

## APPLICATION FOR WITHDRAWAL OF MEMBER CONTRIBUTIONS

§ 42.49 (1) (a) or (b), 1979 Wis. Stats.

Complete Information Below—Please Print

|           |  |       |  |                        |           |                               |                        |
|-----------|--|-------|--|------------------------|-----------|-------------------------------|------------------------|
| Last Name |  |       |  | First                  | Middle I. | Previous                      | Member ID              |
| Street    |  |       |  | Social Security Number |           |                               | Birthdate (MM/DD/CCYY) |
| City      |  | State |  | Zip Code               |           | Termination Date (MM/DD/CCYY) |                        |

**READ INFORMATION ON REVERSE SIDE BEFORE COMPLETING THIS FORM**



### APPLICATION

I hereby apply for my accumulated member contributions. I agree that approval of payment of this withdrawal benefit constitutes a forfeiture of all rights to any benefit represented by the withdrawal of member contributions from the Wisconsin Retirement System. I will also forgo any potential benefit increases based on service credit waived, which may later be enacted by the Legislature.

If I am filing this application as a Separate Group member under "formula" provisions, having made required deposits after May 10, 1973, I also understand this withdrawal of my member contributions will result in a 50% reduction of "creditable service" related to such withdrawal, in the computation of any subsequent "formula group" benefit.

### FEDERAL WITHHOLDING TAX

In most situations,\* federal law requires the Department to withhold 20% of the taxable portion of your lump sum benefit as federal withholding tax unless you elect to have your benefit directly rolled over into an eligible employer plan or a traditional IRA. If you wish to directly roll over your payment, you must complete the enclosed *Authorization for Direct Rollover* form (ET-7355) and submit it with this application.

If you do not elect a direct rollover, you can still (indirectly) roll over your payment within 60 days after the date your check is issued. However, we must withhold 20% of the taxable amount of your payment; if you wish to roll over the entire amount, you must obtain the 20% amount withheld from another source.

\* Exceptions: Lump sum benefits of less than \$200 cannot be rolled over, and the mandatory 20% withholding does not apply. Also, if you take a separation benefit in the year in which you reach age 70½ or later, a portion of your benefit is a required minimum distribution under federal law. Federal withholding is optional on the required minimum distribution amount; the mandatory 20% withholding applies only to the taxable portion of your benefit in excess of that amount. The required minimum distribution amount cannot be rolled over.

Complete the following withholding election ONLY if you are age 70½ or older, or will reach age 70½ in the current year. This withholding election applies ONLY to your required minimum distribution amount.

- I hereby elect NO WITHHOLDING of federal income taxes from my benefit payment. I realize I am liable for paying income taxes on the taxable portion of this payment and that I may be subject to penalties if my estimated tax payments and withholding are not adequate.
- I hereby elect withholding of federal income taxes from my payment. The amount withheld will be calculated using federal tables.

I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct.

|   |                    |                  |
|---|--------------------|------------------|
| Date (MM/DD/CCYY)                       | Signature (in ink) | Telephone Number |
| Address (Street, City, State, Zip Code) |                    |                  |

## **GENERAL INFORMATION**

Personally identifiable information, such as your Social Security number, date of birth, etc., will not be used for any purpose other than for the administration of the benefit programs administered by the Department of Employee Trust Funds.

Social Security numbers are required to maintain members' accounts and for federal tax purposes. Statutory authority is contained in § 40.03 and Section 6109 of the Internal Revenue Code.

### **TO BE ELIGIBLE TO RECEIVE THIS BENEFIT YOU MUST:**

1. Have terminated covered employment. You must remain terminated for 30 days after the Department receives your application.
2. Not be on a leave of absence from a position covered by the Wisconsin Retirement System (WRS).

### **RETURN TO WORK**

You must notify the Department immediately if you return to WRS-covered employment within 30 days of receipt of this application by the Department. You are not eligible to receive a benefit. You will be responsible for any payments, plus interest, if you receive a payment for which you are not eligible.

### **PAYMENT SCHEDULE**

Payment will generally be made within 90 days after receipt of your application.

### **TAX LIABILITY**

Tax liability will be for the year in which payment is issued. If you would like payment issued in the following year, delay application until after January 1.

If you have not attained age 59½ when the benefit is paid, in addition to the regular taxation, you will be subject to an early distribution penalty. Exception: if you terminate employment under the WRS in the year you attained age 55 or later, the early distribution penalty will not apply.

### **INTEREST**

Monthly interest will be included through the end of the month prior to the month in which your benefit is approved.

### **CANCELLATION OF APPLICATION**

Your written request to cancel your application must be received by the Department no later than the day before the date of your check. Application cancellation requests received on or after the date of the check cannot be honored, and your lump sum benefit will stand as paid.

If you die before your benefit check is issued, your application will be automatically cancelled.

### **FEDERAL WITHHOLDING**

If you are age 70½ or older and elect withholding, 10% of the taxable portion of your required minimum distribution will be withheld as federal income tax. If you elect "No Withholding" it will apply only to your required minimum distribution amount. 20% of your payment above the required minimum distribution amount must be withheld unless you elect to directly roll over this portion of your payment into an eligible employer plan or traditional IRA.

If you are not age 70½ and will not reach age 70½ in the year in which your payment is issued, 20% must be withheld as federal income tax unless you elect to directly roll over the taxable portion of your payment into an eligible employer plan or a traditional IRA.