



Office of the New York State Comptroller  
New York State and Local Retirement System  
Employees' Retirement System  
Police and Fire Retirement System  
110 State Street, Albany, New York 12244-0001

# Retirement Option Election Form with Partial Lump Sum Payment For Tier 2, 3, 5 and 6 Members

## RS 6421-A

(Rev. 8/14)

**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 SPECIAL TAX NOTICE portion of this application and then complete the Method of Payment section (page 3).

**IMPORTANT:** 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 your pension benefit becomes payable to change your option selection. If your election is not timely, by law, we must process your retirement as if you had selected the Cash Refund-Contributions (Option 1/2) with your Estate named as beneficiary without a Partial Lump Sum option.

INFORMATION ABOUT YOU (Please make any needed corrections)	
1. Name (First, Middle Initial, Last)	3. Social Security Number*
2. Mailing Address	4. Registration Number
	5. Date of Birth

\* Social Security Number required (See statement on reverse side)

### TO THE COMPTROLLER OF THE STATE OF NEW YORK:

<b>Single Life Allowance</b> (Option 0) 000	<input type="checkbox"/> 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 cannot elect a beneficiary.
<b>Cash Refund – Contributions</b> (Option 1/2) 005	<input type="checkbox"/> I elect to receive a reduced lifetime retirement allowance. I understand that all payments shall stop at my death, except for the remaining balance of my total member contributions, if any. Pay any such balance to my beneficiary. If my beneficiary predeceases me, pay my Estate or another beneficiary I may name.
<b>Joint Allowance – Full</b> (Option 2) 002	<input type="checkbox"/> 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 cannot change my beneficiary after the last day of the month in which I retire.
<b>Joint Allowance – Half</b> (Option 3) 003	<input type="checkbox"/> 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 one-half of my retirement allowance to my beneficiary for life. If my beneficiary predeceases me, stop all payments at my death. I understand that I cannot change my beneficiary after the last day of the month in which I retire.
<b>Five Year Certain</b> 006	<input type="checkbox"/> I elect to receive a reduced lifetime retirement allowance. If I die within five years after my retirement date, continue paying my retirement allowance for the remainder of the five years to my beneficiary. If my beneficiary predeceases me, but I also die within five years following my retirement, continue payments for the rest of the five year 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 five years after my retirement date, stop all payments at my death.

<b>Ten Year Certain</b>	<input type="checkbox"/>	I elect to receive a reduced lifetime retirement allowance. If I die within ten years after my retirement date, continue paying my retirement allowance for the remainder of the ten years to my beneficiary. If my beneficiary predeceases me, but I also die within ten years following my retirement, continue payments for the rest of the ten year 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 ten years after my retirement date, stop all payments at my death.
007		
<b>Pop-Up Joint Allowance – Full</b>	<input type="checkbox"/>	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 to the Single Life Allowance (Option 0) amount and stop all payments at my death. I understand that I cannot change my beneficiary after the last day of the month in which I retire.
008		
<b>Pop-Up Joint Allowance – Half</b>	<input type="checkbox"/>	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 one-half 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 cannot change my beneficiary after the last day of the month in which I retire.
009		

**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 Cash Refund, or a Year Certain Option, and wish to name more than one beneficiary, please let us know and we will provide you with an appropriate form.

<b>INFORMATION ABOUT YOUR OPTION BENEFICIARY</b> (Please print plainly or type)		
Beneficiary's Name	Beneficiary's Sex	
Beneficiary's Address (Include Street, City, State, and Zip Code)		
Beneficiary's Social Security Number*	Beneficiary's Date of Birth	Relationship of Beneficiary to you

\* Social Security Number required (See statement below)

**The Partial Lump Sum and the Notary Acknowledgement 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 a Cash Refund, or 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 Cash Refund or 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 the 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.state.ny.us/retire](http://www.osc.state.ny.us/retire). 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 the 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, New York 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 a 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 Tax Notice on page 4. You may wish to contact a tax advisor or visit the IRS website at: [www.irs.gov](http://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 plan, please complete and return the attached Application for Direct Trustee-To-Trustee Transfer form.

Retiree's Signature (Sign Name in Full)

**This acknowledgement must be completed by a Notary Public.**

State of \_\_\_\_\_ County of \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_ in the year 20\_\_\_\_ 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**

**Full Rollover**  I elect to have the Partial Lump Sum payment transferred directly to an IRA, Roth IRA or other eligible retirement plan.  
Institution \_\_\_\_\_ Account No. \_\_\_\_\_  
The attached Direct Trustee-To-Trustee Transfer form must be completed by you and the trustee.

**Partial Rollover**  I elect to have \_\_\_\_\_ percent of the Partial Lump Sum payment transferred directly to an IRA, Roth IRA or other eligible retirement plan. The remainder is to be issued to me, minus 20% Federal Withholding. (Minimum transfer of \$200)  
Institution \_\_\_\_\_ Account No. \_\_\_\_\_  
The attached Direct Trustee-To-Trustee Transfer form must be completed by you and the trustee.

**Multiple Rollover**  I elect to have the Partial Lump Sum payment transferred directly to more than one IRA, Roth IRA or other eligible retirement plan. The remainder is to be issued to me, minus 20% Federal Withholding. (Minimum transfer of \$200)

\_\_\_\_\_% (%, Or specific \$ amount) Institution \_\_\_\_\_ Account No. \_\_\_\_\_  
 \_\_\_\_\_% (%, Or specific \$ amount) Institution \_\_\_\_\_ Account No. \_\_\_\_\_  
 \_\_\_\_\_% (%, Or specific \$ amount) Institution \_\_\_\_\_ Account No. \_\_\_\_\_

You must complete an Application for Direct Trustee-To-Trustee Transfer form for each account. If additional forms are needed, please either make a copy of the attached form or contact the Retirement System to request additional forms.

**Please note:** The total amount to be transferred, either total dollar amount or total percentage, cannot be greater than the Partial Lump Sum payment amount.

**No Rollover**  I elect to have the Partial Lump Sum payment made directly to me. I have read the attached Tax Notice on page 4, and understand that 20% of the total amount will be withheld as Federal Income Tax.

---

## SPECIAL TAX NOTICE REGARDING PARTIAL LUMP SUM PAYMENTS AT RETIREMENT

---

### YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of the Partial Lump Sum (PLS) payment that you are eligible to receive from the New York State & Local Retirement System (System), a governmental defined benefit pension plan, is eligible to be rolled over to an Individual Retirement Account (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 PLS payments 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 a PLS payment from the System if you do not roll it over. Generally, if a plan participant is under age 59 ½ and does not do a rollover, additional income tax of 10% applies to the early distribution amount. However, early age exceptions may apply which are described in "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 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 another 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?**

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

If you do a direct rollover, the System will make the PLS payment directly to your IRA or 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 not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept the rollover. You will have 60 days after you receive the PLS 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. 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 (unless an early age exception applies, or another 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 portion of the PLS payment that is eligible for rollover. The System will tell you what portion of your PLS 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 55 in the year that you separate from service, the 10% additional income tax must be paid on the amount of the early distribution that is not rolled over (including amounts withheld for income tax). This tax is in addition to the regular income tax on the payment not rolled over.

**If you are a qualified public safety employee, as defined in Internal Revenue Code (IRC) Section 72(t)(10)(B) (see definition below) then, as a participant in a governmental defined benefit pension plan, if you are under age 50 in the year that you separate from service, the 10% additional income tax must be paid on the amount of the early distribution that is not rolled over (including amounts withheld for income tax).**

An exception to the 10% additional income tax applies in both instances if the PLS payment is made under a domestic relations order (DRO).

#### **If I do a rollover to an IRA, 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 an exception applies. In general, exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions allowable for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- 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).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- 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 after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

**Will I owe State income taxes?**

Generally, all payments from the System are not subject to the income tax of New York State or its municipalities. However, if you move outside of New York State in the same year that the payment is made or are otherwise required to file a tax return in a state other than New York, this income may be subject to tax in other states. You should consult the tax authorities in that particular state.

This notice does not describe any State or local income tax rules that may apply to later distributions from an IRA or employer plan that receives rolled over funds.

**SPECIAL RULES AND OPTIONS**

**If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the Internal Revenue Service (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, 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 payment to a Roth IRA**

If you roll over the payment 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, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the System to a designated Roth account in an employer plan.

**Other special rules**

If your PLS payment is 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 rollover.

**The System has established a minimum rollover of \$200, when a partial rollover of funds is requested.**

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, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

**Internal Revenue Code Section 72(t)(10)(B)** defines "qualified public safety employee" as an employee of a State or of a political subdivision of a State (such as a county or city) whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the State or the political subdivision of the State.

**IRC Section 72(t)(10)(B) qualified public safety employee attestation (ERS Members Only)**

The determination of whether your job duties meet the qualified public safety employee definition cannot be made by the Retirement System. The representation you provide below will be the basis for reporting this distribution to the IRS.

Since this information is required before we make payment to you, any delay in returning this attestation will delay the processing of your retirement case.

Please check the appropriate box and sign below and return this page to this office with your option election.

My principal job duties **do not** meet the requirements for a qualified public safety employee, as defined in IRC Section 72(t)(10)(B). I understand that if I am less than age 55 at the end of the calendar year in which the PLS payment is made, the taxable amount of the PLS distribution will be subject to the 10% early distribution penalty.

My principal job duties **meet** the requirements for a qualified public safety employee, as defined in IRC Section 72(t)(10)(B). I understand that if I am less than age 50 at the end of the calendar year in which the PLS payment is made, the taxable amount of the PLS distribution will be subject to a 10% early distribution penalty.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Registration Number: \_\_\_\_\_





Office of the New York State Comptroller  
 New York State and Local Retirement System  
 Employees' Retirement System  
 Police and Fire Retirement System  
 110 State Street, Albany, New York 12244-0001

# Application for Direct Trustee-to-Trustee Transfer

## PF 6423

(Rev. 8/11)

### MEMBER INFORMATION:

**Social Security #** \_\_\_\_\_ **Reg. No.** \_\_\_\_\_

I \_\_\_\_\_ hereby request that the Comptroller of the State of New York as trustee for 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 payment as specified on my application for lump sum payment to my account with \_\_\_\_\_ (trustee name).

\_\_\_\_\_  
 Signature Date

### TRUSTEE INFORMATION (to be completed by trustee):

\_\_\_\_\_ (member name) has established an account with us; \_\_\_\_\_ (trustee name)

will accept the direct rollover for \_\_\_\_\_ (member name) in the following Plan:

**Account #** \_\_\_\_\_

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 below
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:**

\_\_\_\_\_

**Mail Checks to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone Number: ( ) \_\_\_\_\_

\_\_\_\_\_  
 Trustee Signature (original signature required) Date

**Please return completed form to:**

New York State and Local Retirement System  
 Police and Fire Retirement Calculation Section Mail Drop 6-2  
 110 State Street  
 Albany, NY 12244

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

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

I do not want to have Federal income tax withheld from my payment.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Only the original of this form will be processed.  
 Copies or facsimiles which do not contain original signatures are not acceptable.**