before July 1, 1984, and before January 1, 1986, to the DPS benefit structure. Your account(s) will also contain interest that is compounded annually and any amounts you paid to purchase service credit. Money used to purchase service credit may be tax-deferred or tax-paid. PERA's Customer Service Center can provide you with the tax-deferred and tax-paid amounts in your account(s).

When you withdraw your member contribution account under the PERA benefit structure:

- You will receive, at time of refund, a 50 percent match equal to your contributions and interest if you are not retirement-eligible or a 100 percent match equal to your contributions and interest if you are retirement-eligible.

Effective January 1, 2011: You must have five years of earned service credit in order to be eligible for the 50 percent match. If you refund on or after January 1, 2011, you are not retirement-eligible, and you do not have five years of earned service credit at the time of your refund, the following applies:

- You will receive a 50 percent match on contributions received by PERA on or before December 31, 2010.
- You will receive a 50 percent match on interest earned on contributions received by PERA on or before December 31, 2010.
- You will not receive a match on contributions received on or after January 1, 2011.
- You will not receive a match on interest earned on contributions received on or after January 1, 2011.
- If you are retirement-eligible at the time of your refund, you will receive a 100 percent match on your contributions and interest regardless of your years of service credit.

When you withdraw your member contribution account under the DPS benefit structure:

- You will receive, at time of refund, a 100 percent match equal to your contributions and interest if you are retirement-eligible, are an inactive member who terminated employment on or after January 1, 2001, and you have five years of service credit; otherwise no match will be included.

PERA's Customer Service Center can provide you with an estimate of your refund amount.

You may have your account(s) paid to you, paid as a rollover to another plan, or as a combination of these two.

If you decide to withdraw your PERA account(s), you may want to consider rolling it over to another tax-deferred plan to avoid immediate taxation of the funds and continue to dedicate this money for your retirement.

Rolling the Tax-Deferred Portion of Your Account(s)

You may roll over the tax-deferred portion of your account(s) to:

- An Individual Retirement Account or Arrangement (IRA). This does not include a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an Education IRA).
- Eligible employer-sponsored plans such as those qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; 403(a) annuity plan; 403(b) tax-sheltered annuity; and a 457(b) governmental plan.

You may do a direct rollover, which is a payment made directly from PERA to an IRA or eligible employer plan, or you may roll over your money within 60 days of receiving your PERA refund check if the tax-deferred portion of your PERA account(s) was paid to you first. The differences between a direct rollover and a 60-day rollover are explained on page 6, “How Do I Do a Rollover?” If you choose to roll over tax-deferred funds into a Roth IRA, the amount of the rollover will be included in your taxable income in the year your refund is paid.

Rolling the Tax-Paid Portion of Your Account(s)

The tax-paid portion of your account(s), if applicable, can be directly rolled over to a qualified plan, a 403(b) tax-sheltered annuity, or an IRA, provided the recipient plan will accept tax-paid rollovers. You must have the tax-paid portion directly rolled over to a qualified plan or 403(b) tax-sheltered annuity, it may not be paid to you first and then rolled over to another account. However, an IRA will accept a rollover of the tax-paid portion if your account(s) was paid to you first.

Refund Payment to You

If you choose to have your PERA account(s) paid to you:

- You will receive only 80 percent of the tax-deferred amount of the account(s) because PERA is required to withhold 20 percent of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your PERA account(s) will be taxed in the current year unless you roll it over to a traditional IRA or eligible employer plan. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you

owe. However, if you receive the payment before age 59½, you may have to pay an additional 10 percent tax penalty to the IRS.

- After you refund, you can still roll over part of your PERA account by paying it to your IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the refund. This is called a 60-day rollover and is explained on page 6, “How Do I Do a Rollover?”

If You Are Nonresident Alien

If your address is outside of the United States, you must complete IRS Form W-9, *Request for Taxpayer Identification Number and Certification*, or IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, for federal income tax withholding. See page 8 for detailed information.

Purchase of Service Credit Based on a Refunded Account

If you withdraw your PERA account(s) now and return to PERA membership in the future, you may be eligible to purchase the service credit associated with your refunded account(s) after earning one year of service credit. There are different rules for purchasing service credit from refunded accounts under the PERA and DPS benefit structures. See the *Purchasing Service Credit* booklet for detailed information. *Note:* When you purchase service credit based on a refunded PERA account, you are not entitled to the benefit rights associated with the refunded account(s).

Social Security and Your PERA Account(s)

According to the Social Security Administration, any refund that includes an employer match subjects the withdrawing member’s Social Security benefits to the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) reductions. If you do not receive a match with your refund, you will not be subject to the WEP or GPO reductions. Contact Social Security for more information at 1-800-772-1213.

To Withdraw Your Account(s)

If you would like to withdraw your PERA account(s), you need to complete only one of the forms attached to the back of this booklet: the *Rollover Request—Defined Benefit Plan* form, if you want all or a portion of your account(s) rolled over to another qualifying plan, or if you want all of your account(s) paid to you, the *Refund Request—Defined Benefit Plan* form. **Do not complete both forms.**

If you plan to roll over all or any portion of your PERA account(s), review the information and instructions in the *Rollover Request—Defined Benefit Plan* Section on page 9. If you plan to have your PERA account(s) paid to you, carefully review the information and the instructions in the *Refund Request—Defined Benefit Plan* Section on page 13.

Part II:

IRS Notice for Qualified Distributions from Your PERA 401(a) Defined Benefit Plan Account(s)

When you withdraw your PERA account(s), you will have to decide whether to refund your PERA account(s) and pay an early withdrawal penalty or roll it to an eligible employer plan.

This section contains a notice from the IRS which provides a more detailed and technical explanation of refunding and rolling your PERA account. The notice has important information you need to review before you decide how to receive your PERA withdrawal.

All or part of your account may be eligible for rollover by you or PERA to an IRA or an eligible employer plan.

A rollover is a payment by you or PERA, of all or part of the tax-deferred dollars of your account to another plan or traditional IRA that allows you to continue holding the money tax-deferred until it is paid to you. Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. *Note:* Your payment also can be rolled over to a section 408(a) Roth IRA subject to the same limits that apply to rollovers from a traditional IRA to a Roth IRA. PERA cannot determine your eligibility to do a Roth IRA rollover.

An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a 403(a) annuity plan; a 403(b) tax-sheltered annuity; and a 457(b) governmental plan.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your PERA account to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover.

Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as tax-paid (after-tax) amounts. Because of this, PERA issues tax-paid amounts as a separate check from your tax-deferred amounts. If this is the case, and your PERA withdrawal includes tax-paid amounts, you may wish instead to roll your distribution over to an IRA or split your rollover amount between the employer plan in which you will participate and an IRA.

If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from PERA. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you may contact PERA’s Customer Service Center at 303-832-9550 or 1-800-759-7372.

Notice Summary

Rules that apply to a withdrawal of your PERA account 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.

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment made to you can be made from the plan until at least 30 days after we receive your *Request* form. 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 withdrawal is processed, you may waive the notice period by checking the optional box on the *Rollover Request—Defined Benefit Plan*

or *Refund Request—Defined Benefit Plan* form. Once PERA receives your *Request* form and all of the necessary information, we will begin processing your withdrawal.

General Information About Rollovers

How Can a Rollover Affect My Taxes?

You will be taxed on the withdrawal of your PERA account 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 percent additional income tax on early distributions (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 percent additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

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 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, PERA will make the check payable 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, 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 payable to you from PERA to make the deposit. If you do not do a direct rollover, PERA is required to withhold 20 percent of the payment for federal income taxes. 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 percent 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 percent 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. Any payment from the Plan is eligible for rollover, except:

- A. *Required minimum distributions after age 70½.* Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum distribution” that must be paid to you.
- B. *Corrective distributions of contributions that exceed tax law limitations.* A distribution that is made because legal limits on certain contributions were exceeded cannot be rolled over.

PERA 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 Percent Additional Income Tax on Early Distributions?

If you are under age 59½, you will have to pay the 10 percent additional income tax on early distributions for withdrawal of your PERA account (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 amount that PERA will automatically withhold for income tax purposes is not intended to cover the 10 percent additional income tax. You can request that an additional amount be withheld from your payment or you can work with the IRS or your tax advisor for payment of this additional tax.

The 10 percent additional income tax does not apply to the following payments from the plan:

- Payments made after you terminate PERA covered employment if you will be at least age 55 in the year you terminate employment.
- Payments made after you terminate PERA covered employment if you are a state trooper and you are at least age 50 in the year you terminate employment.
- Payments that are paid because you retire due to disability.
- Corrective distributions of contributions that exceed tax law limitations.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made to an alternate payee under a domestic relations order (DRO).
- 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 Percent 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 percent additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10 percent 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 domestic relations orders (DROs) 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 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

If your PERA account has any after-tax money in it, that amount will not be taxed when you withdraw your PERA account.

Rollover into an IRA. You may roll over your PERA account that includes after-tax money to an IRA 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 your PERA account and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of your PERA account, the after-tax contributions are treated as rolled over last. For example, assume your PERA account totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an 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.

Rollover into an Employer Plan. You may roll over your PERA account that includes after-tax money to an employer plan, 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 your PERA account 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, *Individual Retirement Arrangements (IRAs)*.

If You Were Born on or Before January 1, 1936

If you were born on or before January 1, 1936, and receive a refund of your PERA account 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

You can roll over a refund of your PERA account made before January 1, 2010, to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the refund is made to you and, if married, you file a joint return. These limitations do not apply to refunds of your PERA account that occur after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment 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 percent 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). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011. 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 home buyer 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 percent 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, *Individual Retirement Arrangements (IRAs)*.

You cannot roll over a refund of your PERA account to a designated Roth account in an employer plan.

If You Are a Nonresident Alien

Under the United States IRS Code Section 1441, all pension payments or refunds are subject to U.S. tax at a 30 percent rate. This tax is imposed on the gross amount paid and is collected by withholding on that amount.

If your address is outside of the United States, you must complete one of the following forms for federal income tax withholding:

- If you are a U.S. citizen (even though you reside outside of the United States) you must provide to PERA an IRS Form W-9, *Request for Taxpayer Identification Number and Certification*. The only purpose of this form is to gain your certification that you are a U.S. citizen; PERA is not requesting you obtain a new Taxpayer Identification Number.
- If you are a foreign person (a nonresident alien), you must provide to PERA an IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding* to:
 - Establish that you are a foreign person;
 - Claim that you are the beneficial owner of the income for which form W-8BEN is being provided; and
 - Claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty (if applicable).

Additional information is available from the IRS (1-800-829-1040 or www.irs.gov) in Publication 519 titled, *U.S. Tax Guide for Aliens*.

Colorado PERA is required by law to withhold 30 percent from any payments you are to receive if Form W-9 or Form W-8 is not received. If you should have any questions about your tax status, please contact your tax adviser.

Other Special Rules

If your PERA refund is less than \$200, PERA is not required 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*.

For More Information

This notice summarizes only the federal (not state or local) tax rules that may apply to your withdrawal. The rules described here are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you withdraw your PERA member contribution account. 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, *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.

PERA Rollover Request—Defined Benefit Plan Section

Please read the *Terminating PERA-Covered Employment* booklet and this page before completing the *Rollover Request—Defined Benefit Plan* form.

If You Choose to Roll Over All or a Portion of Your PERA Account(s)

- The tax-deferred portion of your account(s) will remain tax-deferred if you roll it over to a traditional IRA or eligible employer plan that accepts tax-deferred money. If you roll it over to a Roth IRA, it will be reported as taxable income for the current year and no amount will be withheld by PERA for federal tax purposes. You may be able to roll over your PERA account(s) to a traditional IRA, Roth IRA, 401(a), 401(k), PERA's 401(k) Plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or a 457(b) governmental plan. If you want a portion of your tax-deferred account(s) paid to you, that portion will be paid to you minus 20 percent for federal withholding if that portion is \$200 or more.
- The tax-paid portion of your PERA account(s) can be paid as a direct rollover to an IRA or an eligible employer plan that accepts tax-paid money. You may be able to roll over your tax-paid portion to a 401(a), 401(k), or 403(b) tax-sheltered annuity that accepts tax-paid money. If you decide to have the tax-paid portion paid to you, there will be no tax withholding or penalties, since federal income taxes have already been paid on these amounts.

PERA Rollover Request—Defined Benefit Plan Form Instructions

This form is for rolling over all or a portion of your PERA account(s). If you would like to refund all of your PERA account(s) to yourself, complete the *Refund Request—Defined Benefit Plan* form on page 15.

By law, you are not allowed to withdraw only a portion of your account(s). If you have an account under both the PERA benefit structure and the DPS benefit structure and you choose to refund, you must withdraw both accounts unless you are eligible to retire from one or both benefit structures and choose to take a benefit. To withdraw your account(s), PERA must verify that your membership does not continue through any PERA employer and that it has received all of your contributions from your former employer(s). If PERA receives information of a new membership before your account(s) is withdrawn, your *Rollover Request—Defined Benefit Plan* will be canceled. Once your rollover is issued, it cannot be changed or returned to PERA.

Your PERA account(s) can be rolled to another eligible account in your name. It cannot be rolled to an account set up for anyone else, including your spouse.

If your address is outside of the United States, you must complete a *Request for Taxpayer Identification Number and Certification* (Form W-9) if you are a U.S. citizen, or a *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding* (Form W-8BEN) if you are a foreign person (nonresident alien). If PERA does not receive either of these Forms, 30 percent income tax will be withheld from your refund. See page 8 for detailed information.

Once processing has begun, a check(s) will be issued within 90 days. The issue date depends on the date we receive the form in our office, the certified date of termination, the end of the month in which you were last on the payroll report, and the date we receive any required supplementary documentation. Any payment made to you will be mailed to the address you provide on the *Rollover Request—Defined Benefit Plan* form. Any portion that is being rolled over will be sent to the IRA or eligible employer plan.

PERA must have an original form with an original signature; a photocopy or faxed form will not be accepted. If you are being paid by more than one PERA employer, you may photocopy and/or submit a fax copy of the Termination Certification by Former

Payroll Office (Section 3) for additional employers. You are still required to submit an original *Rollover Request—Defined Benefit Plan* form with an original notarized signature.

If you have less than one year of PERA-covered employment, or if you have received notification from PERA that we have different information than Social Security, include a photocopy of your signed Social Security card that has your current name with your *Rollover Request—Defined Benefit Plan* form. Rollovers cannot be issued until PERA receives a copy of your valid Social Security card via mail or fax, or a scanned image of your card sent via e-mail (customerservice@copera.org). Failure to enclose the required photocopy of your Social Security card will cause a delay of your rollover.

In Section 1, you will need to complete Number 1 and 2 indicating the percentage of your tax-deferred and tax-paid (if applicable) account(s) that you would like rolled over. PERA's Customer Service Center can provide you with the tax-deferred and tax-paid (if applicable) amounts in your account(s).

Also in Section 1, you have the option to request that PERA deduct additional federal income tax from your withdrawal. You may also choose to waive your right to the IRS 30-day waiting period in this section (see page 5). **Sign and date the form.**

In Section 2, have your *Rollover Request—Defined Benefit Plan* form notarized.

In Section 3, have your employer complete the Termination Certification by Former Payroll Office section, if you were on a leave of absence or you received a paycheck from your employer within the past 90 days. If you were paid by more than one PERA employer, make photocopies of the *Rollover Request—Defined Benefit Plan* form and have each employer complete and sign the Termination Certification by Former Payroll Office section. If it has been more than 90 days since your last paycheck, you may not need the employer certification. Call PERA's Customer Service Center to determine if this is necessary.

In Section 4, have the financial institution receiving your rollover complete this section. Your financial institution may require you to complete additional forms for rolling over your PERA account(s); do not send these forms to PERA.

This form is used to do a rollover of your PERA Defined Benefit (DB) PERA benefit structure and/or DPS benefit structure accounts; you must submit an original *Rollover Request—Defined Benefit Plan* form to PERA.

- To do a rollover of your PERA 401(k) account, call 1-800-759-7372 and select the 401(k)/DC option.
- To do a rollover of your PERA Defined Contribution (DC) Plan account, call 1-800-759-7372 and select the 401(k)/DC option.
- To do a rollover of your PERA 457 Plan account, call Great-West at 1-800-838-0457.

**Member
SSN**

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Name _____
Last First MI

Address _____
Street City State ZIP Code

Daytime Telephone () Birthdate _____

Section 1. I understand that my choices below will affect both my PERA benefit structure and DPS benefit structure accounts (if applicable). I would like my tax-deferred and tax-paid portions of my PERA account(s) distributed in the following manner:

1. Tax-deferred amount of account(s):

Roll over _____ % of the tax-deferred portion of my PERA account(s) to my IRA or eligible employer plan in Section 4 on the reverse side.*

*If the amount is not 100%, the remainder will be paid to you minus 20 percent for federal tax withholding.

2. Tax-paid amount of account(s):

Roll over _____ % of the tax-paid portion of my PERA account(s) to my IRA or eligible employer plan in Section 4 on the reverse side.*

*If the amount is not 100%, the remainder will be paid to you.

(Optional) If I am having any portion of my tax-deferred money paid to me, I would like PERA to withhold an additional _____ % for federal income tax in addition to the 20 percent already withheld. No amount will be withheld for tax-deferred money rolled over to a Roth IRA.

(Optional) I hereby irrevocably waive any waiting period the Internal Revenue Code affords me before a payment and/or rollover is made and I understand that waiving my right does not guarantee that my request will be processed in less than 30 days.

I have read all of the information provided in the *Terminating PERA-Covered Employment* booklet. I understand that by withdrawing my PERA account(s), I will forfeit any rights associated with my present PERA account(s) and my right to any future benefits with PERA, and that I am solely responsible for all taxes and consequences of my decision. My withdrawal will be paid to me in the manner I requested and I understand once it is paid, my withdrawal cannot be reissued or returned to PERA. I understand that my account(s) will be distributed to me and/or rolled over to my financial institution within 90 days of PERA receiving the necessary documentation to make a distribution.

Member Signature _____ **Date** _____

Section 2. Have a notary public complete the certification below (required). Places for you to have this form notarized include your employer, bank, or at PERA.

State of _____ County of _____

Subscribed, sworn to and acknowledged before me, this _____ day of _____ 20 _____,

by _____.

Witness my official hand and seal. Commission expires: _____ Notary Public _____

If you received a paycheck from your employer within the past 90 days, have your employer complete the Termination Certification by Former Payroll Office section on the reverse side. All employer(s) must complete and sign the Termination Certification by Former Payroll Office section before a distribution can be processed. Photocopy this form for all your employers and ask the payroll offices to complete Section 3 on the reverse.

Form continued on reverse

Rollover Request—Defined Benefit Plan—Internet Version (Page 2)

Colorado Public Employees' Retirement Association
PO Box 5800, Denver, Colorado 80217-5800
303-832-9550 • 1-800-759-PERA (7372) • www.copera.org

Name _____ SSN _____

Section 3. To be completed by former employer.

Termination Certification by Former Payroll Office (to be completed and signed by payroll office)

Employer: Please return this form, which must be signed by a certifying official, promptly to PERA. If the employee has been off your PERA Contribution Report for more than 90 days (unless on a leave of absence), you do not need to complete this certification.

1. Specify the last date the member was or will be paid through (including contract payments and annual leave accrual paid in advance), or the last day of unpaid leave of absence, whichever is later

month/day/year

2. Specify the final month the member will appear on your Contribution Report

month/year

3. Specify the total member contributions (including adjustments) reported for the member on all Contribution Reports submitted for the final month

\$ _____

4. Has this member terminated employment? Yes No If yes, what is the termination date? _____

month/day/year

Signature and Title of Certifying Official (Payroll Specialist)

Date

()

Employer Name (please print)

Employer Number

Telephone Number

Section 4. To be completed by recipient financial institution or plan administrator (required). (Form cannot be completed by the refunding PERA Member.)

1. The *tax-deferred* portion of the PERA account(s) will be rolled over into a (check one):

- Traditional IRA Roth IRA Qualified Plan 403(a) Annuity Plan 403(b) Tax-Sheltered Annuity
 457(b) Governmental Plan PERA's 401(k) Plan (*No certification needed; do not complete rest of form*)

Make check payable to: _____

Our institution will accept (check one): The entire tax-deferred portion **or** The following amount \$ _____

Name of IRA custodian or plan: _____ Account Number _____

Address _____
Street City State ZIP Code

Authorized Signature _____ Telephone Number () _____ Date _____

Print Name _____ Title _____

2. The *tax-paid* portion of the PERA account(s) will be rolled over into a (check one):

- Traditional IRA Roth IRA Qualified Plan PERA's 401(k) Plan (*No certification needed; do not complete rest of form*)
 403(b) Tax-Sheltered Annuity

Make check payable to: _____

Our institution will accept (check one): The entire tax-paid portion **or** The following amount \$ _____

Name of IRA custodian or plan: _____ Account Number _____

Address _____
Street City State ZIP Code

Authorized Signature _____ Telephone Number () _____ Date _____

Print Name _____ Title _____

PERA Refund Request—Defined Benefit Plan Section

Please read the *Terminating PERA-Covered Employment* booklet and this page before completing the *Refund Request—Defined Benefit Plan* form.

If You Choose to Have Your PERA Account(s) Paid to You

- If your refund is \$200 or more, PERA is required to withhold 20 percent of the tax-deferred portion of your account(s) and send it to the IRS as income tax withholding to be credited against your taxes. Your refund may be subject to the additional 10 percent tax penalty for early distribution if you are under age 59½.
- PERA does not withhold state tax, but you may be responsible for paying state taxes on the full amount when you file your state tax return for the year you receive the refund.
- You have 60 days from the date of receipt of your check to roll the funds into an IRA or eligible employer plan that accepts tax-deferred money. Since PERA is required to withhold 20 percent for federal income taxes, you may need to make up this amount from other sources.
- The tax-paid portion (if any) will have no tax withholding or penalties, since federal income taxes have already been paid on these amounts.
- If your refund includes tax-paid money, you have 60 days from the date you receive your check to roll the funds into an IRA that accepts tax-paid money. You can only roll over tax-paid money to a qualified plan or a 403(b) tax-sheltered annuity via a direct rollover; it cannot be paid to you first.

PERA Refund Request—Defined Benefit Plan Form Instructions

This form is for refunding your PERA account(s) to you. If you would like to roll over all or a portion of your account(s), use the *Rollover Request—Defined Benefit Plan* form on page 11.

By law, you are not allowed to withdraw only a portion of your account(s). If you have an account under both the PERA benefit structure and the DPS benefit structure and you choose to refund, you must withdraw both accounts unless you are eligible to retire from one or both benefit structures and choose to take a benefit. To withdraw your account(s), PERA must verify that your membership does not continue through any PERA employer and that it has received all of your contributions from your former employer(s). If PERA receives information of a new membership before your account(s) is withdrawn, your *Refund Request—Defined Benefit Plan* will be canceled. Once your refund is issued, it cannot be changed or returned to PERA.

If your address is outside of the United States, you must complete a *Request for Taxpayer Identification Number and Certification* (Form W-9) if you are a U.S. citizen, or a *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding* (Form W-8BEN) if you are a foreign person (nonresident alien). If PERA does not receive either of these Forms, 30 percent income tax will be withheld from your refund. See page 8 for detailed information.

Once processing has begun, a check will be issued within 90 days. The issue date depends on the date we receive the form in our office, the certified date of termination, the end of the month in which you were last on the payroll report, and the date we receive any required supplementary documentation. Your refund will be mailed to the address you provide on the *Refund Request—Defined Benefit Plan* form.

PERA must have an original form with an original signature; a photocopy or faxed form will not be accepted. If you are being paid by more than one PERA employer, you may photocopy and/or submit a fax copy of the Termination

Certification by Former Payroll Office (Section 3) for additional employers. You are still required to submit an original *Refund Request—Defined Benefit Plan* form with an original notarized signature.

If you have less than one year of PERA-covered employment, or if you have received notification from PERA that we have different information than Social Security, include a photocopy of your signed Social Security card that has your current name with your *Refund Request—Defined Benefit Plan* form. Refunds cannot be issued until PERA receives a copy of your valid Social Security card via mail or fax, or a scanned image of your card sent via e-mail (customerservice@copera.org). Failure to enclose the required photocopy of your Social Security card will cause a delay of your refund.

In Section 1, you have the option to request that PERA deduct additional federal income tax from your withdrawal. You may also choose to waive your right to the IRS 30-day waiting period in this section (see page 5). Waiving your right does not guarantee that your refund will be sent to you in less than 30 days. **Sign and date the form.**

In Section 2, have your *Refund Request—Defined Benefit Plan* form notarized.

In Section 3, have your employer complete the Termination Certification by Former Payroll Office section if you were on a leave of absence or you received a paycheck from your employer within the past 90 days. If you were paid by more than one PERA employer, make photocopies of the *Refund Request—Defined Benefit Plan* form and have each employer complete and sign the Termination Certification by Former Payroll Office section. If it has been more than 90 days since your last paycheck, you may not need the employer certification. Call PERA's Customer Service Center to determine if this is necessary.

Refund Request—Defined Benefit Plan—Internet Version

Colorado Public Employees' Retirement Association
 PO Box 5800, Denver, Colorado 80217-5800
 303-832-9550 • 1-800-759-PERA (7372) • www.copera.org



This form is used to refund your PERA Defined Benefit (DB) PERA benefit structure and/or DPS benefit structure accounts; you must submit an original *Refund Request—Defined Benefit Plan* form to PERA.

- To withdraw your PERA 401(k) account, call 1-800-759-7372 and select the 401(k)/DC option.
- To withdraw your PERA Defined Contribution (DC) Plan account, call 1-800-759-7372 and select the 401(k)/DC option.
- To withdraw your PERA 457 Plan account, call Great-West at 1-800-838-0457.

**Member
SSN**

			-			-			
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Name _____

Last

First

MI

Address _____

Street

City

State

ZIP Code

Daytime Telephone (____) _____ Birthdate _____

Section 1. I understand that my choices below will affect both my PERA benefit structure and DPS benefit structure accounts (if applicable), I am refunding my entire PERA account(s) to myself, and 20 percent of the tax-deferred portion of my PERA account(s) will be deducted for federal income tax. (See page 6 for information on the "10 Percent Additional Income Tax on Early Distributions.") Complete all portions of the form that are applicable.

(Optional) I would like PERA to withhold an additional _____ % for federal tax in addition to the 20 percent already withheld.

(Optional) I hereby irrevocably waive any waiting period the Internal Revenue Code affords me before a refund is made and I understand that waiving my right does not guarantee that my refund will be sent to me in less than 30 days.

I have read all of the information provided in the *Terminating PERA-Covered Employment* booklet. I understand that by refunding my PERA account(s), I will forfeit any rights associated with my present PERA account(s) and my right to any future benefits with PERA, and that I am solely responsible for all taxes and consequences of my decision. My refund will be paid to me in the manner I requested and I understand once it is paid, my refund cannot be reissued or returned to PERA. I understand that my account(s) will be distributed to me within 90 days of PERA receiving the necessary documentation and information from me and my former employer in order to process the withdrawal.

Member Signature _____ **Date** _____

Section 2. Have a notary public complete the certification below (required). Places for you to have this form notarized include your employer, bank, or at PERA.

State of _____ County of _____

Subscribed, sworn to and acknowledged before me, this _____ day of _____ 20____ ,

by _____.

Witness my official hand and seal. Commission expires: _____ Notary Public _____

If you received a paycheck from your employer within the past 90 days, have your employer complete the Termination Certification by Former Payroll Office section on the reverse side. All employer(s) must complete and sign the Termination Certification by Former Payroll Office section before a refund can be processed. Photocopy this form for all your employers and ask the payroll offices to complete Section 3 on the reverse.

Form continued on reverse

Refund Request—Defined Benefit Plan—Internet Version (Page 2)

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Name _____ SSN _____

Section 3. To be completed by former employer.

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Employer: Please return this form, which must be signed by a certifying official, promptly to PERA. If the employee has been off your PERA Contribution Report for more than 90 days (unless on a leave of absence), you do not need to complete this certification.

1. Specify the last date the member was or will be paid through (including contract payments and annual leave accrual paid in advance), or the last day of unpaid leave of absence, whichever is later

_____ month/day/year

2. Specify the final month the member will appear on your Contribution Report

_____ month/year

3. Specify the total member contributions (including adjustments) reported for the member on all Contribution Reports submitted for the final month

\$ _____

4. Has this member terminated employment? Yes No If yes, what is the termination date? _____

month/day/year

Signature and Title of Certifying Official (Payroll Specialist)

Date

Employer Name (please print)

Employer Number

Telephone Number

This booklet provides information about terminating PERA-covered employment. Your rights, benefits, and obligations as a PERA member are governed by Title 24, Article 51 of the Colorado Revised Statutes, and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this booklet.

Colorado Public Employees' Retirement Association

Mailing Address: PO Box 5800, Denver, CO 80217-5800

Office Locations: 1301 Pennsylvania Street, Denver
1120 W. 122nd Avenue, Westminster
303-832-9550 • 1-800-759-7372
www.copera.org

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