

# Refund Application Checklist

## Before completing your application:

- Have you read CalSTRS publication *Refund: Consider the Consequences* (Form COM 1494)?
- 

The following checklist will help you avoid common errors that result in applications being returned for correction.

## Section 1: Member Information

- Did you complete *all* of the member information?

## Section 3: Employer Certification of Employment Termination

- Did your employer(s) complete *all* of the information (if applicable)?
- Is the employer(s) signature date on or after your termination date (if applicable)?
- Have you obtained the county office signature stamp if you worked for any of the following employers? See page 3 of instructions (if applicable).
- Los Angeles County Office of Education
  - Los Angeles Unified School District
  - San Diego County Office of Education
  - Stanislaus County Office of Education

## Section 4: Defined Benefit Payment Instructions

### 4.1 Defined Benefit Refund

- Did you elect a Direct Payment or a Rollover?

### 4.2 Defined Benefit Rollover

- Did you provide financial institution account information for both tax-deferred and after-tax rollovers (if applicable)?

If you elected a rollover, did you:

- Choose one of the three plan types: traditional IRA, other eligible plan or Roth IRA?
- Indicate the amount or percentage to transfer?
- Provide the account number?
- Complete the financial institution information?
- Obtain the financial institution representative's signature and date?

## Section 5: Defined Benefit Supplement Payment Instructions

### 5.1 Defined Benefit Supplement Termination Benefit

- Did you elect a Direct Payment or a Rollover (if applicable)?

### 5.2 Defined Benefit Supplement Rollover

- Did you provide financial institution account information for both tax-deferred and after-tax rollovers (if applicable)?

If you elected a rollover, did you:

- Choose one of the three plan types: traditional IRA, other eligible plan or Roth IRA?
- Indicate the amount or percentage to transfer?
- Provide the account number?
- Complete the financial institution information?
- Obtain the financial institution representative's signature and date?

## Section 6: Tax Withholding Preferences

- Did you elect your California state income tax withholding preferences for both your Defined Benefit Refund and Defined Benefit Supplement Termination Benefit (if applicable)?

## Section 7: Required Signatures

- Did you indicate your marital status by checking all boxes that apply to you?
- Did you sign and date the form with today's date?
- Did your spouse or registered domestic partner sign and date the form with today's date (if applicable)?
  - If not, did you check the corresponding box and attach the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form?

## Section 8: Special Tax Notice: Your Rollover Options

- Did you read and consider this notice when making decisions on rollover-eligible payments?

### Before submitting your application:

- Have you had a name change? See page 1 of instructions (if applicable).
- Is your name and Client ID or Social Security number on all pages?
- Did you complete all pages of the application?
- Did you make a copy of your application and supporting documents for your records?

# Refund Application—Instructions

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## GENERAL INFORMATION

You may choose to refund your contributions and interest if you terminate CalSTRS-covered employment. If you worked in a CalSTRS-covered position after January 1, 2001, you have both a Defined Benefit and a Defined Benefit Supplement account. Taking a Defined Benefit and Defined Benefit Supplement refund terminates your membership with CalSTRS and forfeits your rights to all CalSTRS benefits. CalSTRS cannot issue a partial Defined Benefit or Defined Benefit Supplement refund.

**Employment Termination:** Before applying for a refund, you must terminate all CalSTRS-covered employment in the California public school system with either an action by you as the employee, such as employment resignation, or action by your employer, such as dismissal or layoff. Substitute teaching, including part-time substituting, qualifies as employment and must be terminated in order to receive a refund. Termination does not automatically occur at the end of the school year.

**Payment Time Frame:** Your Defined Benefit refund may be processed in two phases. The initial payment will include contributions and interest posted to your account as of the date your refund was processed. If additional contributions and interest are posted to your account after the initial payment is issued, CalSTRS will issue a second payment approximately four months later.

Your Defined Benefit Supplement refund, or termination benefit, may be paid at a later date than your Defined Benefit refund. Current law prohibits CalSTRS from distributing your Defined Benefit Supplement Termination Benefit until six months after your employment termination date. Defined Benefit Supplement funds continue to earn interest while they remain in your Defined Benefit Supplement account. If you return to CalSTRS-covered employment within the six-month waiting period, you are not eligible for a Defined Benefit Supplement Termination Benefit.

By law, CalSTRS cannot distribute more than one Defined Benefit Supplement Termination Benefit to a member within a five-year period. If you apply for a Defined Benefit Supplement Termination Benefit prior to five years since your last Defined Benefit Supplement Termination Benefit payment, CalSTRS cannot process your request until five years have passed.

**Cancellation of a Refund:** You may cancel your refund if you return the Defined Benefit and Defined Benefit Supplement funds in full to CalSTRS within 30 days of the payment issue date.

## COMPLETING THE REFUND APPLICATION

Fill out your application form in black or blue ink and keep a copy for your records. If the information is not correct and legible, your refund payments will be delayed and your application will be returned to you for correction. If you make a mistake completing the application, line through the error, make your correction and initial the change.

You may be eligible to complete and submit your application online using *myCalSTRS* for faster processing. See page 3 to learn more.

**CalSTRS Pension2® Rollovers:** You may select CalSTRS Pension2 for your rollover of contributions and interest without obtaining the financial institution representative's signature. CalSTRS will obtain the required signatures on your behalf.

For more information about CalSTRS Pension2, visit [Pension2.com](http://Pension2.com). You may also contact us by email at [Pension2@CalSTRS.com](mailto:Pension2@CalSTRS.com) or call 888-394-2060, Monday–Friday, 8 a.m. to 5 p.m. PST.

## SECTION 1: MEMBER INFORMATION

Enter your full name, Client ID or Social Security number, complete mailing address, date of birth, telephone number and email address.

If you've had a name change, please provide a copy of one of the following documents to substantiate the name change: Social Security card, court order indicating name change has been filed (signature of judge is required), passport, marriage certificate, or any legal document that is verified.

## SECTION 2: COUNTY OF EMPLOYMENT

List the county in California in which you were employed and your last day of employment.

**SECTION 3: EMPLOYER CERTIFICATION OF EMPLOYMENT TERMINATION**

This section *must* be completed by your employer if you were employed within the last 12 months. If you were employed by more than one employer in the last 12 months, you must submit a separate completed page 1 of the *Refund Application* certified by each employer.

**SECTION 4: DEFINED BENEFIT PAYMENT INSTRUCTIONS**

Be sure to read Section 8, *Special Tax Notice: Your Rollover Options*, on pages 7–11.

**4.1 Defined Benefit Refund Election:** Elect a direct payment or rollover to a financial institution.

**4.2 Defined Benefit Rollover:** If you elect a rollover (trustee-to-trustee transfer) of your Defined Benefit funds, this section must be completed. If you elect to roll over less than the full amount of your Defined Benefit account, the remaining balance will be distributed directly to you, with applicable taxes withheld, at the address listed in Section 1. Your account balance must be \$200 or more to qualify for a rollover to a financial institution.

**Financial Institution Information**

Your financial institution representative's signature is required in Section 4.2 to verify that all the information is accurate. If the information is not complete and correct, your rollover will be delayed. CalSTRS is not able to process rollovers to financial institutions outside the U.S.

**SECTION 5: DEFINED BENEFIT SUPPLEMENT PAYMENT INSTRUCTIONS**

Be sure to read Section 8, *Special Tax Notice: Your Rollover Options*, on pages 7–11.

**5.1 Defined Benefit Supplement Termination**

**Benefit Election:** Elect a direct payment or a rollover to a financial institution.

**5.2 Defined Benefit Supplement Rollover:** If you elect a rollover (trustee-to-trustee transfer) of your Defined Benefit Supplement funds, this section must be completed. If you elect to roll over less than the full amount of your Defined Benefit Supplement account, the remaining balance will be distributed directly to you, with applicable taxes withheld, at the address listed in Section 1. Your account balance must be \$200 or more to qualify for a rollover to a financial institution.

**Financial Institution Information:** Your financial institution representative's signature is required in Section 5.2 to verify that all the information is accurate. If the information is not complete and correct, your rollover will be delayed. CalSTRS is not able to process rollovers to financial institutions outside the U.S.

**SECTION 6: TAX WITHHOLDING PREFERENCES**

CalSTRS is required to withhold 20 percent federal tax on all payments distributed directly to you. If you choose to have state tax withheld from your benefit payment, CalSTRS will withhold at 10 percent of your federal income tax withholding. For example, if you have 20 percent federal tax withholding, your state tax withholding will be 2 percent.

CalSTRS is required to withhold federal income tax from all distributions mailed to a foreign country.

*Addresses Outside California:* In compliance with federal law, CalSTRS will not withhold California state income tax from your payment if you live outside the state. However, if you think you may be liable for California state income tax, complete Section 6 to request California state income tax withholding. CalSTRS does not withhold income tax for states other than California.

After-tax contributions are not taxable but are eligible for rollover. All interest is taxable and is eligible for rollover. Separate payments will be issued for the taxable and nontaxable portions of the distribution. In addition, CalSTRS does not roll over or withhold federal or state income tax from refunds that are less than \$200.

**SECTION 7: REQUIRED SIGNATURES**

Check all boxes that apply, then sign and date your *Refund Application*. If you are married or registered as a domestic partner, your spouse or partner also must sign and date your application. Your signature date is the date you signed your application. Your signature date must be within six months of the date CalSTRS receives your application.

If your spouse or registered domestic partner does not sign your application, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form with your application.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check the box that indicates this. You may need to refer to your settlement agreement to make this determination. In addition, if your court documents have not been reviewed by CalSTRS, you may be asked to provide them later.

**SECTION 8: SPECIAL TAX NOTICE: YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of your CalSTRS payment is eligible to be rolled over to a qualified IRA or an eligible employer plan. Read this notice to help you decide whether to do a rollover.

**SUBMITTING YOUR APPLICATION**

**Terminated Work Within the Last 12 Months**

If you terminated employment within the last 12 months, send your *Refund Application* to your county superintendent's office for certification before submitting it to CalSTRS. For the following employers, send your *Refund Application* as instructed:

**Los Angeles Community College District:** Send to the Retirement Division of the individual college.

**Los Angeles County Office of Education:** Send to 9300 East Imperial Highway, Room 132, Downey, CA 90242.

**Los Angeles Unified School District:** Send to the Accounting & Disbursements Division, Payroll Services Branch (ATTN: Refund Application), P.O. Box 513307, Terminal Annex, Los Angeles, CA 90051-1307.

**San Diego County Office of Education:** Send to Retirement Reporting, Room 605, 6401 Linda Vista Road, San Diego, CA 92111-7319.

**San Francisco Community College District:** Send to the Retirement Division of the individual college.

**Stanislaus County Office of Education:** Send to 1100 H Street, Modesto, CA 95354.

**Terminated Work More Than 12 Months Ago and Refund Applications With Required Certification**

If you terminated employment more than 12 months ago or your *Refund Application* has been certified and you are ready to submit it to CalSTRS:

**Mailing Address**

CalSTRS  
P.O. Box 15275, MS 88  
Sacramento, CA 95851-0275

**Overnight**

If you are using a special mailing service such as UPS or FedEx, send your application to:

CalSTRS Member Services  
100 Waterfront Place  
West Sacramento, CA 95605

**Hand Delivery**

Hand deliver your application to a local CalSTRS benefits counseling office. See [CalSTRS.com/forms-drop](http://CalSTRS.com/forms-drop) for a current listing.

**Fax Delivery**

916-414-4395

**QUESTIONS**

Email your questions using your *myCalSTRS* account or at [CalSTRS.com/contactus](http://CalSTRS.com/contactus), or call 800-228-5453.

 Complete and submit your application online using *myCalSTRS* for faster processing. To be eligible to complete and submit your application online, you must elect a direct payment and not have worked in a CalSTRS-covered position within the past 12 months.

Log into *myCalSTRS* at [myCalSTRS.com](http://myCalSTRS.com) (click on *Services*, then *Complete & Submit Forms*, then *Refund Your Contributions*). Not registered yet? Complete the one-time registration process at [myCalSTRS.com](http://myCalSTRS.com).

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# Refund Application

RF1360 rev 01/15

# CALSTRS

California State Teachers' Retirement System  
P.O. Box 15275, MS 88  
Sacramento, CA 95851-0275  
800-228-5453  
CalSTRS.com

This form is used by CalSTRS to refund contributions and interest from your Defined Benefit and Defined Benefit Supplement accounts. **When you refund your contributions and interest, you terminate your membership with CalSTRS and forfeit your rights to CalSTRS benefits.**

## Section 1: Member Information

If you have had a name change, see page 1 of Instructions.

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

CITY

STATE

ZIP CODE

HOME TELEPHONE

EMAIL ADDRESS

## Section 2: County of Employment

List the county in California in which you were last employed and your last date of employment.

COUNTY OF EMPLOYMENT

LAST DATE OF EMPLOYMENT

## Section 3: Employer Certification of Employment Termination

This section must be completed by your employer if you were employed within the last 12 months. If you have not performed service creditable to CalSTRS in the last 12 months, your employer does not need to complete this section. If you were employed by more than one employer in the last 12 months, you must submit a separate completed page 1 of the *Refund Application* certified by each employer. **Before submitting to your employer, please see page 3 of instructions.**

An employee must terminate employment before applying for a Defined Benefit refund and Defined Benefit Supplement Termination Benefit. I certify that the individual named below has terminated all employment with this county or independent district. **Note: Employer signature date cannot be before termination date.**

EMPLOYEE NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

( )

TERMINATION DATE (MM/DD/YYYY)

COUNTY CODE

UNIT CODE

TELEPHONE



SIGNATURE OF SUPERINTENDENT OR AUTHORIZED DESIGNEE

OFFICIAL TITLE

SIGNATURE DATE (MM/DD/YYYY)



RF1360

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 4: Defined Benefit Payment Instructions**

I have received and read the *Special Tax Notice: Your Rollover Options* on pages 7–11 of this application.

**I understand I have at least 30 days before distribution to consider the information provided in this notice and decide whether to elect a direct rollover to another retirement plan or have the amount distributed to me.** The 30-day waiting period has been met or I waive the 30-day waiting period.

Indicate below if you want to receive your Defined Benefit distribution as a **direct payment** or a **rollover**.

**Section 4.1 Defined Benefit Refund**

I elect the following distribution choice for my CalSTRS Defined Benefit refund. Choose one:

**Direct Payment to You**

I choose to have my Defined Benefit refund mailed directly to me at the address listed in Section 1 of this application. Continue to Section 5, *Defined Benefit Supplement Payment Instructions*.

**Rollover to a Financial Institution**

I choose to roll over all or part of my eligible Defined Benefit tax-deferred contributions and interest and after-tax contributions (if applicable) to the financial institution listed below in Section 4.2. The designated amount of my Defined Benefit refund distribution will be mailed directly to the financial institution address listed. Continue to Section 4.2, *Defined Benefit Rollover*.

**If you have after-tax contributions and you do not complete Section 4.2 Rollover of After-Tax Contributions, your after-tax contributions will be mailed directly to you at the address listed in Section 1.**

**Section 4.2 Defined Benefit Rollover**

Provide financial institution account information for both tax-deferred and after-tax rollovers (if applicable). Any amount not designated for rollover will be mailed directly to the address listed in Section 1, with federal tax withheld. Complete Section 6, *Tax Withholding Preferences*, if you elect to receive any portion of your Defined Benefit refund as a direct payment.

**Rollover of Tax-Deferred Contributions and Interest**

**This section requires your financial institution’s signature (except for CalSTRS Pension2 rollovers).**

Traditional IRA       Other eligible plan such as a 403(b), 457, 401(k) or 401(a)       Roth IRA (taxable rollover)

**Select one:**     Amount to Transfer: \$ \_\_\_\_\_    **OR**     Percentage to Transfer (1–100%): \_\_\_\_\_%

ACCOUNT NUMBER \_\_\_\_\_ MAKE CHECK PAYABLE TO (FULL NAME OF FINANCIAL INSTITUTION) \_\_\_\_\_

PAYMENT MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
(      )

FINANCIAL INSTITUTION REPRESENTATIVE’S NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_



FINANCIAL INSTITUTION REPRESENTATIVE’S SIGNATURE\* \_\_\_\_\_ SIGNATURE DATE (MM/DD/YYYY) \_\_\_\_\_

**\*Certification:** My signature above confirms the account number for the individual named at the top of the page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or an eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of the funds as indicated above.

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 4.2** Defined Benefit Rollover continued

**Rollover of After-Tax Contributions** (if applicable)

**This section requires your financial institution's signature (except for CalSTRS Pension2 rollovers).**

- Traditional IRA       Other eligible plan such as a 403(b), 457, 401(k) or 401(a)       Roth IRA

**Select one:**     Amount to Transfer: \$ \_\_\_\_\_    **OR**     Percentage to Transfer (1–100%): \_\_\_\_\_%

ACCOUNT NUMBER \_\_\_\_\_ MAKE CHECK PAYABLE TO (FULL NAME OF FINANCIAL INSTITUTION) \_\_\_\_\_

PAYMENT MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
(      )

FINANCIAL INSTITUTION REPRESENTATIVE'S NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_



FINANCIAL INSTITUTION REPRESENTATIVE'S SIGNATURE\* \_\_\_\_\_ SIGNATURE DATE (MM/DD/YYYY) \_\_\_\_\_

**\*Certification:** My signature above confirms the account number for the individual named at the top of this page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or an eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of the funds as indicated above.

**Section 5: Defined Benefit Supplement Payment Instructions**

If you made retirement contributions to CalSTRS on or after January 1, 2001, you have a Defined Benefit Supplement account. If you do not have a Defined Benefit Supplement account, continue to Section 6, *Tax Withholding Preferences*.

I have received and read the *Special Tax Notice: Your Rollover Options* on pages 7–11 of this application. **I understand I have at least 30 days before distribution to consider the information provided in this notice and decide whether to elect a direct rollover to another retirement plan or have the amount distributed to me.** The 30-day waiting period has been met or I waive the 30-day waiting period.

Indicate below if you want to receive your Defined Benefit Supplement Termination Benefit as a **direct payment** or a **rollover**.

**Section 5.1** Defined Benefit Supplement Termination Benefit

I elect the following distribution choice for my CalSTRS Defined Benefit Supplement Termination Benefit. Choose one:

**Direct Payment to You**

I choose to have my Defined Benefit Supplement Termination Benefit mailed directly to me at the address listed in Section 1. Continue to Section 6, *Tax Withholding Preferences*.

**Rollover to a Financial Institution**

I choose to roll over all or part of my eligible Defined Benefit Supplement Termination Benefit tax-deferred contributions and interest and after-tax contributions (if applicable) to the financial institution listed in Section 5.2. The designated amount of my Defined Benefit Supplement Termination Benefit will be mailed directly to the financial institution address listed. Continue to Section 5.2, *Defined Benefit Supplement Rollover*.

**If you have after-tax contributions and you do not complete Section 5.2 Rollover of After-Tax Contributions, your after-tax contributions will be mailed directly to you at the address listed in Section 1.**

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 5.2** Defined Benefit Supplement Rollover

Provide financial institution account information for both tax-deferred and after-tax rollovers (if applicable). Any amount not designated for rollover will be mailed directly to the address listed in Section 1, with federal tax withheld. Complete Section 6, *Tax Withholding Preferences*, if you elect to receive any portion of your Defined Benefit Supplement Termination Benefit as a direct payment.

**Rollover of Tax-Deferred Contributions and Interest**

**This section requires your financial institution's signature (except for CalSTRS Pension2 rollovers).**

Traditional IRA       Other eligible plan such as a 403(b), 457, 401(k) or 401(a)       Roth IRA (taxable rollover)

**Select one:**     Amount to Transfer: \$ \_\_\_\_\_      **OR**       Percentage to Transfer (1-100%): \_\_\_\_\_%

ACCOUNT NUMBER \_\_\_\_\_ MAKE CHECK PAYABLE TO (FULL NAME OF FINANCIAL INSTITUTION) \_\_\_\_\_

PAYMENT MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
(      )

FINANCIAL INSTITUTION REPRESENTATIVE'S NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_



FINANCIAL INSTITUTION REPRESENTATIVE'S SIGNATURE\* \_\_\_\_\_ SIGNATURE DATE (MM/DD/YYYY) \_\_\_\_\_

**Rollover of After-Tax Contributions** (if applicable)

**This section requires your financial institution's signature (except for CalSTRS Pension2 rollovers).**

Traditional IRA       Other eligible plan such as a 403(b), 457, 401(k) or 401(a)       Roth IRA

**Select one:**     Amount to Transfer: \$ \_\_\_\_\_      **OR**       Percentage to Transfer (1-100%): \_\_\_\_\_%

ACCOUNT NUMBER \_\_\_\_\_ MAKE CHECK PAYABLE TO (FULL NAME OF FINANCIAL INSTITUTION) \_\_\_\_\_

PAYMENT MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_  
(      )

FINANCIAL INSTITUTION REPRESENTATIVE'S NAME \_\_\_\_\_ TELEPHONE \_\_\_\_\_



FINANCIAL INSTITUTION REPRESENTATIVE'S SIGNATURE\* \_\_\_\_\_ SIGNATURE DATE (MM/DD/YYYY) \_\_\_\_\_

**\*Certification:** My signature above confirms the account number for the individual named at the top of this page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or an eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of the funds as indicated above.

Name \_\_\_\_\_ Client ID or SSN \_\_\_\_\_

**Section 6: Tax Withholding Preferences**

Complete this section if you choose to receive any portion of your Defined Benefit refund or Defined Benefit Supplement Termination Benefit as a direct payment. If you leave this section blank, CalSTRS must withhold California state income tax.

**Defined Benefit Refund**

I choose to have all or part of my Defined Benefit refund paid directly to me. I understand that 20 percent federal income tax must be withheld from the taxable portion of this distribution. If I choose to have California state income tax withheld, CalSTRS will withhold at 2 percent.

**Withhold** California state income tax?  Yes  No

**Defined Benefit Supplement Termination Benefit**

I choose to have all or part of my Defined Benefit Supplement Termination Benefit paid directly to me. I understand that 20 percent federal income tax must be withheld from the taxable portion of this distribution. If I choose to have California state income tax withheld, CalSTRS will withhold at 2 percent.

**Withhold** California state income tax?  Yes  No

**Section 7: Required Signatures**

**Check all that apply.**

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form. 
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or partner was *not* awarded a portion of my CalSTRS benefits.

**Member's Signature**

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).

 \_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Signature Date (MM/DD/YYYY)

 \_\_\_\_\_  
Spouse's or Registered Domestic Partner's Signature

\_\_\_\_\_  
Signature Date (MM/DD/YYYY)

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## Section 8: Special Tax Notice: Your Rollover Options

### INTRODUCTION

You are receiving this notice because all or a portion of your CalSTRS Defined Benefit Supplement, Defined Benefit refund or Cash Balance payment may be eligible for a rollover to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most CalSTRS payments 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.

Certain California tax information also is provided. In general, California law conforms to the Internal Revenue Service regulation. However, there are some differences between California and federal law. For additional information, visit [ftb.ca.gov](http://ftb.ca.gov).

### 30-Day Notice Period and Your Right to Waive

Generally, CalSTRS cannot make a direct rollover or a payment to you until at least 30 days after you receive this notice. If you do not wish to wait until this 30-day notice period ends before your payment is processed, you may waive the notice period.

### GENERAL INFORMATION ABOUT ROLLOVERS

#### How can a rollover affect my taxes?

You will be taxed on your CalSTRS payment if you do not roll it over. If you are under age 59½ and do not do a rollover, you also will have to pay a 10 percent additional federal income tax and a 2.5 percent additional California state income tax on early distributions, unless an exception applies.

If you do a rollover, however, you will not have to pay tax until you receive distributions later and the 10 percent additional federal income tax and 2.5 percent additional state income tax will not apply if those distributions are made after you are age 59½, or if an exception applies.

#### Where may I roll over my CalSTRS 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 either a direct rollover or a 60-day rollover.

**Direct rollover:** If you do a direct rollover, CalSTRS 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 direct rollover of only a portion of your CalSTRS payment and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

**60-day rollover:** If you do not do a direct rollover, you still may 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 your CalSTRS payment to make the deposit.

**If you do not do a direct rollover, CalSTRS is required to withhold 20 percent of the payment for federal income taxes. If you choose to have state tax withheld, CalSTRS will withhold at 2 percent.** 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 percent withheld for federal taxes and any state tax 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 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions if you are under age 59½, unless an exception applies.

#### How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any CalSTRS payment is eligible for rollover, except:

- Benefit payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Required minimum distributions after age 70½ (or after death).
- Corrective distributions of contributions that exceed tax law limitations.

CalSTRS can tell you what portion of a payment is eligible for rollover.

**If I don't do a rollover, will I have to pay the 10 percent additional federal income tax and the 2.5 percent additional state income tax on early distributions?**

If you are under age 59½, you will have to pay the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions for any CalSTRS payment, 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 federal and state income taxes on the payment not rolled over.

The 10 percent additional federal income tax and the 2.5 percent additional state income tax do not apply to the following CalSTRS payments:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation.
- Payments that start after you separate from service if paid 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).
- Payments made due to disability.
- Payments after your death.
- Corrective distributions of contributions that exceed tax law limitations.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made under a qualified domestic relations order (QDRO).
- Payments up to the amount of your deductible medical expenses.

**If I do a rollover to an IRA, will the 10 percent additional federal income tax and the 2.5 percent additional state 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 percent additional federal income tax and 2.5 percent additional state income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the additional federal and state income taxes for early distributions from an IRA are the same as the exceptions listed above 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 qualified domestic relations orders does not apply. However, 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 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).

**SPECIAL RULES AND OPTIONS**

**If Your Payment Includes After-Tax Contributions**

After-tax contributions included in your payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of your CalSTRS payment and the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of your entire CalSTRS payment to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover—and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan. You can do a 60-day rollover to an employer plan of part of a CalSTRS payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

**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, *Individual Retirement Arrangements*.

**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 your CalSTRS 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 percent additional income tax and 2.5 percent additional state income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within five 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 five years. In applying this five-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 percent additional federal income tax and 2.5 percent additional state 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*.

CalSTRS is not responsible for assuring your eligibility to make a rollover to a Roth IRA. Consult your tax adviser if you are interested in rolling over your payment to a Roth IRA.

**If You Are Not a CalSTRS Member**

**Payments after a member's death.** If you receive a distribution after a CalSTRS member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the CalSTRS member was born on or before January 1, 1936.

**If you are a surviving spouse.** If you receive a CalSTRS payment as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions, unless an exception applies. In addition, required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions, you will not have to start receiving required

minimum distributions from the inherited IRA until the year the member would have been age 70½.

**If you are a surviving beneficiary other than a spouse.**

If you receive a CalSTRS payment because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10 percent additional federal income tax and 2.5 percent additional state income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

**Payments under a qualified domestic relations order.**

If you are the spouse or former spouse of a CalSTRS member who receives a payment from CalSTRS under a qualified domestic relations order (QDRO), you generally have the same options the member 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 QDRO will not be subject to the 10 percent additional federal income tax or 2.5 percent additional state 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 a U.S. employer plan, CalSTRS is generally required to withhold 30 percent 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 IRS Form 1040NR and attaching your IRS 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*, IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and FTB Publication 1100, *Taxation of Nonresidents and Individuals Who Change Residency*.

**OTHER SPECIAL RULES**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series, unless you make a different choice for later payments.

If your payments for the year are less than \$200, CalSTRS 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.

When electing how to receive a CalSTRS payment that is rollover eligible, any amount not designated for rollover will be mailed directly to you.

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**

See the *Tax Considerations for Rollovers* booklet at CalSTRS.com. You may wish to consult a professional tax adviser before taking a payment from CalSTRS.

In addition, you will find more 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* and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov, or by calling 800-TAX-FORM (800-829-3676).

For information on state tax, contact the California Franchise Tax Board at [ftb.ca.gov](http://ftb.ca.gov) or call 800-852-5711 (or 916-845-6500 if calling from outside the U.S.). Also see FTB Publication 1005, *Pension and Annuity Guidelines*.

**RIGHT TO RECEIVE PAPER DOCUMENT**

Contact CalSTRS to receive this Special Tax Notice: *Your Rollover Options* provided as a written paper document at no charge.

**RIGHT TO WITHDRAW YOUR CONSENT**

You have the right to withdraw consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options* at any time. Withdrawal of your consent may delay processing of your application. If you would like to withdraw your consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options*, contact CalSTRS and request to receive this notice and application as a written paper document at no charge.

**Scope of Your Consent** – Consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options* applies only to the particular transaction.

**CalSTRS Contact Procedures** – If you have questions about the procedures for receiving a written paper document or to update your electronic information, contact CalSTRS at 800-228-5453, [CalSTRS.com/contactus](http://CalSTRS.com/contactus) or 916-414-5040 (fax).

**Software Requirements** – The software requirements needed to access and retain this *Special Tax Notice: Your Rollover Options* follow:

- Internet Explorer, Version 7.0 and above
- Mozilla Firefox, Version 3.0 and above

- Apple Safari, Version 3.0 and above
- Google Chrome, Version 4.0 and above

Use Adobe® Reader® to view, print and save this notice and other CalSTRS important online documents. If you do not have Adobe Reader installed on your computer, you may download the free program from the Adobe website.

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