

El Paso County Retirement Plan

Lump Sum Distribution Form

Participant Information

Name: _____

Social Security Number: _____ (Required)

Address: _____

Phone Number: _____

Date of Birth: _____ Date of Hire: _____ Date of Termination: _____

Tax Regulations

- You are liable for payment of taxes on cash payments that are not rolled over.
- If you are rolling over your payment in a direct rollover, your check must be made payable to a Plan or financial institution

Payment Election

- I am not transferring my lump sum payment to another plan or an IRA in a direct rollover. I understand that Federal Regulations require you to withhold 20% of the payment amount for federal tax purposes (in addition to any applicable mandatory state withholding) and that unless I roll over this payment to another plan or IRA within 60 days after I receive the payment, this amount is taxable in the year it is distributed. I further understand that if I have not attained age 59-1/2, an additional 10% early payment tax may apply. However, if I terminate employment during or after the year I reach age 55 and take my distribution thereafter, there is no 10% penalty tax.

_____ Mail a check to the above mailing address.

_____ Deposit the payment directly into my bank account. (Please provide a voided check or deposit slip).

Bank Name _____

Routing Number (9 digit number bottom left check/deposit slip) _____

Account Number _____ Checking _____ Savings _____

- I am requesting a direct rollover of the entire amount of my lump sum payment to the plan or IRA described below.
- I am requesting a direct rollover of \$_____ (minimum \$500) to the account described below. The balance of the lump sum payment is to be paid to me in cash. I understand that 20% of the cash payment will be withheld for Federal taxes (if applicable, mandatory state withholding will also be withheld). I further understand that if I have not attained age 59-1/2, an additional 10% early payment tax may apply. However, if I terminate employment during or after the year I reach age 55 and take my distribution thereafter, there is no 10% penalty tax.

Rollover Account Information

The account listed below has agreed to accept this rollover (check one).

- | | | |
|--|---|------------------------------------|
| <input type="checkbox"/> Traditional IRA | <input type="checkbox"/> Qualified Plan | <input type="checkbox"/> Roth IRA* |
| <input type="checkbox"/> Section 403(b) Plan | <input type="checkbox"/> Section 457 Plan | |

El Paso County Retirement Plan 2880 International Cir., Suite N030 Colorado Springs, CO 80910-3127

***Note: Since a rollover to a Roth IRA is taxable but is not subject to withholding, you may be subject to tax penalties under the estimated tax payment rules if the total of your payments of estimated tax and your withholding from other sources are inadequate. (Please contact your tax advisor or see IRS Publication 919, "How Do I Adjust My Tax Withholding?" to determine whether you need to adjust your withholding or file estimated tax payments).**

The following section must be fully completed.

Name of Financial Institution or Plan: _____

Account Number (if IRA): _____

Mailing Address: _____

Cash Distribution – State Income Tax

I understand that any portion of the amount distributed to me directly (not rolled over) may be subject to state taxes.

STATE TAX (Check one box).

No, do not withhold State Income Tax from the benefit paid directly to me, where State Income Tax withholding is not required.

Yes, withhold State Income Tax from the benefit paid directly to me. If State Income Tax withholding is required or voluntary, please base the amount withheld on my State Income Tax filing status and number of exemptions as follows:

State Income Tax filing status: (check one: single married)

My number of State Income Tax exemptions is: _____

Yes, withhold a specific amount of State Income Tax from the portion of the benefit distribution paid directly to me in the amount of \$_____, where State Income Tax withholding is required or voluntary.

I understand that...

- If no boxes are checked under State Income Tax, State Income Tax will automatically be withheld on the amount paid directly to me if required under the State Income Tax withholding rules that apply in my state of residence.
- If I reside in a state that does not have a State Income Tax, or does not permit State Income Tax withholding to be based on my election, my voluntary State Income Tax withholding election above will have no effect.
- No State Income Tax will be withheld on a distribution to a Roth IRA. I may need to pay estimated income tax or arrange for additional withholding on my other income to ensure that my withholding amount is adequate.
- Even if I elect not to have any State Income Tax withheld, I remain liable for any required payment of tax.
- I may incur penalties under the estimated tax rules if my withholding and estimated tax payments are not sufficient.

Re-Employment Notice

We are required to administer the Plan in accordance with the terms of the Plan Document, which does not permit the refund or rollover of accumulated contributions under the Plan unless you completely sever your employment with the County. This means at the time of our termination of employment, you must NOT have a formal OR informal agreement that you will be re-employed by a participating El Paso County employer. This type of arrangement is not considered a bona fide termination of employment and you are not eligible to receive a refund of contributions if such an arrangement exists. If the Plan Sponsor determines in the future that such an understanding or agreement did exist at the time of this application, the refund of contributions will be required to be repaid to EPCRP.

If at a later date, there is a change in circumstance and you apply for rehire, there is no guarantee that you will be rehired or that you will receive the same salary you had prior to your termination of employment. No former employee will be rehired within 90 days of retirement. If a terminated employee applies for re-employment, normal hiring and pay policies will apply. If you are re-employed by a participating El Paso County employer, you must IMMEDIATELY notify EPCRP of your re-employment.

Participant Certification

I hereby certify that my elections above represent my wishes regarding my retirement benefit under the El Paso County Pension Plan. I have received an explanation of my payment options under the El Paso County Retirement Plan. I understand that if I elect a lump sum payment, no additional benefits will be due to me or any survivor under the Plan. I acknowledge that I have read the Special Tax Notice Regarding Plan Payments. I understand that I have a period of at least 30 days following my receipt of this form and the Special Tax Notice Regarding Plan Payments to make my election as to whether or not I want to roll over any portion of my lump sum distribution from the Plan.

I also acknowledge that if I return this form before the end of the 30-day period, this will be considered a waiver of my rights to additional time during the 30-day period to consider my options, and I authorize payment of my benefits in accordance with the distribution election I have made on this form. I further affirm that I do not have a formal or informal understanding or agreement to be re-employed by El Paso County after terminating employment and that I have read and understood the Re-Employment Notice and its consequences above. Should I be rehired with El Paso County, I understand I must contact the Retirement Office immediately upon my rehire.

Signature _____ Date _____