

Please type or print clearly
in blue or black ink

Received Date

Retirement Option Election Form with Partial Lump Sum Payment

RS 6421-A

(Rev. 1/25)

NYSLRS ID

--	--	--	--	--	--	--	--	--	--

Social Security Number [last 4 digits]

XXX-XX-

--	--	--	--

Retirement System [check one]

Employees' Retirement System (ERS) ☐

Police and Fire' Retirement System (PFRS) ☐

MAKE NO ALTERATIONS TO THIS FORM. Please review carefully the options available and the instructions provided.

You must:

1. Elect a monthly benefit option by checking the appropriate box (pages 1 & 2);
2. Elect a Partial Lump Sum payment option by checking the appropriate box (page 3);
3. Sign and have the completed form notarized (page 3);
4. Return it promptly.

If you choose a Partial Lump Sum payment please read the attached **SPECIAL TAX NOTICE REGARDING PARTIAL LUMP SUM PAYMENTS AT RETIREMENT** and then complete the Method of Payment section (page 4).

IMPORTANT: You must file your Option Election form by your date of retirement if you are an ERS Tier 4, 5, or 6 member or retire under Article 15 benefits. For all other members, you must file your Option Election form before your pension benefit becomes payable, which is the first day of the month following your retirement. You have up to 30 days after the last day of your retirement month to change your option selection. If your election is not timely, by law, we must process your retirement as if you had selected the Single Life Allowance.

INFORMATION ABOUT YOU (Please make any needed corrections)

1. Name: (First, Middle Initial, Last)

2. Date of Birth:

3. Address: (Including Street, City, State and Zip Code)

TO THE COMPTROLLER OF THE STATE OF NEW YORK:

Single Life Allowance

☐

I elect to receive the maximum lifetime retirement allowance payable to me. Stop all payments at my death. I understand that under this option I can not elect a beneficiary.

Joint Allowance – Full

☐

I elect to receive a reduced lifetime retirement allowance based on my life expectancy and the life expectancy of my beneficiary. If I die before my beneficiary, continue paying the same monthly amount to my beneficiary for life. If my beneficiary predeceases me, stop all payments at my death. I understand that I have up to 30 days after my last day of my retirement month to change my option or beneficiary.

Joint Allowance – Partial

☐

☐ 25% ☐ 50% ☐ 75%

I elect to receive a reduced lifetime retirement allowance based on my life expectancy and the life expectancy of my beneficiary. If I die before my beneficiary, continue a percentage of my retirement allowance to my beneficiary for life. If my beneficiary predeceases me, stop all payments at my death. I understand that I have up to 30 days after my last day of my retirement month to change my option or beneficiary. (If you take this option you **must also check** the percentage you wish to be continued to your beneficiary.)

Year Certain

☐

☐ 5 Years ☐ 10 Years

I elect to receive a reduced lifetime retirement allowance. If I die within my years selection after my retirement date, continue paying my retirement allowance for the remainder of the years to my beneficiary. If my beneficiary predeceases me, but I also die within my years following my retirement, continue payments for the rest of the period to another beneficiary I may name. If there is no surviving beneficiary, make a lump sum payment to my Estate. If I die more than my years selection after my retirement date, stop all payments at my death. (If you take this option, you **must also check** the years you wish to be continued to your beneficiary.)

Pop-Up Joint Allowance-Full	☐	I elect to receive a reduced lifetime retirement allowance based on my life expectancy and the life expectancy of my beneficiary. If I die before my beneficiary, continue paying the same amount to my beneficiary for life. If my beneficiary predeceases me, change my allowance the Single Life Allowance (Option 0) amount and stop all payments at my death. I understand that I have up to 30 days after the last day of my retirement month to change my option or beneficiary.
Pop-Up Joint Allowance- Partial ☐ 25% ☐ 50% ☐ 75%	☐	I elect to receive a reduced lifetime retirement allowance based on my life expectancy and the life expectancy of my beneficiary. If I die before my beneficiary, continue paying a percentage of my retirement allowance to my beneficiary for life. If my beneficiary predeceases me, change my allowance to the Single Life Allowance (Option 0) amount and stop all payments at my death. I understand that I have up to 30 days after the last day of my retirement month to change my option or beneficiary. (If you take this option, you must also check the percentage you wish to be continued to your beneficiary.)

If you elect the Single Life Allowance (Option 0) do not provide any beneficiary information.

If you wish to elect one of the other options, please read all of the information on this form and then complete the following section. Use the beneficiary's given name: Mary Smith, **NOT** Mrs. John Smith.

If you elect a Years Certain Option and wish to name more than one beneficiary, please let us know and we will provide you with an appropriate form.

INFORMATION ABOUT YOUR OPTION BENEFICIARY: (Please print plainly or type)	
Beneficiary's Name: (First Middle Initial, Last)	Beneficiary's Social Security Number:*
Beneficiary's Address: (Including Street, City, State and Zip Code)	
Beneficiary's Date of Birth:	Relationship of Beneficiary to you:

*Social Security Number required (See statement below)

The Partial Lump Sum and the Notary Acknowledgment on page 3 must be completed and returned with pages 1 and 2 of this document.

Electing An Option:

The option you elect is important to both you and your beneficiary. Be sure you understand the nature of each option, and elect the one that best fulfills your needs. Also, be sure you have checked the proper box for the option that you wish to elect. On this form, you are selecting a method of payment. When you have completed this form and have had it notarized, the original should be returned to:

New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001

We will acknowledge receipt of the option selection by sending you a letter.

Designating a Beneficiary:

Only one beneficiary may be named in a Joint Allowance or Pop-Up option. Under these options, proof of your beneficiary's date of birth must be submitted. If you wish to elect one of the Year Certain Options, you may designate more than one beneficiary. If you wish to do so, please notify the Retirement System so we may send you the proper form for completion. If you elect one of the Year Certain Options, you may designate your Estate as beneficiary. Under these options, you may change your beneficiary at any time. For each change of beneficiary(ies), you must submit a form, which can be obtained from the Retirement System.

Cost-of-Living Adjustment:

The Partial Lump Sum amount is not eligible for future Cost-of-Living Adjustments (COLA). COLA is calculated on the first \$18,000 of Single Life Allowance (Option 0) calculation of your retirement benefit after the Partial Lump Sum Payment, or the actual amount of this benefit after the Partial Lump Sum payment, if less than \$18,000.

Information Services:

Information Representatives are available at consultation sites throughout New York State. To find the one nearest you, visit our website at www.osc.ny.gov/retirement. You can also contact our Call Center toll-free at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.

***Social Security Disclosure Requirement**

In accordance with the Federal Privacy Act of 1974, you are hereby advised that disclosure of your Social Security account number is mandatory pursuant to Sections 11, 34, 311 and 334 of the Retirement and Social Security Law. The number will be used in identifying retirement records and in the administration of the Retirement System.

Personal Privacy Protection Law

The Retirement System is required by law to maintain records to determine eligibility for and calculate benefits. Failure to provide information may interfere with the timely payment of benefits. The System may be required to provide certain information to participating employers. The official responsible for record maintenance is the Director of Member and Employer Services, NYS and Local Retirement System, Albany, NY 12244; call toll-free at 1-866-805-0990 or 518-474-7736 in the Albany Area.

TO THE COMPTROLLER OF THE STATE OF NEW YORK:

YOU MUST SELECT ONE BOX:

No Partial Lump Sum-

00 ☐ I do not elect to receive a Partial Lump Sum payment of the actuarial value of my retirement benefit. I wish to receive the full value of my retirement in lifetime monthly installments.

Partial Lump Sum election: I elect to receive a Partial Lump Sum payment in the amount of the actuarial value of my retirement benefit indicated below, with reduced lifetime monthly benefit based on the remainder.

05 ☐ **5%** (I have been eligible to retire under a 20 or 25-year retirement plan for at least one year.)

10 ☐ **10%** (I have been eligible to retire under a 20 or 25-year retirement plan for at least two years.)

15 ☐ **15%** (I have been eligible to retire under a 20 or 25-year retirement plan for at least three years.)

20 ☐ **20%** (I have been eligible to retire under a 20 or 25-year retirement plan for at least four years.)

25 ☐ **25%** (I have been eligible to retire under a 20 or 25-year retirement plan for at least five years.)

I understand that the percentage of the actuarial value of my retirement benefit I elect to receive will result in a lifetime reduction in my monthly benefits. The amount of the reduced lifetime monthly benefit will be based on the remaining original benefit.

- If you select the Partial Lump Sum Payment option, you may have significant tax consequences. Please refer to the attached **SPECIAL TAX NOTICE REGARDING PARTIAL LUMP SUM PAYMENTS AT RETIREMENT**. You may wish to contact a tax advisor or visit the IRS website at www.irs.gov.
- If you wish to have your Partial Lump Sum payment transferred directly to an Individual Retirement Account (IRA). Roth IRA or other eligible retirement, please complete and return the attached Application for Direct Trustee To Trustee Transfer form.

Please sign your name in full below:

I certify that the information on my application is true and complete to the best of my knowledge. I further certify that I am aware that any false statement I knowingly make or permit to be made on this or any record of the Retirement System constitutes a crime punishable by potential incarceration and other sanctions.

Retiree's Signature: _____ Date: _____

ACKNOWLEDGEMENT TO BE COMPLETED BY A NOTARY PUBLIC

State of _____ County of _____ On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC (Please sign and affix stamp)

**This section must be completed if you have selected a Partial Lump Sum payment.
SELECT ONE METHOD OF PAYMENT**

☐

NO ROLLOVER:

I elect to have the ***Partial Lump Sum*** payment paid directly to me, minus any applicable federal withholding. I have read and understand the attached tax notice.

☐

ROLLOVER: (minimum transfer of \$500, if selecting more than one institution)

I elect to have ***the Partial Lump Sum*** payment transferred directly to my individual retirement account(s) as follows:
Any remainder should be issued directly to me, minus any applicable federal withholdings.

(The enclosed trustee transfer form must be completed by both you and your trustee.)

Institution: _____ Acct. #: _____ \$ Amt. and/or %: _____

Institution: _____ Acct. #: _____ \$ Amt. and/or %: _____

Institution: _____ Acct. #: _____ \$ Amt. and/or %: _____

30 Day Review Waiver:

Because you are either receiving or rolling over money to a financial institution, you are entitled by law to a 30 day review period prior to NYSLRS processing the payment, which means this payment will not be processed until 30 days from the receipt of this application.

If you do not waive the 30 day review, you are acknowledging that you will receive your check greater than 30 days from the receipt of this application.

☐ I understand that under applicable law and regulations, I have the right to review this notice for 30 days. By checking this box I am choosing to waive such right.

"The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding."

Signature: _____ Date: _____

SPECIAL TAX NOTICE REGARDING RETIREMENT SYSTEM PARTIAL LUMP SUM PAYMENTS

RS 4534

(Rev. 04/22)

For Payments Not From a Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of the Partial Lump Sum (PLS) payment you are receiving from the New York State and Local Retirement System (System), a governmental defined benefit plan, 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. This notice does not apply to the portion of your benefit that will be paid to you monthly.

Rules that apply to the PLS payment from the System 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 the PLS payment from the System 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% 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 payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the PLS payment?

You may roll over the payment 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 payment 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 of my PLS payment?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day (indirect) rollover.

If you do a direct rollover, the System will make the payment 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 a 60-day (indirect) rollover, the System will make the payment directly to you. 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 payment to make the deposit. If you do not do a direct rollover, the System is required to withhold 20% of the payment for federal income taxes (up to the amount of cash received). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much of my PLS payment may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. The System will tell you what portion of the payment is eligible for rollover.

If I don't do a rollover of my PLS payment, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for a payment from the System (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 payment not rolled over.

The 10% additional income tax does not apply to a PLS payment from the System if:

- Payment is made after you separate from service if you will be at least age 55 in the year of the separation
- Payment is made from a governmental defined benefit pension plan after you separate from service if you are a *qualified public safety employee** and you are at least age 50 in the year of the separation
- Payment is made under a domestic relations order (DRO)

**A qualified public safety employee is any employee of a State (or political subdivision of a State) who provides police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the State (or political subdivision of the State).*

If I do a rollover to an IRA of my PLS payment, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless one of the exceptions listed below applies:

- Payments made 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) without regard to whether you have had a separation from service.
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions
- Payments made directly to the government to satisfy a federal tax levy
- Certain payments 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
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

There are a few differences in the exceptions that apply for early distributions from the System and exceptions that apply for payments from an IRA. For payments from an IRA

- There is no exception for payments after separation from service that are made after age 55.
- The exception for domestic relations orders (DROs) 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).

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

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 payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to 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 payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you roll over your PLS payment to a Roth IRA

If you roll over a payment from the System to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments 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 payment 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 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% 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-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

You cannot roll over a distribution to a designated Roth account in another employer's plan.

Payments under a domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the System under a domestic relations order (DRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the DRO will not be subject to the 10% 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%, the System is generally required to withhold 30% of the payment 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*.

Other special rules

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

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 PLS payment from the System. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.



New York State and Local Retirement System
110 State Street, Albany, New York 12244-0001

Please type or print clearly
in blue or black ink

Received Date

Application for Direct Trustee to Trustee Transfer Partial Lump Sum

RS 5529

(Rev. 04/22)

NYSLRS ID

Social Security Number [last 4 digits]

XXX-XX-

Retirement System [check one]

Employees' Retirement System (ERS) ☐Police and Fire' Retirement System (PFRS) ☐**MEMBER INFORMATION:**

I, _____ hereby request that the Comptroller of the State of New York as trustee of the New York State and Local Retirement System, a qualified plan under Section 401(a) of the Internal Revenue Code, transfer my Partial Lump Sum payments as specified on my application for lump sum payment to my account with

(Trustee Name)

Signature: _____ Date: _____

***Election for Federal Withholding on Roth IRA:**

If you **do not** want the Retirement System to withhold any Federal income tax from your payment, sign and date this election.

Signature: _____ Date: _____

TRUSTEE INFORMATION: (to be completed by Trustee)

_____ has established an account with us; _____
(Member Name) (Trustee Name)

will accept the direct rollover for _____ in the following Plan:
(Member Name)

Taxable Amount:

Account Number: _____

Type of plan (check one)

1. ☐ Individual Retirement Account - 408(a) or Individual Retirement Annuity – 408(b)
2. ☐ Roth IRA – 408(A)(e) * See Election for Federal Withholding on Roth IRA* box above
3. ☐ 403(a) Annuity Plan
4. ☐ 403(b) Tax Sheltered Annuity
5. ☐ Qualified Defined Benefit or Contribution Plan 401(a) or 401(k)
6. ☐ Governmental Deferred Compensation Plan - 457

Please make the check payable to:	
Name: _____	

Mail check to:	
Name: _____	Telephone: (Including area code) _____
Address: (Including Street, City, State and Zip Code) _____	

Trustee Signature: _____ Date: _____
Print Name: _____

Please complete and return this form to: New York State and Local Retirement System 110 State Street Albany, NY 12244-0001

***Social Security Disclosure Requirement**

In accordance with the Federal Privacy Act of 1974, you are hereby advised that disclosure of your Social Security account number is mandatory pursuant to Sections 11, 34, 311 and 334 of the Retirement and Social Security Law. The number will be used in identifying retirement records and in the administration of the Retirement System.

Personal Privacy Protection Law

The Retirement System is required by law to maintain records to determine eligibility for and calculate benefits. Failure to provide information may interfere with the timely payment of benefits. The System may be required to provide certain information to participating employers. The official responsible for record maintenance is the Director of Member and Employer Services, NYS and Local Retirement System, Albany, NY 12244; call toll-free at 1-866-805-0990 or 518-474-7736 in the Albany Area.