



DISPOSITION OF RETIREMENT CONTRIBUTIONS

Your Options upon Employment Termination

Leaving employment, no matter what the circumstance, does not necessarily mean that your rights to MCERA retirement benefits are lost.

When you separate from your employer prior to retirement you must make a decision about your accumulated member contributions and interest earned.

This booklet has been prepared to assist you with this important decision. However, it is highly recommended that you obtain advice from a qualified financial planner or tax professional when making an election.

Important Legal Disclaimer

This Disposition of Retirement Contributions booklet is intended to provide members with general information about the options available to them following termination of employment with a Marin County Employees' Retirement Association (MCERA) plan sponsor. Every effort has been made to ensure the timeliness and accuracy of the information offered; however, you should not rely solely on the information contained herein.

MCERA is governed by the County Employees' Retirement Law of 1937 (CERL, Government Code Section 31450 et. seq., also referred to as the 1937 Act). No statement in this booklet is a legally binding interpretation, enlargement, or amendment of the provisions in the CERL or MCERA's bylaws and policies. If conflict arises between this guide and the CERL, the decision will be based on the CERL, and other governing law.

The information presented in this booklet should not be construed as legal advice or as a legal opinion on specific facts.

Contents

Section 1: Your Options upon Employment Termination	2
General Options.....	2
Leaving Your Contributions on Deposit.....	3
▪ Deferred Retirement – Vested Members	3
▪ Deferred Retirement – Non-vested Members	3
▪ Reciprocity – All Members.....	4
Withdrawing Your Contributions.....	5
▪ Direct Payment to You	5
▪ Direct Rollover	5
▪ Part Direct Payment to You and Part Direct Rollover	5
Section 2: Special Tax Notice Regarding Plan Payments and Federal Income Tax	6
General Information about Rollovers.....	6
▪ How can a rollover affect my taxes?.....	6
▪ Where may I rollover the payment?.....	6
▪ How do I do a rollover?	7
▪ How much may I roll over?	7
▪ If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?	7
▪ If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?	8
▪ Will I owe state income taxes?	8
▪ If my payment is not eligible for rollover will it be subject to mandatory withholding?	8
▪ What are the consequences for failing to defer receipt of an eligible rollover distribution?	8
▪ How much time do I have to decide?	9
Special Rules and Options.....	9
▪ If your payment includes after-tax contributions	9
▪ If you miss the 60-day rollover deadline	9
▪ If you were born on or before January 1, 1936.....	10
▪ If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance	10
▪ If you rollover your payment to a Roth IRA.....	10
▪ If you are not a plan participant	10
▪ If you are a nonresident alien	11
Other Special Rules.....	11
Section 3: Disposition of Retirement Contributions Election Form.....	13

Section 1: Your Options upon Terminating Employment

Separation from employment does not necessarily mean a loss of earned MCERA retirement benefits. Your options upon termination depend upon whether you are a vested or non-vested member, if you are eligible for service retirement, and if you may be disabled from performing the essential functions of your job.

Generally, the following options may be available to MCERA members who have separated from their MCERA plan sponsor:

✓ Service Retirement

If you meet the eligibility requirements for your plan sponsor and/or Tier you may apply for a regular service retirement.

✓ Service Connected Disability Retirement

Regardless of how long you have worked, if you believe that you are disabled from your job and that such disability was caused by a job-related injury or illness, you have the right to apply for a service connected disability retirement.

✓ Non-service Connected Disability Retirement

If you believe you are disabled from your employment, but that such disability was not caused by your job and if you have at least 5 years of retirement service credit, you have the right to apply for a non-service connected disability retirement.

✓ Deferred Retirement

You may choose to leave your contributions on deposit and defer your retirement to a later date. As a **deferred vested member** you may receive your retirement allowance at any time that you would have been eligible to retire for service had you remained in employment. As a **deferred non-vested member** your earliest retirement eligibility occurs at age 70.

✓ Establish Reciprocity

You are eligible to establish reciprocity if you leave your accumulated retirement contributions on deposit with MCERA and become a member in a reciprocal retirement system within 6 months of leaving active MCERA membership. Any future service credit earned in reciprocal retirement systems will count toward meeting MCERA retirement eligibility requirements as long as you retire concurrently in all reciprocal systems.

✓ Withdraw Your Contributions

You may withdraw your accumulated employee retirement contributions plus any applicable interest earned. If you withdraw your contributions you will terminate your MCERA membership, thereby forfeiting any right you may have to receive a future benefit from MCERA.

Leaving Your Contributions on Deposit

If you terminate employment with an MCERA plan sponsor you may elect to leave your accumulated retirement contributions and interest on deposit with MCERA regardless of your years of service. Your funds will continue to earn interest while on deposit, and interest will be credited to your account at the same rate as it is credited to all other member accounts on deposit with MCERA. However, you cannot receive an MCERA pension in the future unless you meet minimum eligibility requirements.

If you elect to leave your retirement contributions on deposit with MCERA, the following options may be available to you:

✓ **Deferred Retirement – Vested Members (5 or More Years of Service)**

If you terminate employment after earning at least 5 years of retirement service credit you may elect to leave your contributions and interest on deposit with MCERA and defer your retirement benefits to a later date. Under these circumstances you will become eligible for retirement when your funds have been on deposit long enough to meet the 10-year retirement service credit requirement, and you have met the minimum retirement age requirements as specified by your plan sponsor and/or tier. All members are eligible to retire upon attaining age 70 regardless of their years of service.

To begin receiving a monthly retirement benefit, you must submit a retirement application to MCERA after you meet the minimum retirement eligibility requirements.

If you defer and subsequently return to MCERA-covered employment you will return at your original age and Tier status. Service credit is not earned while in deferred status but your funds will continue to earn interest while on deposit.

You may rescind this election at any time before your effective date of retirement and withdraw all contributions and interest. If you die before receiving a retirement allowance your accumulated contributions and interest will be paid to your designated beneficiary or estate.

✓ **Deferred Retirement – Non-vested Members (Less Than 5 Years of Service)**

If you have less than 5 years of retirement service credit when you terminate employment you may elect to leave your contributions and interest on deposit with MCERA and defer your retirement.

In order to begin receiving a retirement benefit, a non-vested deferred member would need to do one of the following: reach age 70; re-enter MCERA membership and earn enough service to become vested; establish reciprocity, or purchase available service credit to become vested. Service credit is not earned while in deferred status but your funds will continue to earn interest while on deposit.

You may rescind this election at any time and withdraw all contributions and interest. If you die before receiving a refund of your accumulated contributions and interest, your accumulated contributions and interest will be paid to your designated beneficiary or estate.

4 | DISPOSITION OF RETIREMENT CONTRIBUTIONS

✓ Reciprocity – All Members (Transfer to a Reciprocal Agency)

Reciprocal retirement benefits are available to all members of MCERA who terminate employment from an MCERA plan sponsor and establish membership with a reciprocal retirement system in California, subject to certain conditions. These benefits are contingent upon the following:

- You must establish membership in the participating retirement system of an eligible public agency within 6 months of leaving your former MCERA plan sponsor without incurring an overlap in service, and
- You must leave your contributions and interest on deposit with MCERA and inform us in writing of the name of the county or other public agency by whom you will be or are employed.
- The contributions you have elected to leave on deposit with MCERA may not be withdrawn while you remain employed by any agency which is covered by the 1937 Act, the State of California Public Employees' Retirement System (CalPERS), the State Teachers' Retirement System (CalSTRS), Judges Retirement System or any agency having a reciprocal agreement with CalPERS.

The advantages of electing reciprocity include the following:

- In your new retirement system, your age for contribution purposes will be the same as when you entered MCERA rather than your current age.
- Service credited under MCERA will count toward establishing your eligibility for benefits in both systems.
- Upon death or retirement for service or disability (provided you retire simultaneously under all reciprocal systems) the final average compensation used to determine your benefits from all systems will be the highest that you earned under any one system.

Marin is one of 20 California counties that offers a pension plan governed by the 1937 Act. Here is the complete list of 1937 Act systems to which reciprocity provisions apply:

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

MCERA also has reciprocal agreements with a number of other public employers in California, including CalPERS, CalSTRS, the Judges Retirement System and most agencies that have reciprocal agreements with CalPERS.

Once reciprocity is established it may not be broken without significant consequences. Please contact our office if you would like more information on reciprocity, including which employers with whom MCERA has established a reciprocal agreement.

Withdrawing Your Contributions

Upon separating from employment with an MCERA plan sponsor you can elect to withdraw your accumulated contributions and interest. **By requesting a withdrawal you will be forfeiting any rights to retirement benefits which you may have been able to claim had you remained an MCERA member, including disability retirement benefits.**

If you withdraw your accumulated contributions and interest, you have three options described below. Please also see Section 2 of this booklet, “Special Tax Notice Regarding Plan Payments and Federal Income Tax,” for more detailed information on these options.

✓ Direct Payment to You

You may choose to have MCERA disburse your contributions directly to you. However, MCERA must withhold federal income taxes in the amount of 20% and will withhold state income tax unless you elect no state income tax withholding. In addition, you may be subject to a 10% early withdrawal federal tax penalty and a 2.5% early withdrawal state tax penalty for California residents (other states may impose a similar penalty) when you file your federal and state income tax returns. You should ask your tax advisor about this penalty. After you receive your withdrawal you will have 60 days to rollover the funds to a traditional IRA or other qualified tax-deferred account to avoid the early withdrawal penalty and to avoid current income tax.

✓ Direct Rollover

Upon your request, MCERA will pay your eligible funds directly to the eligible retirement plan of your new employer, a traditional IRA that you choose, or to a Roth IRA, if eligible. By electing this option you will not have any taxes withheld and will not be subject to an early tax withdrawal penalty. Pre-tax contributions which are rolled over into an eligible IRA or employer plan are not taxable until you withdraw those funds out of the IRA or the employer plan. The amount of the rollover will only include contributions made on a pre-tax basis and exclude your post-tax contributions. Any contributions you made post-tax will be refunded directly to you.

✓ Part Direct Payment to You and Part Direct Rollover

You may have part of your contributions distributed directly to you and part contributed to an IRA or other retirement plan as provided for in the prior sections. Please note that any part that is paid directly to you will be subject to the income tax consequences described in the prior section, “Direct Payment to You.”

Section 2: Special Tax Notice Regarding Plan Payments and Federal Income Tax

This notice contains important information you will need before you decide how to receive your Plan benefits. This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. Other tax rules apply for California.

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an IRA, Roth IRA, or an eligible employer plan. A rollover is a payment by you or MCERA (your "Plan Administrator") of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan 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 payment from the Plan that is eligible for rollover (see "*How much may I roll over?*") 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 payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an eligible 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. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment. If you roll over your benefit, however, to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a direct rollover, your benefit will no longer be eligible for that special treatment. See the following sections entitled "*If you were born on or before January 1, 1936*" and "*If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?*"

How do I select a rollover?

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

If you do a direct rollover, the Plan 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 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 it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property 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 may I roll over?

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

- Certain 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)

The Plan administrator or payor 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% additional income tax on early distributions?

Yes. If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (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 the following payments from the Plan:

- 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 after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO); or
- Payments up to the amount of your deductible medical expenses.

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

Yes. 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, the exceptions to the 10% additional income tax 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 (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?

This notice does not describe any State or local income tax rules (including withholding rules). You should consult with tax counsel or the state or local tax authority.

If my payment is not eligible for rollover will it be subject to mandatory withholding?

If any portion of your payment is taxable, but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask MCERA for the election form and related information.

What are the consequences for failing to defer receipt of an eligible rollover distribution?

If you choose to have an eligible rollover distribution (or a distribution that is not eligible for rollover) paid directly to you now rather than deferring receipt, for example, by leaving the money in the Plan, or by rolling over the eligible rollover distribution to a traditional IRA or an eligible employer plan:

- You could lose your ability to defer income taxes on the distribution until a later date.
- You may be subject to the additional 10% early distribution penalty if you receive payment before age 59½.
- Your benefit may be less now than it will be if you defer receipt until a later date.
- Your retirement savings may be reduced.

How much time do I have to decide?

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan administrator.

Special Rules and Options

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment.

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). The Plan Administrator can tell you the amount of any after-tax contributions included in your distribution request. If you do a rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA, 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 payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

Special note: The Internal Revenue Service is currently taking the position that if there are two different recipients for a Plan distribution, then there are two distributions. If your payment includes after-tax contributions, you should consult with a personal financial and/or tax advisor regarding your rollover elections.

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 (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 are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If you retired as a public safety officer and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

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). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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 Plan to a designated Roth account in an employer plan.

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant'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% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "*If you were born on or before January 1, 1936*" applies only if the participant was born on or before January 1, 1936.

- ***If you are a surviving spouse***

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant 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% additional income tax on

early distributions (unless an exception applies) and 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% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

Note that although California state law recognizes same-sex spouses and domestic partners, a spouse for federal tax law purposes must be a person of the opposite sex to whom you are married. A same-sex spouse or domestic partner beneficiary is treated as a nonspouse beneficiary for federal tax law purposes. See the rules described under the section below titled “*If you are a surviving beneficiary other than a spouse.*”

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

If you receive a payment from the Plan because of the participant'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% additional 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 the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), 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 QDRO 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 Plan 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 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, the Plan 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.

12 | DISPOSITION OF RETIREMENT CONTRIBUTIONS

- You may not elect to have separate portions of an eligible rollover distribution directly rolled over to multiple trustees or custodians.
- 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 MCERA, or a professional tax advisor, before taking a payment from the Plan. 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, or by calling 1-800-TAX-FORM.

MCERA can be reached at (415) 473-6147 if you have additional questions after reading this notice.

Section 3:

Disposition of Retirement Contributions Election Form

The Disposition of Retirement Contributions Election Form has been developed as an electronic form using Microsoft Word 2007. If you are viewing this file as a PDF, the Disposition of Retirement Contributions Election Form cannot be completed electronically. Please contact our office if you need assistance with this or any other MCERA form.

Filling In the Electronic Form

- Use the mouse or the Tab key to move between boxes. You can use Shift+Tab to move back.
- You may save your progress to your computer and continue the form at any time.
- After completing your form on the screen, print the form and save a copy for yourself.
- Sign your name where indicated, making sure to have your spouse/registered domestic partner sign where appropriate.
- Return the signed form to MCERA by postal mail or hand delivery. MCERA cannot accept forms submitted by email or fax.

[This page intentionally left blank]



DISPOSITION OF RETIREMENT CONTRIBUTIONS ELECTION FORM

Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100, San Rafael, CA 94903-2764
Main: (415) 473-6147 • Fax: (415) 473-3612 • Web: www.mccera.org

(PLEASE TYPE OR PRINT WITH INK)

SECTION 1: Member Information

LAST NAME		FIRST NAME		SOCIAL SECURITY NUMBER	
STREET ADDRESS				PHONE NUMBER	
CITY		STATE/COUNTRY	ZIP CODE	EMAIL ADDRESS	

SECTION 2: Election of Membership (choose only one option from the following sections)

Choose only one option from the following sections.

2A	<p>DEFERRED RETIREMENT</p> <p><input type="checkbox"/> I elect to defer retirement and leave my accumulated contributions on deposit.</p>				
2B	<p>RECIPROCITY</p> <p><input type="checkbox"/> I am accepting employment with an employer covered by a reciprocal retirement system and will enter into membership in the reciprocal retirement system within 180 days of my termination date. I understand that my contributions may not be withdrawn while I am a member of a 1937 Act County retirement system or a member of a retirement system that recognizes MCCERA service with reciprocity.</p> <table border="1" style="width: 100%;"> <tr> <td>NAME OF RECIPROCAL SYSTEM</td> <td>DATE OF MEMBERSHIP</td> </tr> </table>	NAME OF RECIPROCAL SYSTEM	DATE OF MEMBERSHIP		
NAME OF RECIPROCAL SYSTEM	DATE OF MEMBERSHIP				
2C	<p>WITHDRAW CONTRIBUTIONS</p> <p>I understand that my decision to withdraw my contributions means that I will terminate my MCCERA membership, thereby forfeiting all rights to any future MCCERA retirement benefits.</p> <p><input type="checkbox"/> Direct Payment to You I elect to terminate my MCCERA membership and receive a refund of my total accumulated contributions and interest, if applicable. <i>When paying refunds, MCCERA is required by law to withhold federal tax from taxable contributions and interest, if applicable. State law requires taxes to be withheld unless you elect taxes not be withheld. Federal tax withholding is 20% of taxable amount. State tax is 10% of the federal tax withholding, i.e. 2% of the total taxable distribution. If you do not want to have state taxes withheld from your refund, check the box at the bottom of Section 2C of this form.</i></p> <p><input type="checkbox"/> Direct Rollover I elect to terminate my MCCERA membership and rollover my eligible accumulated contributions and interest, if applicable, to the institution or plan designated below. <i>Any post-tax contributions paid into MCCERA will be paid directly to you.</i></p> <p><input type="checkbox"/> Part Direct Payment to You and Part Direct Rollover I elect to terminate my MCCERA membership and receive a refund of \$_____ and rollover the balance of my eligible contributions to the institution or plan designated below.</p> <table border="1" style="width: 100%;"> <tr> <td>NAME OF INSTITUTION OR EMPLOYER'S QUALIFIED PLAN</td> <td>IRA OR PLAN NUMBER & EMPLOYER'S EIN NUMBER</td> </tr> <tr> <td colspan="2">ADDRESS OF INSTITUTION OR EMPLOYER</td> </tr> </table>	NAME OF INSTITUTION OR EMPLOYER'S QUALIFIED PLAN	IRA OR PLAN NUMBER & EMPLOYER'S EIN NUMBER	ADDRESS OF INSTITUTION OR EMPLOYER	
NAME OF INSTITUTION OR EMPLOYER'S QUALIFIED PLAN	IRA OR PLAN NUMBER & EMPLOYER'S EIN NUMBER				
ADDRESS OF INSTITUTION OR EMPLOYER					
	<p>STATE & FEDERAL TAX NOTICE</p> <p>When paying refunds, MCCERA is required by law to withhold federal tax from taxable contributions and interest, if applicable. Federal tax withholding is 20% of taxable amount. State tax is 10% of the federal tax withholding, i.e. 2% of total taxable distribution. <u>Federal tax withholding is mandatory.</u></p> <p>State law requires taxes to be withheld unless you elect taxes not be withheld. If you do not want to have state taxes withheld from your refund, please indicate so by checking the box below:</p> <p><input type="checkbox"/> DO NOT withhold state tax from my refund.</p>				

DISPOSITION OF RETIREMENT CONTRIBUTIONS ELECTION FORM (continued)

SECTION 3: Spousal Release

One of the following two sections must be completed if you have elected a withdrawal of contributions.

3A	SIGNATURE OF MEMBER SPOUSE/REGISTERED DOMESTIC PARTNER	
	I am the spouse/registered domestic partner of the member who is submitting this <i>Disposition of Retirement Contributions</i> form. By signing below, I hereby acknowledge that I am informed about this form and its election.	
	Name of spouse/registered domestic partner (please print): _____	
	SIGNATURE OF SPOUSE/REGISTERED DOMESTIC PARTNER	DATE

3B	DECLARATION OF REASON FOR ABSENCE OF SPOUSE'S/REGISTERED DOMESTIC PARTNER'S SIGNATURE	
	Pursuant to Government Code Section 31760.3 the member's current spouse/registered domestic partner must be made aware of the selection of benefits or change in beneficiary made by the member. The spouse/registered domestic partner of an MCERA member must acknowledge the submission of a request for a refund of contributions; election of retirement optional settlement; and designation of beneficiary for pre-retirement death benefits. If a spouse's/registered domestic partner's signature does not appear, the following information must be completed by the member and submitted with the application or form.	
	I declare under penalty of perjury under the laws of the State of California that (check one):	
	<input type="checkbox"/> I am not married nor am I in a registered domestic partnership.	
	<input type="checkbox"/> My current spouse/registered domestic partner has no identifiable community property interest in any MCERA benefits earned through my employment.	
	<input type="checkbox"/> I do not know, and have taken all reasonable steps to determine, the whereabouts of my current spouse/registered domestic partner.	
	<input type="checkbox"/> My current spouse/registered domestic partner has been advised of my election and has refused to sign the written acknowledgement.	
	<input type="checkbox"/> My current spouse/registered domestic partner is incapable of executing the acknowledgement because of incapacitating mental or physical condition.	
	<input type="checkbox"/> My current spouse/registered domestic partner and I have executed a marriage settlement agreement pursuant to Part 5 (commencing with Section 1500) of Division 4 of the Family Code, which makes the community property law inapplicable to our marriage.	

SECTION 4: Acknowledgements & Signature

I have read the Disposition of Retirement Contributions booklet, which includes the Special Notice Regarding Plan Payments and Federal Income Tax. I understand completely the effect of withdrawing my contributions from my MCERA account. I am aware that by withdrawing my contributions I will not be eligible for any future retirement benefits from MCERA. I have read and fully understand the distribution options available to me and the income tax consequences of my distribution elections.

Please process my MCERA account as requested in Section 2, above. **I understand that once my election has been processed by MCERA it is irrevocable.**

I declare under penalty of perjury that the foregoing statements are true and correct.

MEMBER SIGNATURE	DATE
------------------	------

Your original signature is required. MCERA cannot accept forms submitted electronically or by fax.

MCERA
Please submit your signed form to: One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

FOR MCERA USE ONLY

	PREVIOUSLY TAXED	ROLLOVER DISTRIBUTION	DISTRIBUTION TO MEMBER	TOTAL DISTRIBUTION
CONTRIBUTIONS				
INTEREST				
COL CONTRIBUTIONS				
COL INTEREST				
TOTAL				
STATE TAX WITHHELD				
FEDERAL TAX WITHHELD				
WARRANT	#		#	#