

Important Individual Account Program (IAP) Retirement Information

Sections discussed in this document correspond to sections in the IAP Retirement Application

There are several important factors to consider when deciding whether to apply for distribution of your IAP account or to defer distribution beyond your Tier One, Tier Two, or OPSRP retirement:

- Your IAP disbursement is based on the account balance at the time PERS processes the payment, not the date you select to retire or withdraw from the IAP.
- IAP accounts are credited with investment earnings and losses annually and are subject to loss exposure until you remove the funds.
- IAP accounts have no guaranteed rate of return.

Also, if you retire from or withdraw your IAP account before age 59½, the distribution may be subject to a 10 percent IRS penalty. Contact a qualified tax professional regarding your individual situation. When you retire as a PERS Tier One, Tier Two, or OPSRP member, you can either withdraw your IAP account or apply for IAP retirement depending on your age. However, you are not required to take any action on your IAP when you retire until you reach age 70½.

We encourage you to attend a [Retirement Application Assistance \(RAA\) session](#) and to meet with a counselor before turning in your application(s). You can sign up for these sessions at the PERS website: <http://oregon.gov.pers>. These sessions are valuable information sources, and members who attend are confident they understand their retirement options and have filled out their applications correctly.

Please read the How to Fill out the [Individual Account Program Retirement Application](#) document in this package. We will return an incomplete retirement application to you, which could delay your payment. Additionally, once you make your IAP retirement choices, you cannot change them. Contact PERS if you have any questions.

Section A: Applicant information

All distributions, except those automatically deposited to your bank account and those rolled over to the Oregon Savings Growth Plan (OSGP)¹ will be mailed directly to the address listed in Section A of the IAP Retirement Application. If you elect a rollover, your retirement distribution check will be made out to your financial institution and mailed directly to the address you provide in Section A of the IAP Retirement Application.

If you request distribution of your alternate payee (AP) account, please include the member's name and Social Security number in the space provided on the IAP Retirement Application. If you are a member and also an AP of another member, a separate application must be used to request distribution from each account. Check the box under "Is this an alternate payee (AP) account?" accordingly.

Section B: Retirement eligibility (required)

To qualify for IAP retirement, you must meet the following requirements:

- You have separated or are planning to separate from PERS-qualifying service and have reached the minimum IAP retirement age of 55 for all PERS members and 50 for Police and Fire (P&F) (if you meet the requirements listed below),

or

- You are receiving retirement benefits as a Tier One/Tier Two member.

As a P&F member you must meet the following conditions to retire at age 50:

- You have separated from service
- You have been in a P&F position for the last five consecutive years and
- You have not returned to an active non-P&F position since the end of your P&F position.

¹Oregon Savings Growth Plan (OSGP) funds are automatically transferred from your IAP account into your OSGP account.

Section C: Distribution election

You can receive your distribution as a one-time lump-sum payment or installment payments over 5-, 10-, 15-, 20-years or as an Anticipated Life Span Option distribution.

5-, 10-, 15-, 20-years: All installment distributions require you to select a distribution frequency. You may select monthly, quarterly, or annual distributions provided your account balance at the time of your IAP retirement supports the payment minimums. Each distribution must be at least \$200. The minimum is based on the number of payments you will receive, determined by your option and frequency. The chart below shows the minimum account balances required at the time of your IAP retirement for each payment option and frequency.

Installment Minimum Account Balances*			
Your account balance at the time you retire from the IAP retirement must be the minimums shown below so each distribution is at least \$200.			
Installment Option	Monthly Distribution	Quarterly Distribution	Annual Distribution
5-year installments	\$12,000 (60 payments)	\$4,000 (20 payments)	\$1,000 (5 payments)
10-year installments	\$24,000 (120 payments)	\$8,000 (40 payments)	\$2,000 (10 payments)
15-year installments	\$36,000 (180 payments)	\$12,000 (60 payments)	\$3,000 (15 payments)
20-year installments	\$48,000 (240 payments)	\$16,000 (80 payments)	\$4,000 (20 payments)

* The number of payments are not guaranteed. Your account could reach a zero balance before you receive the number of payments specified.

If your account balance at the time you retire from the IAP does not meet the minimum required for the option and frequency you select, your frequency and option will be reduced until your account balance meets the minimum, up to and including a one-time payment. You will be notified by letter of the change and given an opportunity to change your distribution option. If you do not respond within 15 calendar days of the date of the notification letter, your distribution will proceed with the option and frequency as outlined in the letter.

Anticipated Life Span Option: Payment of the Anticipated Life Span Option is based on the current market value of your account and an estimate of your life expectancy based on Internal Revenue Service (IRS) life expectancy tables. This distribution must also meet the \$200 per payment minimum standard to qualify, and the payment will vary each year based on the current market value of your account. (See page 6 for a table with minimum account balance needed so each installment is at least \$200 based on anticipated life expectancy.)

If your account balance at the time of IAP retirement does not meet the minimum required for the Anticipated Life Span Option frequency you select, your frequency will be reduced until your account balance meets the minimum. You will be notified by letter of the frequency change and given an opportunity to change your distribution option. If you do not respond within 15 calendar days of the date of the notification letter, your distribution will proceed with the frequency as outlined in the letter. If your account balance does not meet the minimum required for any Anticipated Life Span Option frequency, your application will be returned, and you will be required to choose a different option.

Rollover Elections: Only one-time lump-sum or 5-year distributions are rollover eligible. The other options, the 10-, 15-, 20-year installments and the Anticipated Life Span Option, are not eligible for rollover and must be taken as a check sent directly to you or as a direct deposit.

If you are rolling to a qualified plan rather than an IRA or Oregon Savings Growth Plan (OSGP)¹, a representative of the plan must complete the enclosed [Direct Transfer Rollover Acceptance form \(#459-388\)](#). Please review the [Federal Tax Information Disclosure fact sheet \(FS-459-042\)](#) for information on which plans are eligible to receive your funds.

¹Oregon Savings Growth Plan (OSGP) funds are automatically transferred from your IAP account into your OSGP account.

Contributions on which you have already paid taxes (after-tax contributions) may not be eligible to be rolled over. If not eligible to be rolled over these funds will be mailed directly to you.

A W-4P is not necessary for the portion of your distribution that you elect to rollover because rollover distributions are tax-exempt.

If you select a one-time lump-sum or 5-year distribution, you may elect to receive your distribution as a combination payment, which would split your payment in an amount specified by you. In this split/roll situation, two checks would be sent directly to you, one made out to you and the second check (the rollover portion) made out to the financial institution you specify. Your account balance must meet minimum requirements to qualify for combination split/roll payments. That minimum is \$200 for the portion directly to you and \$500 for the rollover portion. The chart below shows what your account balance must be, at the time of distribution, to qualify for combination split/roll payments.

Combination Split/Roll Minimum Account Balances			
Your account balance at the time you retire from the IAP must be the minimums shown below so each distribution is at least \$200 for the portion sent directly to you and \$500 for the rollover portion (\$700 total). Your election to rollover will remain in effect until revoked., changed by you, or your distribution falls below the required \$700 per month.			
One-Time Combination Split/Roll	5-Year Combination Split/Roll		
The minimum balance must be:	Monthly	Quarterly	Annually
\$700 (1 payment x \$700)	\$42,000 (60 payments x \$700)	\$14,000 (20 payments x \$700)	\$3,500 (5 payments x \$700)

Direct deposit: All installment distributions are eligible for direct deposit. If you wish to receive your 5-, 10-, 15-, 20-year or Anticipated Life Span Option as a direct deposit to your domestic bank account, please complete the enclosed [Authorization Agreement for Automatic Deposits \(ACH Credits\) form \(#459-001\)](#). Direct deposits cannot be made to foreign banks.

Required Minimum Distributions (RMDs): Internal Revenue Code (IRC) 401(a)(9) requires you to begin receiving distributions on or before April 1 of the year following the calendar year in which you turn age 70½ or leave PERS-covered employment, whichever is later. If you become subject to these required distribution rules, at least a portion of your benefit is your RMD. Your RMD amounts are not rollover eligible. If PERS determines you are subject to the RMD rules, PERS will notify you.

As required by IRC 401, if PERS determines that you meet the RMD guidelines, PERS will calculate and send directly to you the portion of your distribution that cannot be rolled over.

Tax withholding on rollover-eligible distributions: PERS is required by federal law to withhold 20 percent of the taxable amount of any rollover-eligible distributions that are not rolled over. If you want additional taxes withheld, please enter the additional dollar amount on line 3 of Section A on the [W-4P form](#).

The state of Oregon requires PERS to withhold 8 percent Oregon tax from the taxable amount of any rollover-eligible distributions you do not rollover unless we receive a valid W-4P electing to be exempt. If you do not want Oregon state income taxes withheld, please check the box in line 1 of Section B on the W-4P form. If you would like additional taxes withheld, please enter the additional dollar amount on line 3 of Section B on the W-4P form.

Note: Oregon non-residents **must** complete a valid [W-4P](#) to be exempt from Oregon state income tax withholding.

Note: If you are not a U.S. citizen or resident alien, please contact PERS for additional information regarding special withholding rules.

Tax withholding on non-rollover-eligible distributions: Installment distributions for 10-, 15-, or 20-years and Anticipated Life Span Option distributions are not rollover eligible. These installment options are considered periodic distributions and, as such, are not taxed in the same manner as rollover-eligible distributions.

If you elect the 10-, 15-, 20-year, or Anticipated Life Span Option, you must [complete a W-4P Federal Tax form](#). If you do not complete a W-4P, by law, federal withholding will be based on a filing status of married with three exemptions, and Oregon withholding will be based on a filing status of single with zero exemptions.

Note: Non-Oregon residents **must** complete a valid W-4P to be exempt from Oregon state income tax withholding.

Note: If you are a U.S. citizen living outside the United States, you cannot exempt yourself from federal tax withholding.

Note: If you are not a U.S. citizen or resident alien, please contact PERS for additional information regarding special withholding rules.

C1: One-Time Rollover-Eligible Lump-Sum Distribution

This option is a one-time lump-sum distribution of your entire IAP account. A one-time lump-sum payment can either be paid directly to you or rolled over into an IRA, eligible employer plan, or deferred compensation plan.

It can also be split as a combination payment, including an amount rolled over and the remainder issued in a check directly to you. As outlined in the Combination Split/Roll Minimum Account Balances chart, there are pre-distribution account balance minimums necessary to qualify for a combination split/roll distribution.

As one-time payments cannot be directly deposited into your bank, requests for automatic deposits for this payment will not be honored.

C2, C3, or C4: Installments

Sections C2, C3, and C4 indicate election of installment payments. You may choose to receive installment payments by direct deposit into your bank account or by check mailed directly to you.

In the case of 5-year installment payments, you may elect to have all or a portion of the payment rolled over. A combination split distribution includes an amount rolled over and the remainder in a check issued directly to you. As outlined in the Combination Split/Roll Minimum Account Balances chart, there are pre-distribution account balance minimums necessary to qualify for a combination split/roll distribution. If your account balance does not meet the minimum, you will be notified and given an opportunity to elect a qualifying option.

Once your distribution has begun, the amount your payment is based on will be equal to the current market value of your account divided by the number of payments left for the balance of the distribution. Because the market fluctuates daily, each distribution will be different based on the current market value of your account. If your account reaches a zero balance, your distribution stops regardless of the number of payments left for the option chosen.

If you elect an installment option, you must designate a beneficiary by completing the [IAP: Retirement Designation of Beneficiary form \(#459-476\)](#). If you have a complex beneficiary situation, you may want to consult an estate-planning attorney.

If you decide you no longer wish to receive an installment distribution, you can make a one-time decision to cash out your IAP account. Once the account is distributed in this fashion, it is not reversible and will close your PERS IAP account. As this is not a withdrawal, you will retain membership with PERS and, should you decide to return to qualifying employment, you will not need to serve a six-month waiting time.

If you decide to cash out and the distribution of your remaining the account balance is greater than \$200, the distribution is rollover eligible and will be taxed accordingly.

If you decide to cash out, are under the age of 59½, and are not rolling over these funds, the IRS may assess a 10 percent early withdrawal penalty.

If you have any questions regarding tax laws, you may wish to consult with a qualified tax professional or the IRS.

Section D: Payment instructions

Please review the [Federal Tax Information Disclosure fact sheet \(FS-459-042\)](#) for further details regarding this decision.

Section E: Rollover destination

If you elect to roll over your distribution, you must provide the name of the custodian or trustee of your IRA or the name of your employer plan. Please use the legal name of the financial institution rather than the plan type. In other words, use Great Savings Bank rather than IRA and use OSGP not 403B.

Note: E2 election requires the [Direct Transfer Rollover Acceptance form \(#459-388\)](#) to be completed and signed by a plan representative.

Section F: Distribution method

If your direct deposit information is incorrect, a check will be sent to the address listed in Section A of the IAP Retirement Application until correct information is received and accepted by PERS.

Section G - Applicant signature and federal tax 30-day waiver:

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

You have 30 days to review your distribution 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 distribution as soon as possible.

You must sign and date the application. Unsigned forms will be returned, which may delay your request.

Deliver, fax, or mail the application to PERS. Keep a copy for your records.

If PERS is unable to process your distribution within 180 days from the date we receive 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.

IAP Anticipated Life Span Option			
Age at Retirement	Minimum account balance needed so each installment is at least \$200		
	Monthly	Quarterly	Annually
50	82,400	27,400	6,850
51	80,100	26,700	6,670
52	77,900	25,900	6,480
53	75,600	25,200	6,290
54	73,300	24,400	6,120
55	71,300	23,700	5,940
56	68,900	23,000	5,750
57	67,000	22,400	5,600
58	65,000	21,600	5,400
59	62,900	20,900	5,220
60	60,600	20,200	5,040
61	58,600	19,600	4,900
62	56,600	18,800	4,700
63	54,500	18,200	4,560
64	52,400	17,500	4,370
65	50,400	16,800	4,200
66	48,500	16,200	4,060
67	46,600	15,550	3,880
68	44,800	14,900	3,720
69	42,800	14,300	3,560
70	40,850	13,600	3,400
71	39,200	13,100	3,270
72	37,350	12,400	3,100
73	35,600	11,850	2,970
74	33,850	11,300	2,820
75	32,250	10,750	2,690

Individual Account Program (IAP) Retirement Application Packet

This packet includes the following forms and information:

- Important IAP Retirement Information
- IAP Retirement Application Member Checklist
- How to Fill Out the IAP Retirement Application
- IAP Retirement Application form (#459-452)
- Verification of Age fact sheet (FS #459-029)
- Federal Tax Information Disclosure fact sheet (FS #459-042)
- W4-P form
- IAP: Retirement Designation of Beneficiary form (#459-476)
- IAP: Direct Transfer Rollover Acceptance form (#459-388)
- IAP: Authorization Agreement for Automatic Deposits (ACH Credits) form (#459-001)

IAP Retirement Application Member Checklist

General

- I have notified my employer(s) of my intent to retire.
- I have reviewed the Important Individual Account Program (IAP) Retirement Information document.
- I have completed my [Individual Account Program \(IAP\) Retirement Application](#).
 - I have completed all sections (A - F) as required.
 - I have signed Section G.
- I have reviewed the [Federal Tax Information Disclosure \(FS 459-042\)](#).
- I have enclosed approved [verification of age](#).

Rollover elections

- I have supplied the legal name of my rollover financial institution in Section E.
- Since my rollover account is not a traditional IRA or Roth IRA, I have submitted a [Direct Transfer Rollover Acceptance form](#) with the plan representative's signature.
- I am aware that all rollover checks other than the Oregon Savings Growth Plan¹ will come to the address supplied in Section A, with the name of my financial institution as payee.

Non-rollover elections

- I have submitted a [W-4P form](#) to instruct PERS regarding my tax choices on my installment payments.

Installments

- I have completed and included an [IAP: Retirement Designation of Beneficiary Packet \(459-476\)](#).
- I have elected to take my installment as a direct deposit to my bank. Therefore, I have completed and included an [Authorization Agreement for Automatic Deposits \(ACH Credits\)](#).
 - I have attached a voided blank check to the form for clarity.

¹ Oregon Savings Growth Plan (OSGP) funds are automatically transferred from your ING IAP account into your OSGP account.

How to Fill Out the Individual Account Program (IAP) Retirement Application

General instructions

- This form is strictly for IAP retirements. Separate forms are required to apply for your Tier One, Tier Two, or OPSRP pension benefits.
- Type, fill out electronically, or print clearly in dark ink. Illegible forms may be returned, which could delay your request.
- Do not cross out, modify, or alter the application in any way; this will void the application.
- Sign and date the form, and mail or fax the form to PERS.
- If you change your mailing address, please maintain a forwarding address with the postal service until you receive your IAP distribution.
- PERS must know your exact birth date to ensure you are eligible to retire from the IAP. A complete list of acceptable documents has been included in this packet. Age verification documents cannot be returned, so please provide legible photocopies along with your application. [Reference: Verification of Age fact sheet \(FS #459-029\)](#).

Section A: Applicant information

Fill in the applicant information block completely. If you do not have an e-mail address or prefer not to be contacted through e-mail, omit that information.

If you want your address of record to be changed to the address listed on your application, please mark the address change box (A2).

Be aware that all distributions except those automatically deposited to your bank account and those rolled over to the Oregon Savings Growth Plan (OSGP)¹ will be mailed directly to the address listed in Section A of your application. In the case of a rollover, your financial institution will be the payee on the check.

This application is for both member and alternate payee (AP) IAP retirements. If you are requesting distribution of your AP account, please include the member's name and Social Security number in the space provided. If you are a member and also an AP of another member, a separate application must be used to request distribution from each account. Mark the field under "Is this an alternate payee (AP) account?" accordingly.

Section B: Retirement eligibility

Enter the date you stopped working or the date you plan to stop working for your most recent PERS-participating employer. If you worked for multiple employers, use the latest date you worked.

We cannot process your IAP retirement distribution until all required information and final contributions have been received. It is important that you notify your PERS-participating employer(s) you are retiring.

Section C: Distribution election

Please review the Important IAP Retirement Information document for details on the IAP retirement options.

You must choose one option in Section C to tell us which distribution you are selecting. If you choose C2, C3, or C4, you must also select one box for the distribution frequency.

Please note that for C3 you must choose a 10-, 15-, or 20-year installment distribution and a monthly, quarterly, or annual frequency.

If the information is incomplete or unclear, we must return the application to you, which will delay your distribution.

¹ Oregon Savings Growth Plan (OSGP) funds are automatically transferred from your ING IAP account into your OSGP account.

Section D: Payment instructions

Complete this section to instruct PERS whether or not to roll over any portion of your lump-sum distribution or 5-year installment distributions into a traditional IRA, Roth IRA, or eligible employer plan. See the Important IAP Retirement Information document for details.

The 10-, 15-, or 20-year installment options and anticipated life span option are not rollover eligible. If you check D3 or D4 for these installment options, we will return your application to you. This could delay your distribution.

If you do not want to roll over any portion of your distribution, select D1 or D2, and complete Sections F and G.

If you want all or part of your distribution rolled over, select D3 or D4, and complete Sections E and G.

Section E: Rollover destination

Fill out this section only if you have elected to rollover all or part of your lump-sum distribution or 5-year installment to a traditional IRA, Roth IRA, or eligible employer plan.

If you have elected to roll over your distribution, you must provide the name of the custodian or trustee of your traditional IRA or Roth IRA or the name of your employer plan. Please use the legal name of the financial institution rather than the plan type.

Examples:

Correct → E1, E2 **IRA Financial Institution Name:** Great Savings Bank

Incorrect → E1, E2 **IRA Financial Institution Name:** IRA FBO John Smith

Correct → E3 **Qualified Plan Financial Institution Name:** Oregon Savings Growth Plan or OSGP

Incorrect → E3 **Qualified Plan Financial Institution Name:** 403B

If you are rolling over to a qualified plan rather than a traditional IRA or Roth IRA (E3), a plan representative must complete and sign the [Direct Transfer Rollover Acceptance form \(#459-388\)](#). The plan administrator must check the box indicating whether or not the plan will accept after-tax contributions.

Section F: Distribution method

This section must be completed for any non-rollover distributions.

If you choose a direct deposit for your installments, you must complete the [Authorization Agreement for Automatic Deposits \(ACH Credits\) form \(#459-001\)](#).

We encourage you to attach a voided check to help ensure data accuracy. If your direct deposit information is incorrect, PERS will send a check to the address listed in Section A of your application until PERS receives and accepts correct information.

Section G: Applicant signature and federal tax 30-day waiver (required)

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

You have 30 days to review your distribution 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 distribution as soon as possible.

You must sign and date the application. Deliver, fax, or mail the application to PERS. Keep a copy for your records.

If PERS is unable to process your distribution within 180 days from the date we receive your application, the IRS requires us to provide the Federal Tax Information Disclosure again, and you will need to complete a new Acknowledgment of Receipt of Federal Tax Information Disclosure form. We will contact you if this happens.

Name: _____ Social Security number: _____

Section D: Payment instructions (required)

Check either **D1, D2, D3, or D4.**

D1. I am selecting an option that is not rollover eligible.

D2. I do not want any portion of my rollover-eligible funds rolled over.

D3. I want _____ percent of my rollover-eligible funds rolled over to the traditional IRA, Roth IRA, or qualified plan specified below.

D4. I want \$_____ of my rollover-eligible funds rolled over to the traditional IRA, Roth IRA, or qualified plan specified below.

Note: If you are not rolling over a portion of your distribution, complete Section F to indicate the distribution method.

Section E: Rollover destination (required if you checked D3 or D4)

E1. Traditional IRA financial institution name _____
Custodian or trustee

E2. Roth IRA financial institution name _____
Custodian or trustee

E3. Qualified plan financial institution name _____
If you chose E3, a plan administrator must complete and sign the [Direct Transfer Rollover Acceptance form \(#459-388\)](#).

Section F: Distribution method

F1. Please send any non-rolled payment as a **check** to the address listed in Section A.

F2. Please send each non-rolled installment payment as a **direct deposit** to my bank account.

Note: If you chose F2, you must submit the [Authorization Agreement for Automatic Deposits \(ACH Credits\) form \(#459-001\)](#).


Section G: Applicant signature (required) and federal tax 30-day waiver

By signing below, I acknowledge the following:

The information I have provided above is correct, and I have received and read the Federal Tax Information Disclosure.

I understand my rollover instructions remain in effect unless I submit a new [IAP: Direct Transfer Rollover Acceptance form \(#459-388\)](#).

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

 _____
Applicant signature (do not print) _____ Date

Office use only	
<input type="checkbox"/> PERS	<input type="checkbox"/> OPSRP <input checked="" type="checkbox"/> IAP
<input type="checkbox"/> Member	<input type="checkbox"/> Alternate payee
<input type="checkbox"/> Cross reference member SSN	

*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 503-598-7377, toll free 888-320-7377, or TTY 503-603-7766.