

---

## Alternate Payee (AP) Account Withdrawal Application Packet

Please read all the enclosed instructions carefully.

### Withdrawal eligibility

Your eligibility to withdraw your AP account balance is determined by the court order language, the date the court order was issued, and the status of the PERS member.

If you are unsure about your eligibility to make a withdrawal, please contact PERS Member Services at 888-320-7377.

This packet contains the:

- AP Account Withdrawal Application,
- Instructions for the AP Account Withdrawal Application,
- W-4R Withdrawal Lump Sum Withholding form and instructions,
- Withdrawal Direct Transfer Rollover Acceptance form,
- Instructions for the Withdrawal Direct Transfer Rollover Acceptance form,
- Verification of Age or Identity Fact Sheet, and
- Federal Tax Information Disclosure.

If you want to withdraw your AP account, you must submit the:

- AP Account Withdrawal Application.
- Unless you are rolling over 100% of your withdrawal, you **must also** submit the W-4R Withdrawal Lump Sum Withholding form.
- If you are rolling over any portion of your withdrawal, you **must also** submit the Withdrawal Direct Transfer Rollover Acceptance form.
- Verification of Age or Identity document(s).

### Submit forms and documents to:

PERS headquarters address	Mailing address	Fax number
11410 SW 68th Parkway	PO Box 23700	503-598-0561
Tigard, OR 97223	Tigard, OR 97281-3700	

### How to avoid common errors

1. Do not sign or date the application until you are with the notary.
2. If your name has changed and could differ from the name PERS has on record, you must submit an Information Change Request form with a copy of the legal document authorizing the change (e.g., divorce decree, marriage license, etc.).

The [Information Change Request](#) form is available on the PERS website. Write “AP withdrawal pending” on the form, and submit it with your AP Account Withdrawal Application.

**Complete the application and all other forms using the name shown on your Verification of Age or Identity document(s).**

3. Keep a copy of all submitted forms for your records.

## Verification of Age or Identity

Photocopies of birth-date documents and, if applicable, beneficiary birth-date documents are required before benefits are paid. We will not accept documents that are incomplete, appear to be altered, or **are difficult to read**. If your documents are not accepted, you will need to submit new photocopies. Please include your PERS ID or Social Security number on all documents submitted, including beneficiary documents.

<p><b>Group 1</b>          If one item in this group is furnished showing birth dates, no further evidence of age is needed.  <b>Any ONE of these:</b></p> <ul style="list-style-type: none"> <li>• Copy of Oregon driver’s license or ID card <b>if issued on or after February 4, 2008</b> (current or expired)</li> <li>• Copy of REAL ID driver’s license, driver’s permit, or ID card issued by any state** (current or expired)</li> <li>• Birth verification issued by state, county, or country (documents issued by foreign governments in a language other than English need to include a translation into English certified by a notary public, public agency, or other public official)</li> <li>• American Indian Reservation Age Verification</li> <li>• Infant baptism certificate</li> <li>• Hospital birth certificate (if signed by attending physician or issued by state)</li> <li>• Passport (current or expired)</li> <li>• School-age record</li> <li>• Naturalization or citizenship papers</li> <li>• Family Bible record (if this record is furnished, include the following information certified by a notary public or other public official: copy of all family record entries in the Bible referring to applicant and parents, brothers, and sisters; Bible publication date or apparent age of Bible; when birth date was entered and by whom)</li> </ul>	<p><b>Group 2</b>          Two items in this group from different sources are sufficient if age or birth date is shown.  <b>Any TWO of these:</b>  <b>Example:</b> One child’s birth certificate and one driver’s license</p> <ul style="list-style-type: none"> <li>• A notarized affidavit by an older, immediate family member in a position to know the birth date (e.g., father, mother, etc.)</li> <li>• Certificate of military record</li> <li>• Marriage record (record must show your age or date of birth at time of marriage)</li> <li>• Any other state’s driver’s license or ID card. (must be current)</li> <li>• County voter registration (must show your age or date of birth; do not send in your precinct card)</li> <li>• Copy of child’s birth certificate if it shows age of parents</li> <li>• Social Security record (record must be displayed on an estimate of benefits or screen print from the Social Security office; document must be dated within last 12 months)</li> <li>• Military ID (military record DD214)</li> <li>• Concealed weapons permit</li> </ul>
--	---

- If it is impossible for you to furnish the proof required in Group 1 or 2, write to PERS with a full explanation.
- Since the documents submitted cannot be returned, we suggest using photocopies. If it is illegal to copy a document, bring it in, and PERS will verify the birth information.
- Be sure to put the PERS member’s Social Security number on all documents so they are properly recorded.

\*\*A compliant REAL ID will have a picture of a star, or a star cutout in the upper right-hand corner of the card. In lieu of REAL IDs, some states also have issued “enhanced” driver’s licenses, driver’s permits, or ID cards. Enhanced cards are REAL ID compliant and will bear an American flag emblem and the word “enhanced” on the front of the card.

---

## Alternate Payee (AP) Account Withdrawal Application Packet

**Important: Read instructions before you complete and submit forms.**

### Things to consider

AP accounts cannot be paid until the Qualified Domestic Relations Order has been approved as administrable by PERS and your account has been established.

Your Tier One, Tier Two, and/or IAP disbursement is based on the account balance at the time PERS processes the payment, not the date you select to withdraw. Tier Two and IAP accounts are credited with investment earnings and losses annually and are subject to loss exposure until your account is distributed.

### Information for Tier One/Tier Two accounts

By withdrawing your Tier One/Tier Two AP account, you forfeit all AP rights in the Tier One/Tier Two program. You cannot restore these rights. **As of your benefit date, your former spouse will be irrevocably released from any Tier One/Tier Two beneficiary or retirement option restrictions provided in your court order.**

### Information for OPSRP Pension Program alternate payees

You cannot withdraw from the OPSRP Pension Program. AP awards from the OPSRP Pension Program can only be paid from retirement or death benefits, they cannot be withdrawn. If your former spouse is allowed to withdraw and does, it will negate any OPSRP award you received.

### Information for Individual Account Program (IAP) alternate payees

By withdrawing from the IAP you forfeit all rights in the IAP. You cannot restore these rights.

### Which forms do I need?

Complete and submit the AP Account Withdrawal Application.

Unless you are rolling over 100% of your withdrawal, you **must also** submit the W-4R Withdrawal Lump Sum Withholding form.

If you are rolling over any portion of your withdrawal, you **must also** submit the Withdrawal Direct Transfer Rollover Acceptance form.

You must submit Verification of Age or Identity document(s).

### General instructions

- Make sure all sections of the form are completed.
- Type or print clearly in dark ink. Illegible forms could be returned, which could delay your request.
- Do not cross out, modify, or alter the application in any way—this could void your application.
- PERS cannot process the Withdrawal Direct Transfer Rollover Acceptance form until we receive the AP Account Withdrawal Application. We recommend submitting both documents together.

**Note:** Please notify PERS if your address changes after receiving your distribution. We will mail your IRS form 1099-R (tax form) by January 31 to the address you provide in Section A on the application unless you change your address with the [Information Change Request](#) form.

## Instructions for Alternate Payee (AP) Account Withdrawal Application

### Section A: Alternate payee (AP) information

Fill in the AP information section completely.

- Enter your name.
- Enter your mailing address.
- You must enter your SSN or Individual Tax Payer Identification Number (ITIN) even if you are a nonresident noncitizen. (See tax and residency explanation in Section D).
- Providing your Social Security number (SSN) is mandatory, and PERS is authorized to request it under provisions of the Internal Revenue Code. It will be used primarily to comply with mandatory IRS reporting. It might also be used for confirmation purposes or recovery of overpaid funds.
- If you do not know your PERS ID, leave the space provided blank.
- Enter your date of birth in the area provided.
- We advise you to provide your phone number so we can reach you with information or questions about your form. If you prefer not to be contacted by phone, leave this field blank.
- Provide your personal email address. Confirmation and follow up letters are sent via email whenever possible.
- Provide the name of the PERS member for whom you are the AP.

### Section B: AP account withdrawal selection

Check the box in front of **All of my AP accounts** to apply for a withdrawal of all of your AP accounts. If this box is checked, you will receive a withdrawal of all applicable accounts (this includes Tier One, Tier Two and IAP).

### Section C: Withdrawal payment options

The withdrawal payment option you choose will apply to all accounts you withdraw.

Check **Cash Option** if you want PERS to pay you directly.

- There is a mandatory 20% federal withholding on all rollover eligible direct distributions. PERS will also withhold 8% for Oregon state taxes.
- If you want to add additional amounts to the federal withholding and/or to the Oregon withholding, or if you want to be exempt from Oregon state taxes, complete the [W-4R Withdrawal Lump Sum Withholding](#) form.
- Note: If you are not an Oregon resident, you must complete the [W-4R Withdrawal Lump Sum Withholding](#) form if you do not want Oregon taxes withheld.

Check **Direct Transfer Rollover** if you want PERS to roll over all or any portion of your withdrawal amount.

- The rollover amount from all accounts must total at least \$200.
- If you checked this box, you **must** fill out the Withdrawal Direct Transfer Rollover Acceptance form.

If you are splitting the withdrawal amount between the cash option and the direct transfer rollover:

- Clearly indicate the percentage or dollar amount you want to roll over. We will mail the remaining balance to you after withholding 20% federal tax and, if appropriate, Oregon state tax from the taxable portion of your withdrawal.
- If you do not specify a percentage or dollar amount to be rolled over, PERS will roll over 100% of your withdrawal.

## Section D: Tax and citizenship

**(PERS must withhold 20% federal income tax from any taxable amount paid directly to you)**

Please read the Federal Tax Information Disclosure included in this package.

Check the box indicating you have completed and are submitting the [W-4R Withdrawal Lump Sum Withholding](#) form with your Alternate Payee (AP) Account Withdrawal Application.

PERS must know your citizenship for tax purposes. **Check the appropriate citizenship box.**

Check **I am a U.S. citizen or resident noncitizen** if you are a U.S. citizen or a resident noncitizen.

- If you are a United States citizen living outside of the United States, you will be required to complete form [W-9](#) and are not allowed to claim exempt from United States federal income tax withholding. The [W-9](#) is available in the Forms section of the PERS website.

Check **I am a nonresident noncitizen** if you are a nonresident noncitizen and complete [IRS Form W-8BEN](#): Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. This form is available in the Forms section of the PERS website.

## Section E: Residency certification (required)

If you are an alternate payee of a **Tier One member** (hired into a PERS-covered position before January 1, 1996), by law you must declare if your benefit payment(s) will be subject to Oregon state income tax based on your residency.

You must check one of the statements in Section E.

You must sign the form to declare your residency. If you fail to provide a signature in this section, this form will be returned for signature, which may cause a delay processing your benefits.

## Section F: Acknowledgment of Receipt of Federal Tax Information Disclosure

The IRS requires PERS to notify you of the tax consequences of taking a withdrawal by providing the [Federal Tax Information Disclosure](#).

Sign in Section G to acknowledge that you have received and read the [Federal Tax Information Disclosure](#).

You have 30 days to review your withdrawal options and the associated tax consequences. PERS will not process your withdrawal payment until the 30-day period has passed unless you check the box to waive your right to this 30-day period. If you check the waiver box, PERS will process your withdrawal as soon as possible.

If we are unable to process your withdrawal within 180 days from the signature date of your application, the IRS requires us to provide the [Federal Tax Information Disclosure](#) again, and you will need to complete a new [Acknowledgement of Receipt of Federal Tax Information Disclosure](#) form. We will contact you if this happens.

## Section G: Alternate payee notarized signature

Do not complete any part of this section until you are with the notary. Any corrections, alterations, or omissions in this section may require a new application be submitted which could cause a delay processing your benefits.

Your signature and date must be notarized.

Your signature date and the notary's signature date must be the same date.

The notary stamp must be legible.

**If your withdrawal includes a Tier One/Tier Two account, as of your effective benefit date, your former spouse will be irrevocably released from any Tier One/Tier Two beneficiary or retirement option restrictions provided in your court order.**



11410 SW 68th Parkway, Tigard OR 97223  
 Mailing Address – PO Box 23700, Tigard OR 97281-3700  
 Toll free – 888-320-7377 Fax – 503-598-0561  
 Website – <https://oregon.gov/pers>



2103B

## Alternate Payee (AP) Account Withdrawal Application

### Section A: Alternate payee (AP) information (Type or print clearly in dark ink. Illegible forms could be returned to you, which could delay your request.)

First name		MI	Last name		PERS ID (optional)
Mailing address (street or PO box)					Social Security number* <b>(Required)</b>
City		State	ZIP code	Country	Date of birth (mm/dd/yyyy)
Home phone number	Work phone number		Cell phone number	Personal email	

Name of **PERS member** on whose account you are the **alternate payee**: \_\_\_\_\_

### Section B: AP account withdrawal selection (select which account(s) you want to withdraw)

- All of my AP accounts
- Only my Tier One/Two AP account
- Only my Individual Account Program (IAP) AP account

### Section C: Withdrawal payment options (the option you choose will apply to all accounts you withdraw)

- Cash Option** Please issue my withdrawal payment(s) directly to me.
  - Direct Transfer Rollover\*\*** Rollover 100% or \_\_\_\_\_ % or \$ \_\_\_\_\_ of my rollover-eligible withdrawal amount to my IRA or eligible employer plan.
- \*\*If you select this option, you must also fill out and submit the Withdrawal Direct Transfer Rollover Acceptance form.**

### Section D: Tax and citizenship (Required)

**PERS must withhold 20% federal income tax from any taxable amount paid directly to you.**

- I have completed and included my W-4R Withdrawal Lump sum Withholding form.

Select one citizenship option below:

- I am a U.S. citizen or resident noncitizen.
- I am a nonresident noncitizen, and I have completed and included my IRS Form W-8BEN.

### Section E: Residency certification (Required)

If you are an alternate payee of a **Tier One member** (hired into a PERS-covered position before January 1, 1996), you must check one of the boxes below.

- I **am a resident** of the state of Oregon; therefore, payments made to me as a result of this application **will not be exempt** from Oregon personal income tax by reason of non-residency.
- I **am not a resident** of the state of Oregon; therefore, payments made to me as a result of this application **will not be subject** to Oregon personal income tax.

I hereby declare that the above statement is true to the best of my knowledge and belief, and I understand it is subject to penalty for perjury.

\_\_\_\_\_  
 Alternate payee signature (do not print)

\_\_\_\_\_  
 Date

\*Providing your Social Security number (SSN) is mandatory, and PERS is authorized to request it under provisions of the Internal Revenue Code. It will primarily be used to comply with mandatory IRS reporting. It may also be used for confirmation purposes or recovery of overpaid funds.

In compliance with the Americans with Disabilities Act, PERS will provide help filling out this form upon request. You may request help by calling toll free 888-320-7377 or TTY 503-603-7766.

First name (required)	MI	Last name (required)	Social Security number (required)
-----------------------	----	----------------------	-----------------------------------

**Section F: Acknowledgement of Receipt of Federal Tax Information Disclosure**

By signing in Section G, I acknowledge I have received and read the Federal Tax Information Disclosure.

I waive my right to the 30-day period for reviewing the Federal Tax Information Disclosure. (optional)

**Section G: Alternate payee notarized signature (Required)**

Alterations or corrections are not allowed in this section and may delay your benefits.

**Do not complete any portion of this section until you are with the notary.**

- By my notarized signature below, I acknowledge that the information I have provided is correct.
- I understand that any benefit I receive will be based on the eligibility of my former spouse.
- I understand, if my withdrawal includes Tier One/Tier Two funds, as of my effective benefit date, my former spouse will be irrevocably released from any Tier One/Tier Two beneficiary or retirement option restrictions provided in my court order.

Applicant's signature		Date
Notary Public		
State of	County of	
Applicant's name		
Signed before me on this date		
By (notary's signature)		



11410 SW 68th Parkway, Tigard OR 97223  
Mailing Address – PO Box 23700, Tigard OR 97281-3700  
Toll free – 888-320-7377 Fax – 503-598-0561  
Website – <https://oregon.gov/pers>

## Instructions for Withdrawal Direct Transfer Rollover Acceptance form

**Use this form only if you select the direct transfer rollover option in Section C on the AP Account Withdrawal Application.**

PERS cannot process the Withdrawal Direct Transfer Rollover Acceptance form until we receive your AP Account Withdrawal Application.

### Section A: AP information

Fill in the AP information section completely.

- Enter your name.
- Enter your mailing address.
- You must enter your SSN or Individual Tax Payer Identification Number (ITIN) even if you are a nonresident noncitizen.
- Providing your Social Security number (SSN) is mandatory, and PERS is authorized to request it under provisions of the Internal Revenue Code. It will be used primarily to comply with mandatory IRS reporting. It might also be used for confirmation purposes or recovery of overpaid funds.
- If you do not know your PERS ID, leave the space provided blank.
- Enter your date of birth in the area provided.
- We advise you to provide your phone numbers so we can reach you with information or questions about your form. If you prefer not to be contacted by phone, leave these fields blank.
- Provide your personal email address. Confirmation and follow up letters are sent via email whenever possible.

## WARNING: COMPLETE SECTION B OR C, BUT NOT BOTH

### Section B: IRA information

- Consult your financial institution if you need help completing this section.
- Specify whether the IRA is a traditional IRA or a Roth IRA by checking the appropriate box.
- Provide the IRA account number if available. This is not your Social Security number. Your financial institution can provide this information.
- Enter the name of the financial institution that will receive the rollover on the line provided.  
Note: The name you enter will be the payee on the rollover check.
- Provide the financial institution's complete mailing address.
- Provide the financial institution's phone number.

Tier One/Tier Two rollover checks will be sent directly to your financial institution.

IAP account rollover checks will be sent directly to you for you to forward to your financial institution.

### Section C: Eligible employer plan information (includes 457 deferred compensation plans)

**Make sure your plan administrator or financial institution completes and signs this section.**

**The plan administrator will need to:**

- Check the box acknowledging whether the plan will or will not accept and separately account for after-tax contributions.
- Sign and date as the authorized plan representative on the line provided for a signature. We cannot process the rollover without a signature.
- Print their name and title.
- On the lines provided, tell us to whom the check should be made payable, the account number, the mailing address, and the phone number of the financial institution where the check should be mailed.

### Section D: Authorization and signature

If you want PERS to release information to your authorized representative, check the box, and write in the authorized representative's name.

Sign and date the form.

Instruction page for form #459-588w SL3 (11/1/2022)







## General Instructions

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to [www.irs.gov/FormW4R](http://www.irs.gov/FormW4R).

**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular intervals over a period of more than 1 year)

from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

### 2024 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

\* If married filing separately, use \$380,200 instead for this 37% rate.

**Nonperiodic payments—10% withholding.** Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

**Note:** If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower

(or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

**Eligible rollover distributions—20% withholding.** Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

### Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

### Line 2

**More withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

**Less withholding (nonperiodic payments only).** If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

**Suggestion for determining withholding.** Consider using the Marginal Rate Tables on page 2 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for

your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See Example 1 below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See Example 2 below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

**Examples.** Assume the following facts for Examples 1 and 2. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

**Example 1.** You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

**Example 2.** You expect your total income to be \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter “13” on line 2.

**Privacy Act and Paperwork Reduction Act Notice.**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering

their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.



11410 SW 68th Parkway, Tigard OR 97223  
Mailing Address – PO Box 23700, Tigard OR 97281-3700  
Toll free – 888-320-7377 Fax – 503-598-0561  
Website – <https://oregon.gov/pers>

---

## Federal Tax Information Disclosure

You are receiving this notice because all or a portion of a distribution you are receiving from your PERS Chapter 238 Program (Tier One/Tier Two) or Oregon Public Service Retirement Plan (OPSRP) Pension Program or Individual Account Program benefit is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most distributions from PERS 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 your distribution from PERS 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 distributions later and the 10 percent additional income tax will not apply if those distributions are made after you are age 59½ (or if an exception applies).

#### Where may I roll over the distribution?

You may roll over the distribution 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 distribution 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*, PERS will make the distribution 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 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 distribution to make the deposit. If you do not do a direct rollover, PERS is required to withhold 20 percent of the distribution for federal income taxes. This means that, in order to roll over the entire distribution 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 distribution, 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).

# Federal Tax Information Disclosure

## 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 distribution from PERS is eligible for rollover, except:

- Certain distributions 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 70 ½ (if born before July 1, 1949), age 72 (if born after June 30, 1949, and before January 1, 1951), age 73 (if born after December 31, 1950), or after death.
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by PERS
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

The PERS administrator or the payer can tell you what portion of a distribution 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 any distribution from PERS (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 distribution not rolled over.

The 10 percent additional income tax does not apply to the following distributions from PERS:

- Distributions made after you separate from service if you will be at least age 55 in the year of the separation
- Distributions 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)
- Distributions from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Distributions made due to disability
- Distributions after your death
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by PERS
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Distributions made directly to the government to satisfy a federal tax levy
- Distributions made under a qualified domestic relations order (QDRO)
- Distributions up to the amount of your deductible medical expenses
- Certain distributions 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
- Distributions of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

# Federal Tax Information Disclosure

## **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 distribution 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 distributions from an IRA, including:

- There is no exception for distributions after separation from service that are made after age 55.
- 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 distributions 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) distributions for qualified higher education expenses, (2) distributions up to \$10,000 used in a qualified first-time home purchase, and (3) distributions after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

## **Special rules and options**

### **Will I owe state income taxes?**

This notice does not describe any state or local income tax rules (including withholding rules).

### **If your distribution includes after-tax contributions**

After-tax contributions included in a distribution are not taxed. If a distribution is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the distribution. 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 distribution.

You may roll over to an IRA a distribution 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 distributions from the IRAs). If you do a direct rollover of only a portion of the amount paid from PERS and a portion is paid to you, each of the distributions 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 the distribution made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which 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.

You may roll over to an employer plan all of a distribution 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 do a 60-day rollover to an employer plan of part of a distribution that includes after-tax contributions, but only up to the amount of the distribution that would be taxable if not rolled over.



# Federal Tax Information Disclosure

## **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 distribution 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 lump-sum distribution that you do not roll over, special rules for calculating the amount of the tax on the distribution might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

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

If you retired as a public safety officer and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income distribution 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 distribution to a Roth IRA**

You can roll over a distribution 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 distribution is made to you and, if married, you file a joint return. These limitations do not apply to distributions made to you from PERS after 2009. If you wish to roll over the distribution 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 distribution to a Roth IRA, a special rule applies under which the amount of the distribution 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 five years, counting from January 1 of the year of the rollover). For PERS distributions during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a two-year period starting in 2011.

If you roll over the distribution to a Roth IRA, later distributions 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 distribution 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 five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Distributions 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 distribution from PERS to a designated Roth account in an employer plan.

# Federal Tax Information Disclosure

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

*Distributions 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 percent 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 distribution from PERS as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA 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 distributions made to you before you are age 59½ will be subject to the 10 percent additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after age 70 ½ (if born before July 1, 1949), age 72 (if born after June 30, 1949, and before January 1, 1951), age 73 (if born after December 31, 1950), or after death. If you treat the IRA as an inherited IRA, distributions from the IRA will not be subject to the 10 percent 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 PERS, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½ (if born before July 1, 1949) or age 72 (if born after June 30, 1949).

## **If you are a surviving beneficiary other than a spouse**

If you receive a distribution from PERS because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Distributions from the inherited IRA will not be subject to the 10 percent additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

*Distributions under a qualified domestic relations order.* If you are the spouse or former spouse of the participant who receives a distribution from PERS under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the distribution to your own IRA or an eligible employer plan that will accept it). Distributions under the QDRO will not be subject to the 10 percent additional income tax on early distributions.

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

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20 percent, PERS is generally required to withhold 30 percent of the distribution for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing 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*.

# Federal Tax Information Disclosure

## Other special rules

If a distribution is one in a series of distributions for less than 10 years, your choice whether to make a direct rollover will apply to all later distributions in the series (unless you make a different choice for later distributions).

If your distributions for the year are less than \$200, PERS is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 will be directly rolled over to an IRA chosen by PERS or the payer. A mandatory cashout is a distribution from PERS 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, see IRS Publication 3, *Armed Forces' Tax Guide*.

## For more information

You may wish to consult with a professional tax advisor before taking a distribution from PERS. Also, you can find more detailed information on the federal tax treatment of distributions from employer plans in

- IRS Publication 575, *Pension and Annuity Income*
- IRS Publication 590, *Individual Retirement Arrangements (IRAs)*
- 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 800-TAX-FORM.