

## **REFUND APPLICATION CHECKLIST**

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PLEASE INCLUDE THE FOLLOWING WITH YOUR REFUND APPLICATION. APPLICATIONS RECEIVED WITHOUT THE PROPER PAPERWORK WILL DELAY PROCESSING.

### **Refund Application**

Direct Deposit if receiving a lump sum – Must attach **one** of the following:

- a. Voided Check for an account in your name – Pre-printed only
- b. Bank issued direct deposit form
- c. Voided deposit slip for savings account in your name – Pre-printed only

### **Rollover of Sheltered Contributions**

- a. Financial Institution must complete section 6 on page 4 of this application.

**Copy of Social Security Card**

**Copy of Photo ID**

**Employer Certification Form (to be submitted by your employer)**



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 7937 Office Park Blvd., Baton Rouge, LA 70809  
 225-925-4810 or 800-820-1137 Fax 225-925-4816

## Application for Refund of Member Contributions

Please type or print in ink all entries except signatures

### Section 1 - MEMBER INFORMATION (must be completed by applicant)

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
 (Last 4 digits)

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone No. \_\_\_\_\_ Email Address: \_\_\_\_\_

MERS will only contact you if more information is needed.

### Section 2 – INSTRUCTIONS

Please read the “Special Tax Notice Regarding Plan Payments” which explains important tax information, options and effects of this transaction.

I hereby make application for a refund of my accumulated contributions. I certify that I have left employment and that I am no longer eligible to be a member of MERS. I also certify that I am not transferring from one MERS’ employer to another. I also understand that a refund cannot be issued until the retirement contributions on my behalf have been submitted by my employer, and I have remained out of employment for at least 30 days. Depending upon my retirement plan, I understand if I were to leave my contributions with MERS, I would be eligible to receive a pension benefit with 7 or more years of service credit at age 67, or 10 or more years of service credit at age 60 or 62. I also understand that most refunds are issued **approximately 60 days from the date all necessary documents are received by MERS**. I hereby waive and relinquish for myself, my heirs, and my assigns, all accrued rights to the System. I understand that all rights and creditable service are forfeited by acceptance of said refund, and that I will not be eligible for any benefit. I further understand that in order to reestablish the forfeited creditable service, I must be employed by a MERS’ employer, be a contributing member of the System for at least 6 months, and then repay the refund plus interest as established by law. I understand that if I refund my contributions and return to work in a MERS eligible position, I will be considered a newly hired employee under the provisions in effect at that time. **Failure to complete the proper sections below will stop the refund process.**

### Section 3 – SELECTION OF DISTRIBUTION OPTION

**REFUND:** I elect to receive a refund of my total contributions and understand that 20% federal income taxes will be withheld on the taxable portion of my refund and my 1099R will be mailed to the address listed under Section 1 of this form.

**ROLLOVER:** I elect to make a qualified direct rollover of my total contributions to the financial institution indicated in Section 6. A representative of the financial institution or eligible employer plan must sign and complete Section 6 below. I will be responsible for the taxes when I file my tax return. If rolling over to a Roth IRA, according to IRS Publication 590-A, I understand that I

will be subject to the ordinary tax withholding of 20%. I understand MERS recommends that I consult with my tax advisor if I have any questions.

**REFUND and ROLLOVER:** I elect to receive a refund of my contributions in the amount of \$ \_\_\_\_\_ and understand that 20% federal income taxes will be withheld on the taxable portion of my refund and that tax information will be supplied to the IRS. I also elect to make a qualified direct rollover of my contributions in the amount of \$ \_\_\_\_\_ to the financial institution indicated in Section 6. A representative of the financial institution or eligible employer plan must sign and complete Section 6 below. I will be responsible for the taxes when I file my tax return. If rolling over to a Roth IRA, according to IRS Publication 590-A, I understand that I will be subject to the ordinary tax withholding of 20%. I understand MERS recommends that I consult with my tax advisor if I have any questions.

I want MERS to withhold an additional 10% for federal income tax from all tax-sheltered distributions paid directly to me.

**Section 4 – DIRECT DEPOSIT (ELECTRONIC FUNDS TRANSFER) INFORMATION**

(ACCOUNT MUST BE IN MEMBER’S NAME. REFUNDS CANNOT BE DEPOSITED INTO AN ACCOUNT THAT IS NOT FOR THE MEMBER).

Name of Financial Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_ Routing number: \_\_\_\_\_

Account Type:  Checking  Savings

**Section 5 – MEMBER SIGNATURE**

I have attached a copy of my Social Security card and picture ID. I hereby acknowledge receipt of the attached multi-page document, "Special Tax Notice Regarding Plan Payments," which explains important tax information, options and effects of this transaction. I certify that to the best of my knowledge, all information provided is true and correct. I hereby authorize the Municipal Employees’ Retirement System of Louisiana (MERS) to direct these refunded accumulated contributions to my account at the financial institution designated in Section 4 or Section 6 of this form. This authorization is not an assignment of my right to receive payment and revokes all prior payment direction notifications applicable to these payments. Upon my death, if a payment has been deposited to my account that is not due, or if funds are credited to my account in error for any reason, I authorize: 1) MERS to initiate electronic funds transfer debit transactions to retrieve the payment; and 2) The financial institution (bank or credit union) to release to MERS the status of my account, my current mailing address, the names and mailing addresses of any joint account holder, and the names and mailing addresses of individuals who have power of attorney relevant to the payment to withdraw funds from my account. If my death should occur prior to the due date of any payment which is made by MERS, the named financial institution shall refund such payments to MERS. I certify that I am entitled to the payment identified herein.

**By signing below, I certify that I have read the provisions of this form, and fully understand the obligations contained herein.**

\_\_\_\_\_  
Member’s Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Employer

**Section 6 – FINANCIAL INSTITUTION AGREEMENT (Must be completed by the Financial Institution)**

**Section 6 should only be completed if electing a Rollover of Sheltered Contributions.**

Name of Financial Institution: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Check made payable to: \_\_\_\_\_

Account Number: \_\_\_\_\_

Check mailing address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Yes, the monies will be deposited directly into a traditional IRA or another qualified employer plan.**

**Yes, the monies will be deposited into a Roth IRA.**

**Yes, the monies will be deposited into an inherited IRA. The payment will be made payable to the financial institution, for the benefit (FBO) of the inherited IRA.**

**The receiving financial institution certifies that this account is an “Eligible Retirement Plan” created or organized in the USA, as defined by the Internal Revenue Code (IRC Sections 401(a)(31)(D), 402(c)(8)(A) and (B)). The receiving financial institution further certifies that the named account holder is the primary beneficiary and/or sole owner of this “Eligible Retirement Plan.”**

\_\_\_\_\_  
**Financial Institution Authorized Signature**

\_\_\_\_\_  
**Date**

# SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

## YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Municipal Employees' Retirement System of Louisiana (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to make such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans).

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.

## GENERAL INFORMATION ABOUT ROLLOVERS

### How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not execute a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you roll over, you will not have to pay tax until you receive payments later and the 10% 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 execute a rollover?

There are two ways to execute a rollover: a direct rollover or a 60-day rollover.

If you execute a direct rollover, the Plan will make the payment directly 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 accomplish a direct rollover.

If you do not perform a direct rollover, you may still roll over by making 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 do not make 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 other than employer stock). 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% 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% 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 expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

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

## **If I do not execute a rollover, will I have to pay the 10% additional income tax on early distributions?**

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 do not 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 equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you will be at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

**If I make a rollover to an IRA, will the 10% 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% additional income tax on early distributions on the part of the distribution 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 made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) 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 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).

**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**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution 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 is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly 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.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution 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 is not 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 is not a governmental section 457(b) plan). You can make 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 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. 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, 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)*.

### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution 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 your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457 (b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b), a later distribution that is not a qualified distribution made before age 59½ will be subjected to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do no roll over" and "If you were born on or before January 1, 1936" do not apply.

### **If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, 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 plan payments paid directly as 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, up to a maximum of \$3,000 annually. 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 Roth IRA**

If you roll over a payment from the Plan 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% 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).

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 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 are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% 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-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

## **If you are not a plan participant**

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not 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 make a rollover to an IRA, you may treat the IRA 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 income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

**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 make a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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

## **If you are a nonresident alien**

If you are a nonresident alien and you do not make 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 make a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN 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).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to make a direct rollover and is not required to withhold for federal income taxes. However, you may execute a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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 distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

## FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
7937 Office Park Blvd., Baton Rouge, LA 70809  
225-925-4810 or 800-820-1137 Fax 225-925-4816

## Application for Refund of Member Contributions EMPLOYER CERTIFICATION

Name: \_\_\_\_\_ SSN: \_\_\_\_\_  
(Last 4 digits)

I certify that the above-named member terminated with \_\_\_\_\_  
Employer  
on \_\_\_\_\_ (date of termination).

Date of last paycheck from which MERS contributions were withheld (do not include lump sum accrued  
leave) is \_\_\_\_\_. This payroll date will be on the \_\_\_\_\_ report to MERS.  
Payroll Date Month/Year

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name of authorized representative

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### **FOR MERS OFFICE USE ONLY – DO NOT COMPLETE THIS SECTION**

VESTED: Y or N If Yes, Release Received: Y or N

Eligible for refund: Y N Checked By: \_\_\_\_\_ Date: \_\_\_\_\_

Refund Eligibility Date: \_\_\_\_\_ Approved: \_\_\_\_\_