



# METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

## DISTRIBUTION/ROLLOVER CERTIFICATION

### Section 1a – Member Information (If you are the Member)

First Name	Middle Initial	Last Name	Last 4 Digits of SSN XXX – XX –
Address	City	State and Zip Code	Telephone Number

### Section 1b – Beneficiary Information (If you are a Beneficiary)

First Name	Middle Initial	Last Name	Social Security Number (SSN)
Address	City	State and Zip Code	Telephone Number

### Section 2 – Distribution Type

**IMPORTANT: ONLY CHECK ONE OPTION BELOW.** If you are receiving more than one distribution (e.g., Spouse Contributions and Excess Optional Contributions) you must complete a separate application for each type of distribution.

<b>Retirement:</b> <input type="checkbox"/> Spouse Contributions <input type="checkbox"/> Excess Optional Contributions (taxable only)	<b>Employee / Beneficiary Distribution:</b> <input type="checkbox"/> Employee Contributions <input type="checkbox"/> Employee Contributions (Beneficiary)
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### Section 3 – Method of Payment

For MWRD Retirement Fund to process your payment, **you must choose one.** I direct MWRDRF to:

**I DO NOT WANT A DIRECT ROLLOVER.** The entire amount of the refund, less the required Federal Tax withholding amount (20%), should be PAID TO ME. My signature below also certifies that I have received a copy of the Special Tax Notice Regarding MWRDRF Refunds, which informs me of my options and the corresponding Federal Tax consequences that may entail.

I understand that if I am under age 59 ½, I may be subject to a federal tax penalty for an early retirement distribution. Furthermore, I hereby waive my right to 30 days prior notice of the tax consequences of this distribution and request immediate processing.

Please initial that you understand. \_\_\_\_\_

If part of the refund is paid to you, an IRS 1099-R statement will be sent in January to the address shown on file for your tax records. If you change your address prior to the end of the year, please notify the MWRDRF.

**WITHHOLD NOTHING** and make the entire distribution payable to the Qualified Retirement Account (“Account”) named below (rollover).

**ROLL OVER** \_\_\_\_\_% OR \$\_\_\_\_\_ (choose only one) and make payable to the Account named below. The percentage OR dollar amount indicated will be rolled over. The balance will be made payable to you, less 20% for Federal Tax withholding.

Traditional Retirement Account     Roth Retirement Account     Inherited Retirement Account

I certify that I have confirmed with my qualified retirement account provider that the account listed below is a qualified retirement account able to receive pre-tax distributions from another qualified retirement account provider. I hereby waive my right to 30 days prior notice of the tax consequences of this distribution and request immediate processing.

Signature	Date
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### Section 4 – Qualified Retirement Account information (required for rollovers only)

These funds are currently in a qualified IRC 401(a) Plan. MWRDRF will mail the check directly to the Financial Institution named below:

Name	Account Number		
Representative	Representative Telephone Number (include area code)		
Address	City	State	Zip Code

## **Instructions For Completing This Form:**

### **Section 1a and 1b – Member and Beneficiary Information**

Enter the requested information. If you are the MWRDRF member, complete section 1a only. If you are the beneficiary, complete section 1b only.

### **Section 2 – Distribution Type**

Please indicate the type of distribution you are receiving from the MWRDRF. If you are receiving more than one distribution (e.g., Spouse Contributions and Excess Optional Contributions), you must complete a separate distribution/rollover certification form.

### **Section 3 – Method of Payment**

#### **Payments paid directly to you**

If you are having your distribution paid directly to you, check the appropriate box. Because the distribution will be paid directly to you, Federal law requires MWRDRF to withhold 20% of the taxable portion of your distribution. The 20% withholding does not apply if you roll over the taxable portion directly to a qualified retirement account.

#### **Rollovers**

If you are having your distribution rolled over to a qualified retirement account, check the appropriate box. If you are having **part** of your distribution rolled over, indicate either a percentage OR a dollar amount in the space provided. The distribution will be mailed to the named financial institution. If you indicate anything less than the full distribution, the balance – less the 20% Federal Tax withholding on the taxable portion – will be distributed directly to you.

### **Section 4 – Account Information (This section required for direct rollovers only)**

Take this form to your financial institution and have a representative complete Section 4.



# METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

## SPECIAL TAX NOTICE REGARDING MWRDRF REFUNDS

This notice contains important information you will need before you decide how to receive a distribution of **PRE-TAX** contributions made to the Metropolitan Water Reclamation District Retirement Fund (MWRDRF).

**Disclaimer** The discussion below is NOT intended to provide tax advice. It is provided to explain your distribution options only. The MWRDRF solely provides the disbursement options and, where necessary, information regarding Federal tax withholding as required by IRS regulations. The MWRDRF assumes no responsibility for any interest and/or penalties assessed to any individual as a direct or indirect result of their decision regarding any distributions paid to them by the MWRDRF. This notice summarizes only the Federal tax rules (not state or local) that might apply to your distribution. Federal tax rules are complex. Therefore, you may want to consult with a professional tax advisor before you determine the method of receiving a distribution from the MWRDRF.

### SUMMARY

In general, if the distribution is being paid to a MWRDRF member or their beneficiaries and part/all of the distribution is taxable, the taxable portion may be eligible to be rolled over to another qualified retirement account.

A distribution of taxable contributions from the MWRDRF that are eligible to be rolled over can be taken in two ways. You can have all or a portion of your distribution either (1) Paid to a qualified retirement account or (2) Paid directly to you. Your choice could affect your Federal tax liability.

### IF YOU CHOOSE A ROLLOVER

- The distribution will be paid to your qualified retirement account provider. If you are a beneficiary of a MWRDRF member, your provider will need to determine if your distribution may be rolled over to a qualified retirement account.
- No Federal Income Tax will be withheld.

### IF YOU CHOOSE TO HAVE THE DISTRIBUTION PAID TO YOU

- The distribution will be made payable to you, less the Federal Tax withholding (20%) that the MWRDRF is required to withhold by Federal law. It should be noted that the 20% withholding is only the minimum required by law. Based on your individual circumstances, your tax liability may exceed the minimum.
- The distribution will be taxed in the year disbursed to you unless you effectively roll over the distribution within 60 days of receipt. In some cases where the individual receiving the distribution has become disabled or has reached the age of 59 ½ and has been a MWRDRF participant for at least 5 years, the distribution may be eligible for five-year income averaging (special tax treatment). Additionally, if you were born before January 1, 1936, the distribution may be eligible for ten-year income averaging or capital gains treatment. Furthermore, if you are a beneficiary, you may be able to treat the distribution as a lump-sum. See IRS Form 4972, which has more information and restrictions on lump-sum distributions and how you elect special tax treatment. Eligibility for special tax treatment, however, does **NOT** affect the MWRDRF's responsibility to carry out the mandatory 20% Federal Tax withholding.
- If you do not roll over the distribution, and you are the individual whose contributions are being distributed, you may also have to pay an additional 10% federal tax penalty for an early retirement distribution. Exceptions include: you were age 59 ½ or older when you separated from the MWRD, you retired due to disability, or the distribution was used to pay eligible medical expenses. **Note, the 10% penalty does not apply to distributions issued to the beneficiary.** See IRS Form 5329 for more information regarding the additional 10% tax penalty.

- If you have the distribution paid to you and then decide within 60 days to roll it over to a qualified retirement account, you will be required to add an additional 20% of the original amount to make up for the portion withheld by the MWRDRF. If you only roll over the taxable portion paid directly to you (80% of the original portion) you will be liable for taxes on the remaining 20%.

### **DIRECT ROLLOVER TO A QUALIFIED RETIREMENT ACCOUNT**

You will need to establish a qualified retirement account ("Account") to have a distribution rolled over. If you choose to have your distribution rolled over to an existing Account, we will need to know the financial institution's name, address, contact information, the account number, and exact name in which the Account is issued. If you are going to open an Account to receive the rollover, you will need to contact a financial institution that provides such services. Additionally, an Account where your distribution is NOT commingled with other funds may be eligible to be used as a "conduit" between various funds at some later date. See IRS Publication 590, Individual Retirement Arrangements, for more information.

### **ROLLOVER TO ANOTHER PLAN**

If you are employed by a new employer that has a Qualified Defined Contribution Plan or a Qualified Defined Benefit Plan, and you want a rollover to that plan, ask the administrator of that plan whether it will accept your rollover distribution. An employer plan is NOT legally required to accept a rollover.