Mcera

Marin County Employees' Retirement Association

One McInnis Parkway, First Floor, San Rafael, CA 94903 • Phone: (415) 473-6147 • Fax: (415) 473-3612 • www.mcera.org

DISPOSITION OF RETIREMENT CONTRIBUTIONS

(PLEASE PRINT)

SSN: ___________________________ EMPLOYEE ID NO.: ___________________________

Member Name: ___________________________ ___________________________
LAST FIRST

Spouse Name: ___________________________ ___________________________
LAST FIRST

____________________________________ ____________________________________
STREET ADDRESS FORMER EMPLOYER

____________________________________ ____________________________________
CITY / STATE / ZIP DATE LAST EMPLOYED BY FORMER EMPLOYER

____
TELEPHONE

I have read the "Explanation of Member Rights on Separation From Employment" (copy attached) and understand the options that are available should I become a member of another retirement system covered by the 1937 County Retirement Law, The Public Employees' Retirement System (PERS), the City and County of San Francisco, or the State Teachers' Retirement System (STRS), within one hundred and eighty (180) days after the date of separation. I am also aware of my rights under deferred retirement. Having knowledge of said rights, I hereby elect the following:

NOTE: CHOOSE ONLY ONE OPTION. MULTIPLE CHOICES WILL NULLIFY THIS REOUEST.

☐ **WITHDRAWAL**
Pursuant to IRS regulations and state statutes, you must terminate employment before receiving a refund of your contributions and related interest. I hereby make demand for payment of my accumulated contributions in the Marin County Employees' Retirement System. I understand that by making this request, I waive all future claims to any prior service rights due me, including the right to apply for a disability retirement. I have read the attached Explanation of Distribution and have completed and attached the "Distribution Election" form. **Refunds will not be made without a completed "Distribution Election" form.**

☐ **DEFERRED RETIREMENT**
I elect to leave my contributions on deposit and take a deferred retirement.

☐ **RECIPROCITY (transferring to another system)**
I have terminated employment with the above-named employer and am now employed or intend to be employed by ____________________________________ (a reciprocal county or acceptable contracting agency of PERS, or the City and County of San Francisco, or STRS) within one hundred and eighty (180) days after termination. I elect to leave my contributions on deposit with the Marin County Employees' Retirement Association and take advantage of the benefits as described on the Explanation of Member Rights on Separation from Employment.

SIGNATURE: ________________________________ DATE: ___________________________

One McInnis Parkway, First Floor, San Rafael, CA 94903 • Phone: (415) 473-6147 • Fax: (415) 473-3612 • www.mcera.org

EXPLANATION OF MEMBERS' RIGHTS ON SEPARATION FROM EMPLOYMENT

WITHDRAWAL

Members permanently separating from service may have their contributions refunded.

Should you be re-employed by your employer, you have the right to redeposit your previously withdrawn contributions. If said redeposit is completed according to the rules of the system in force at the time, credit for service and future service subsequent to reemployment will be credited to the original retirement plan.

Members who wish their contributions to be refunded should check OPTION A on the "Disposition of Retirement Contributions" form and complete the same.

DEFERRED RETIREMENT

Regardless of age, members who terminate employment may elect to leave their accumulated contributions on deposit in order to be eligible for a deferred retirement. If the member is credited with five or more years of service, the actual retirement date will become effective (at the option of the member), at any time after the member could have retired had the member remained in full-time service. If credited with less than five years of service, then the retirement date will be when the member reaches age 70.

At any time before the effective date of their retirement, members may rescind (in writing) an election for deferred retirement and withdraw their accumulated contributions.

Members who wish to rescind a previous election to defer retirement should check OPTION B on the "Disposition of Retirement Contributions" form and complete the same..

RECIPROCITY

Members of the MCERA who accept employment covered by another retirement system operating under the 1937 County Retirement Law (see list on page 2*), or contracting agencies of the Public Employees' Retirement System of the State of California (PERS), the State Teachers' Retirement Systems of the State of California (STRS) or on a limited basis, certain contracting agencies of the San Francisco City and County Employees' Retirement System, will have certain rights and obligations IF:

(a) They become a member of such retirement system within one hundred and eighty (180) days after separating from service with a MCERA agency, **and**

(b) They elect to leave their contributions on deposit with the Marin County Employees' Retirement System and inform MCERA in writing of the name of the County or acceptable contracting agency in which they will be or are employed.

[*Continued on next page.*]

One McInnis Parkway, First Floor, San Rafael, CA 94903 • Phone: (415) 473-6147 • Fax: (415) 473-3612 • www.mcera.org

[*Continued from previous page.]*

The rights that such members will have are:

(a) If the rate of contribution to the new system is based upon age at date of entry, their rate will be based on the age which was used to determine their contribution rate to the Marin County Employees' Retirement System.

(b) In order to determine eligibility for pension benefits, credited service under all systems will be added together.

(c) Upon simultaneous retirement for service, disability, or death, the final compensation used to determine benefits from the various systems will be the highest final compensation based on a review of all systems.

The obligation of such members is that contributions that they have on deposit in the retirement fund may not be withdrawn while they remain employed by the reciprocal retirement system.

Members who wish to apply for reciprocity should check OPTION C on the "Disposition of Retirement Contributions" form and complete the same. Said election must be made in writing within one hundred and eighty (180) days of termination.

***1937 Act county systems to which "reciprocity" provisions apply are:**

Alameda	Los Angeles	San Bernardino	Sonoma
Contra Costa	Mendocino	San Diego	Stanislaus
Fresno	Merced	San Joaquin	Tulare
Imperial	Orange	San Mateo	Ventura
Kern	Sacramento	Santa Barbara	

Member Name: ______________________ ______________________
LAST FIRST

Signature: ______________________ Date: ______________________

DISTRIBUTION ELECTION

(PLEASE PRINT)

SSN: ____________________ EMPLOYEE ID NO.: ____________________

Member Name: ____________________ ____________________
LAST FIRST

Address: ____________________
STREET ADDRESS

____
CITY / STATE / ZIP

____
TELEPHONE

Employer Name: ____________________

NOTE: CHOOSE ONLY ONE OPTION. MULTIPLE CHOICES WILL NULLIFY THIS REOUEST.

☐ Refund my retirement contributions directly to me. I understand that 22% of the taxable amount will be withheld for federal and state income taxes. I further understand that if the entire distribution (including any tax withheld) is not rolled into an IRA or another employer's qualified plan within 60 days after I receive it, I may be liable for federal and state early distribution penalties on the amount of the taxable distribution, in addition to ordinary income taxes.

☐ Rollover my taxable contributions directly to the named institution or plan identified below. Please refund any non-taxable contributions to me as a "tax-free distribution."

☐ Rollover my entire balance (taxable and non-taxable) to the named institution shown below.

____________________ NAME OF INSTITUTION	**OR**	____________________ LEGAL NAME OF NEW EMPLOYER'S QUALIFIED PLAN
____________________ INSTITUTION STREET ADDRESS		____________________ PLAN NUMBER
____________________ INSTITUTION CITY / STATE / ZIP		____________________ EMPLOYER'S FEDERAL TAX ID NUMBER
____________________ IRA ACCOUNT NUMBER		

Confirm the accuracy of the information provided above with the IRA provider or employer receiving your funds. The Marin County Employees' Retirement Association will not verify the information submitted. Incorrect information may delay distribution and could result in a taxable event.

SIGNATURE: ____________________ DATE: ____________________

LETTER FROM THE ADMINISTRATOR REGARDING WITHDRAWAL OF CONTRIBUTIONS

Dear Member:

If you are terminating employment and request a refund of contributions from the Marin County Employees' Retirement Association (MCERA), it is important that you understand the IRS regulations that govern such distributions. MCERA is required to withhold 22% of the taxable portion of your distribution for federal and state income taxes. This 22% withholding applies even if you plan to roll the distribution into an Individual Retirement Account (IRA) or other qualified plan within the required 60-day rollover limit. The ONLY way to avoid this automatic withholding is to request a direct rollover of your taxable distribution to an IRA or another employer's qualified retirement plan.

What You Need To Do

MCERA's "Distribution Election" form allows you to select whether you wish to have your distribution made payable directly to you, or to roll over your distribution to an IRA or another employer's qualified plan. If you request that the distribution be made payable to you, MCERA is obligated to withhold 22% of the taxable portion of that distribution. Additionally, if you are under age 59½, elect to receive a distribution of the taxable portion of your contributions and fail to meet the 60-day rollover requirement, you may be subject to federal and state tax penalties for early withdrawal.

For More Information

MCERA's fact sheets will provide you with more information about this law, including various methods that may be utilized in order to defer taxes.

Please be advised that we are not tax experts, that we are precluded from acting in that capacity, and that we strongly recommend that you discuss the various tax implications of your withdrawal with a financial consultant or tax advisor.

Very truly yours,

Tom Ford
Retirement Administrator

One McInnis Parkway, First Floor, San Rafael, CA 94903 • Phone: (415) 473-6147 • Fax: (415) 473-3612 • www.mcera.org

WITHDRAWAL OF CONTRIBUTIONS – FACT SHEET

How 1993 Law Affects Distributions from Retirement Systems

Before you decide how to receive your distribution, you need to consider how you plan to use it.

RETIREMENT SAVINGS

If you want to use the distribution from the Marin County Employees' Retirement Association (MCERA) for retirement savings, be sure to have your distribution made directly to an Individual Retirement Account (IRA) or another employer's qualified plan.

To avoid paying taxes at the time of the distribution, remember the following:

- Retirement plan distributions that are rolled directly to your IRA or another employer's qualified plan are not subject to the mandatory 22% federal & state withholding tax. The distribution from MCERA will be payable to your IRA or the new qualified plan.

- If you are terminating employment and think you may want to roll over the distribution to your new employer's qualified plan at a later date, you can have the distribution made to your IRA and later, roll over your IRA to the qualified plan. The 22% federal and state withholding tax does not apply to rollover distributions from IRAs.

- If you are a surviving spouse of a deceased member (or an ex-spouse) and receive a distribution from this Plan, you must have the distribution rolled directly to your IRA to avoid the mandatory 22% federal and state withholding tax.

Tax Consequences if You Do Not Request a Direct Rollover
If you elect to receive a distribution and then roll it over to your IRA or another qualified plan within 60 days, MCERA will withhold taxes equal to 22% of that distribution amount and send it to federal and state tax authorities. The remaining amount is not considered a complete rollover of the original distribution.

For example, if you were to receive a taxable distribution of $1,000:

- You must pay into your IRA the additional $220 withheld for taxes to make up the difference, or you will be taxed on $220.

- When you file your federal income tax return for the year in which you received the distribution, the $220 already withheld will be credited against the income tax due and you may be eligible for a refund of a portion of the taxes withheld, depending on the amount of tax you owe on other income. If you are under age 59½, you may also incur a 10% federal penalty tax and applicable state tax penalties on the $220.

[*Continued on next page.]*

[*Continued from previous page.]*

PURPOSES OTHER THAN RETIREMENT

If you are not planning to use the money in this Plan for retirement, you should be aware of the tax consequences of receiving a distribution from the MCERA.

If you are under age 59½ at the time of the distribution, MCERA will automatically withhold 22% of your taxable benefit for federal and state income taxes. When you file your federal and state income tax returns for the year in which you received the distribution, you may owe additional tax, depending on your other income for the year. In addition, you may owe a federal penalty equal to 10% of the amount of the distribution. A state penalty tax may also be imposed.

If you are 59½ or older at the time of the distribution, MCERA will automatically withhold 22% of your taxable benefit for federal and state income taxes. When you file your federal and state income tax returns for the year in which you received the distribution, you may owe additional tax, depending on your other income for the year. No penalty taxes are imposed.

QUESTIONS?

If you still have questions about this law and its effect on your distribution from the MCERA, we suggest that you contact a financial or tax advisor.