STATE OF CALIFORNIA

SEPARATION/DISPOSITION OF CALPERS CONTRIBUTIONS

STD. 687 (REV. 10/2004)

PRINT

THE FOLLOWING CONTAINS INFORMATION ON THE RIGHTS OF MEMBERS IF THEY ARE SEPARATING FROM STATE EMPLOYMENT, WHICH INCLUDES ACCEPTING A POSITION AT A PUBLIC AGENCY COVERED BY ANOTHER CALIFORNIA PUBLIC RETIREMENT SYSTEM, CREATING RECIPROCAL RIGHTS

NOTE: If you are moving from one CalPERS covered employer to another, you may not withdraw your CalPERS contributions

A. NOTICE TO FIRST TIER MEMBERS ELECTING A REFUND OF RETIREMENT CONTRIBUTIONS

The refund you receive from CalPERS is subject to 20% Federal income tax withholding. Withholding applies only to the portion of your refund that is subject to Federal income tax (i.e., interest your contributions have earned and any tax deferred contributions, if applicable). Whether you elect to receive your refund or roll it over, you have the option of having 2% of the taxable portion withheld for California state income tax. **For additional information on income tax, rollovers, and excise tax, refer to the BAS-500, "IMPORTANT CALPERS REFUND TAX INFORMATION", attached.**

B. NOTICE TO SECOND TIER MEMBERS WHO ARE TERMINATING EMPLOYMENT

If you are a vested Second Tier member, and you terminate your employment, your service will be placed in a deferred retirement status without action on your part. When you reach age 55, you will be eligible to receive a retirement allowance from CalPERS. *(You are vested if you have at least 10 years of service credit.)*

C. ALL MEMBERS WHO ACCEPT EMPLOYMENT COVERED BY A RETIREMENT SYSTEM HAVING A RECIPROCAL AGREEMENT WITH CALPERS

At present the following are CalPERS reciprocal systems:

– 1937 Act County System (inclusive of Districts affiliated with each County Retirement System):

Alameda	Mendocino	San Mateo
Contra Costa	Merced	Santa Barbara
Fresno	Orange	Sonoma
Imperial	Sacramento	Stanislaus
Kern	San Bernardino	Tulare
Los Angeles	San Diego	Ventura
Marin	San Joaquin	

– The University of California

– Other California Public Agencies:

Cities of Concord, Costa Mesa (safety only), Fresno, Oakland (non-safety), Pasadena, Sacramento, San Clemente (non-safety), San Diego, and San Jose; East Bay Municipal Utility District, East Bay Regional Park District; Contra Costa Water District; County of San Luis Obispo, and the City and County of San Francisco; Long Beach Schools Business Management System; Los Angeles City Retirement System; Los Angeles County Metropolitan Transportation Authority, California Administrative Services Authority.

1. As a member of CalPERS accepting employment covered by one of the reciprocal retirement systems, you will have certain rights if:

   a. You enter employment in which you become a member of a reciprocal system within 6 months after separating from CalPERS-covered employment, and

   b. You elect to leave your contributions on deposit with CalPERS and inform CalPERS of the name of the public agency in which you will be or are employed.

2. The rights of such membership if continued are:

   a. The final compensation used to determine your benefits under CalPERS will be the highest earned under the two systems provided you retire concurrently under both systems;

   b. Your service under all reciprocal systems will be considered to determine eligibility for benefits under the several systems;

   c. The basic death benefit or disability retirement;

   d. A rate of contribution to the public agency retirement system based on your age of entry into membership in CalPERS or another reciprocal retirement system.

3. Contributions you elect to leave on deposit in CalPERS **may not be withdrawn** while you remain in employment covered by one of the reciprocal systems.

4. If you wish to advise CalPERS directly of your election to establish reciprocity, please send written correspondence to the address listed under Section D.

   NOTE: Be sure to notify CalPERS of any future address change to ensure delivery of your Annual Member Statement.

D. ALL MEMBERS WHO ACCEPT EMPLOYMENT COVERED BY THE STATE TEACHERS' RETIREMENT SYSTEM, LEGISLATORS' RETIREMENT SYSTEM, OR THE JUDGES' RETIREMENT SYSTEM I/II

1. As a member of CalPERS accepting employment covered by the State Teachers' Retirement System, Legislators' Retirement System, or Judges' Retirement System I/II, you will have certain rights if you elect to leave your contributions on deposit with CalPERS and inform CalPERS of the name of the other retirement system.

2. If you elect to continue your membership, the final compensation used to determine your benefits under CalPERS will be the highest earned under the two systems provided you retire concurrently under both systems.

3. Contributions you elect to leave on deposit in CalPERS **may not be withdrawn** while you remain in employment covered by one of these retirement systems.

4. If you wish to advise CalPERS directly of your employment covered by one of these retirement systems, please send written correspondence to the following address.

   CalPERS
   Member Services Division, Unit 841
   P. O. Box 942704
   Sacramento, CA 94229-2704
   (888) CalPERS 225-7377
   Telecommunications Device for the Deaf
   (916) 795-3240; FAX (916) 795-1224

   NOTE: Be sure to notify CalPERS of any future address change to ensure delivery of your Annual Member Statement.

PRIVACY NOTIFICATION

The information you are asked to provide on this form is requested by the Office of the State Controller, Personnel/Payroll Services Division. This notice is required by Section 1798.17 of the Information Practices Act of 1977 (California Civil Code Sections 1798 through 1798.76) and the Federal Privacy Act (5 USC 552a, subd. (e)(3)) to be provided whenever an agency requests personal information from an individual.

The information on this form is to be used by the State Controller's Office and the Public Employees' Retirement System (CalPERS) for the purposes of identification and processing retirement contributions. Where authorized by law, address information may be transferred to the following governmental agencies: Internal Revenue Service and Franchise Tax Board. Certain items of information provided on this form may be transferred to the following governmental agencies where authorized by law: Employment Development Department, Department of Social Services, Social Security Administration, Federal Internal Revenue Service, California State Franchise Tax Board, other state income tax bureaus, and other governmental entities when required by state or federal law.

It is mandatory that you furnish the information requested on this form. Failure to furnish the requested information may result in an inaccurate determination of credit for State service, payroll calculations, and retirement and/or health benefits.

Legal references authorizing maintenance of this information include the Internal Revenue Code, Sections 6011, 6051 and 6109 (26 USCA 6011, 6051, 6109), and the regulations thereto.

Employees have the right to review their own personal information maintained by the State Controller's Office, unless access is exempted by law. The following office is responsible for the system of records and shall, upon request, inform you of the location of your records and the categories of persons using the information therein: Personnel/Payroll Services Division, State Controller's Office, P. O. Box 942850, Sacramento, CA 94250-5878.

IMPORTANT CALPERS REFUND TAX INFORMATION

The following consists of summarized tax information and is provided in accordance with Section 402(f) of the Internal Revenue Code. ***AS CALPERS CANNOT PROVIDE SPECIFIC INFORMATION OR TAX ADVICE, PLEASE SEE YOUR TAX CONSULTANT, THE INTERNAL REVENUE SERVICE OR THE STATE FRANCHISE TAX BOARD. FOR ADDITIONAL INFORMATION CONCERNING ROLLOVERS, CONSULT THE APPROPRIATE FINANCIAL INSTITUTION OF YOUR CHOICE.***

ROLLOVERS – An "eligible rollover distribution" consists of the taxable portion of a refund of your contributions, including interest, due to a separation from all CalPERS-covered employment. You may avoid current taxation on any portion of the taxable amount of an eligible rollover distribution by rolling over that portion into an individual retirement arrangement (IRA) or another qualified employer retirement plan that accepts rollover contributions. A tax-free rollover of the taxable amount of an eligible rollover distribution may be accomplished in one of the following ways:

1) **Direct Rollover** – You may direct CalPERS to transfer all or any portion of the taxable amount of the distribution to a specified IRA or qualified defined contribution plan that accepts rollovers. It cannot be made to another defined benefit plan such as CalPERS. However, the portion to be directly rolled over must be at least $500. Taxes will be reportable when you take the money out of an IRA or other qualified plan.

2) **Regular Rollover** – You may take an in-hand distribution and, **not later than 60 days after you receive the distribution,** transfer all or a portion of the taxable portion of the distribution to an IRA or qualified plan that accepts rollovers. Taxes will be reportable when you take the money out of an IRA or other qualified plan.

Even if you plan to roll over the taxable portion of the eligible distribution, *unless you elect a Direct Rollover, you will only receive 80% of your distribution*. Federal tax rules require CalPERS to automatically deduct 20% federal tax withholding from the taxable portion of your refund, if it is over $200.

If you wish to make the Regular Rollover for the full 100%, you will have to make up the 20% difference out-of-pocket. You will also be taxed on the 20% that was withheld. When filing your individual tax return you then can get a refund of the amount withheld to the extent you have no further tax liability.

Early distributions from a qualified retirement plan are subject to an early withdrawal penalty tax of 10% federal and 2 1/2% State tax on the taxable portion of the distribution PLUS any income tax due on the distribution if it is received prior to age 59 1/2, unless an exception applies.

Please be aware not all distributions are eligible to be rolled over. Any distribution that is part of a series of substantially equal periodic payments made at least annually under a life annuity, over life expectancy or over a specified period of 10 or more years is ineligible to be rolled over. Also ineligible for rollover treatment is the amount of a distribution that is necessary to satisfy the minimum distribution requirements that apply after you separate from employment or you turn age 70 1/2, *whichever occurs later*.

EXCEPTION TO THE ADDITIONAL TAX – There are some instances where an individual will be exempt from the early withdrawal penalty tax even if he/she takes an early distribution from a qualified retirement plan. These are as follows:

1) receipt of a CalPERS service or disability retirement benefit, paid as a monthly allowance over you/your beneficiary's life; or

2) a lump sum distribution, if made to a beneficiary because of your death; or

3) a lump sum distribution, if made to you because of your separation from service after attaining age 55 or after becoming disabled.

FIVE AND TEN-YEAR AVERAGING / CAPITAL GAIN – If you receive a lump sum distribution after you are age 59 1/2, you may be able to make a one-time election to figure the tax on the payment by using *"5-year averaging"*. To qualify for 5-year tax averaging, you must be at least age 59 1/2 and have participated in CalPERS (the plan making the distribution) for no less than 5 years before the year the distribution is made.

If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using *"10-year averaging"* (using 1986 tax rates). Only one election is available to an individual, and if made, eliminates the ability to elect 5-year averaging and capital gain treatment after attaining age 59 1/2. However, any 10-year averaging election made prior to January 1, 1987, and before attaining age 59 1/2, does not count toward your one election.

If you were born prior to January 1, 1936 and you receive a lump sum distribution, any pre-1974 CalPERS contributions you paid (if applicable) may be taxed as long-term *"capital gain"* at a rate of 20%.

CALIFORNIA STATE TAX WITHHOLDING – Whether you elect to receive a refund OR directly roll over your contributions, you may choose to have state tax withheld or not withheld. State tax, if withheld, is 2% of the taxable portion of the refund. An individual also has the right to revoke or change their choice prior to the mailing of their contributions.

For California residents who do not make a choice, 2% will *automatically* be withheld for State tax even if you elect a rollover.

For **individuals who reside outside of California**, no state tax will be withheld unless specifically requested. Please be aware that you may still owe California state taxes.

Publications are available from the Internal Revenue Service which provide specific information on special tax treatment on lump sum distributions. If you have state tax liability questions, contact the State Franchise Tax Board.

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Use ballpoint pen and return completed form to your Personnel Office.

A PERSONNEL OFFICE USE

01 AGENCY | 02 UNIT | 03 ADD'L IDENTIFICATION

B

01 SOCIAL SECURITY NUMBER | 02 EMPLOYEE LAST NAME | 03 FIRST NAME AND MIDDLE INITIAL

SEPARATION DATE AND TYPE OF SEPARATION *(Check One)*

C

01 SEPARATION DATE — MONTH | DAY | YEAR

02 ☐ **RESIGNATION** This resignation is executed by me freely and voluntarily and of my own free will and is not given by reason of any threat, force, duress, or any undue influence by any person *(Sign in Section G).*

03 ☐ **SEPARATION WITHOUT FAULT BY DEPARTMENT OR CAMPUS**

04 ☐ **OTHER**

REASON FOR RESIGNATION

DISPOSITION OF CALPERS CONTRIBUTIONS *(Check One Box Only)* IF YOU ARE RETIRING, DO NOT COMPLETE THIS SECTION

D

TO TERMINATE MEMBERSHIP--To be eligible for a refund you must have service under the first tier and be permanently separating from ALL CALPERS-covered employment. Before checking either box, read the information contained in Section A on the reverse side of the employee copy.

01 ☐ **I ELECT TO TERMINATE MY MEMBERSHIP IN CALPERS AND *DIRECTLY RECEIVE A REFUND* OF MY TOTAL CONTRIBUTIONS. I UNDERSTAND THAT 20% OF THE TAXABLE AMOUNT WILL BE WITHHELD FOR FEDERAL INCOME TAXES AS DESCRIBED IN THE ATTACHED BAS-500 FORM.**

02 ☐ **I ELECT TO TERMINATE MY MEMBERSHIP IN CALPERS AND *DIRECTLY ROLLOVER* THE TAXABLE PORTION OF MY TOTAL CONTRIBUTIONS TO THE FINANCIAL INSTITUTION OR PLAN NAMED ON THE CALPERS DIRECT ROLLOVER ELECTION, ATTACHED.**

IMPORTANT: **NO REFUND OR ROLLOVER OF A REFUND WILL BE PROCESSED IF YOUR INITIALS DO NOT APPEAR AFTER THE WAIVER OF RIGHTS STATEMENT:**

I am aware of my service and disability rights under CalPERS. I have read the description of rights, and the benefit calculation formula and table set forth in the CalPERS member booklet for my classification. Despite my knowledge of these facts, I hereby WAIVE all rights and understand that by requesting a refund, I am forfeiting all future retirement benefits.

X _____ *(Member's Initials)*

TO CONTINUE MEMBERSHIP--Contributions, if any, will continue to earn interest, and you will not accrue further service unless you return to CalPERS-covered employment. If you have 5 years of service credit and elect to leave your contributions on deposit, you can apply for service retirement at age 50 and receive a monthly allowance. For a retirement estimate, use the "calculator" on CalPERS Website at www.calpers.ca.gov. Before checking either box, read the information contained in Sections B through E on the reverse side of the employee copy.

03 ☐ **I ELECT TO CONTINUE MEMBERSHIP IN CALPERS AND LEAVE MY CONTRIBUTIONS AND/OR SERVICE CREDIT ON DEPOSIT.**

04 ☐ **I ELECT TO CONTINUE MEMBERSHIP IN CALPERS AND ESTABLISH RECIPROCITY (AS EXPLAINED IN SECTIONS D AND E ON THE REVERSE SIDE OF THE EMPLOYEE COPY) BY ACCEPTING EMPLOYMENT WITH THE FOLLOWING PUBLIC AGENCY, WHICH PROVIDES MEMBERSHIP IN ANOTHER CALIFORNIA PUBLIC RETIREMENT SYSTEM.**

_____ *(Enter name of Public Agency / Retirement System / University of California)*

CALIFORNIA STATE TAX WITHHOLDING *(Before checking either box, read the information contained in the form BAS-500)*

E

I ELECT TO HAVE 2% OF THE TAXABLE PORTION WITHHELD FOR STATE INCOME TAX (APPLICABLE TO **OUT-OF-STATE** RESIDENTS ALSO)

01 ☐ YES OR 02 ☐ NO

MAILING ADDRESS–Your Wage and Tax Statement (Form W-2) and any final warrants and/or retirement refund will be mailed to the address entered below.

F

01 EMPLOYEE ADDRESS *(Street, Rural Route or P. O. Box)* | 02 CITY | STATE | 03 ZIP CODE

EMPLOYEE /SPOUSAL/REGISTERED DOMESTIC PARTNER SIGNATURE–*Spouse's/Registered Domestic Partner's signature is required for refund election. IMPORTANT–If not signed, the Justification for Nonsignature form must be completed.*

G

EMPLOYEE: *I certify that the above information is true and correct.*

EMPLOYEE'S SIGNATURE X | DATE SIGNED

SPOUSE/REGISTERED DOMESTIC PARTNER: *I certify that I am aware of my spouse's/partner's request for a refund of contributions.*

SPOUSE'S/DOMESTIC PARTNER'S SIGNATURE X | DATE SIGNED

PERSONNEL OFFICE USE

H

01 ☐ **EMPLOYEE UNAVAILABLE** for completion of Section D. The employee has been advised that he/she must request the disposition of his/her retirement contributions in writing directly from CalPERS.

02 LAST DATE OF CONTRIBUTIONS — MO | DAY | YR

Enter the last date CalPERS contributions were or will be deducted from employee's pay. See instructions in PAM or CSU PIMS Manual.

REASON FOR EMPLOYEE'S UNAVAILABILITY

REVIEWER'S SIGNATURE X | DATE SIGNED | PHONE

DISTRIBUTION: WHITE--Personnel/Payroll Services Division YELLOW--Personnel PINK--Employee

JUSTIFICATION FOR NONSIGNATURE OF SPOUSE OR REGISTERED DOMESTIC PARTNER

Pursuant to Government Code Section 21261, the member's current spouse or registered domestic partner must be made aware of the selection of benefits or change of beneficiary made by a member. The spouse or registered domestic partner of a CalPERS member must acknowledge the submission of a request for refund of contributions.

If a spouse's or registered domestic partner's signature does not appear on the election to terminate CalPERS membership in Section G, the following information **MUST** be completed by the member.

SOCIAL SECURITY NUMBER	MEMBER'S NAME

APPLICATION SUBMITTED *(Form Name and Number)*

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☐ I am not legally married or do not have a registered domestic partner.

☐ I am married, but my spouse or registered domestic partner did not sign the form because:

- ☐ I do not know and have taken all reasonable steps to determine the whereabouts of my spouse or registered domestic partner; OR,
- ☐ My spouse or registered domestic partner has been advised of the refund application and has refused to sign the written acknowledgement; OR,
- ☐ My spouse or registered domestic partner is incapable of executing the acknowledgment because of an incapacitating mental or physical condition; OR,
- ☐ My spouse or registered domestic partner has no identifiable community property interest in the benefit; OR,
- ☐ My spouse or registered domestic partner and I have executed a spousal or domestic partner settlement agreement which makes the community property law inapplicable.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT.

MEMBER'S SIGNATURE

X

DATE SIGNED

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CalPERS DIRECT ROLLOVER ELECTION FORM

IMPORTANT: **The Rollover Election form must be completed and returned to CalPERS. YOUR ROLLOVER ELECTION CANNOT BE PROCESSED UNTIL THIS FORM IS RECEIVED BY CalPERS. Mail to: CalPERS, Section 445, P. O. Box 942711, Sacramento, CA 94229-2711.**

DO NOT SUBMIT A TRANSFER FORM FROM YOUR FINANCIAL INSTITUTION IN LIEU OF THE FOLLOWING INFORMATION.

Please either type or print clearly.

MEMBER NAME			SOCIAL SECURITY NUMBER
STREET ADDRESS*	CITY	STATE	ZIP CODE

DAYTIME TELEPHONE NUMBER

( )

DIRECT ROLLOVER ELECTION

ROLL OVER THE TAXABLE PORTION OF MY RETIREMENT CONTRIBUTIONS DIRECTLY TO *(Type of Account)*

☐ IRA ☐ OTHER ELIGIBLE RETIREMENT PLAN

INSTITUTION OR PLAN NAME	ACCOUNT NUMBER

***The rollover warrant will be made payable to your financial institution or plan name and mailed to YOUR address.**

I certify that the institution / plan named above is eligible under the provisions of the Internal Revenue Code to accept a rollover by direct transfer and agrees to receive my CalPERS funds and deposit them as indicated.

MEMBER'S SIGNATURE	DATE SIGNED
X	