

RETIREMENT APPLICATION

This booklet contains:

- Application Instructions
- Tax Information
- Application for Retirement Benefits
- Withholding Certificate for Pension Benefit Payments
- Direct-Deposit Agreement
- Designation of Beneficiary – Retired



Steps in the Retirement Process

1. Request a retirement benefit estimate through your designated agent or calculate one yourself. Login to the member web portal at kpers.org. Click "KPERS Account Access" at the top left.
2. Review our *Retirement Options* publication to consider your payment options.
3. Submit your retirement application at least 30 days before the day you want to retire.
4. Documents you will need to provide:
 - Proof of birth to establish age
 - Proof of all name changes since birth
 - Proof of birth and all name changes since birth for your joint annuitant if you choose a joint-survivor option

See the list of acceptable birth and name change documents below. KPERS accepts faxed or photocopied documents as long as the documents have not been altered in any way. Court documents must be certified.

5. The Retirement System will process your application. We will notify you if we need more information.
6. The Retirement System will mail a letter to your home address including information about your benefit amount.
7. Benefit payments will be directly deposited at your financial institution on the last working day of each month.

Acceptable Proof of Birth and Name Change

Proof of Birth

A photocopy of one of the following:

1. Birth certification
2. Baptismal certificate or statement as to the date of birth shown by a church record, certified by the record's custodian
3. Notification of registration of birth in a public registry of vital statistics
4. Certification or record of age by the U.S. Census Bureau
5. Hospital birth record, certified by the record's custodian
6. Foreign church or government record
7. Signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records
8. Naturalization record
9. Immigration papers

If you are unable to provide proof of birth according to 1-9 above, submit a photocopy of **two** of the following documents:

10. Military record
11. Passport
12. School record, certified by the custodian of the record
13. Vaccination record, certified by the custodian of the record
14. Insurance policy application that shows the age or date of birth
15. Marriage records showing date of birth or age (application for marriage license or church record, certified by the custodian of the record or marriage certificate)
16. Other evidence such as signed statements from persons who have knowledge of the date of birth

Proof of Name Change

A photocopy of one of the following:

1. Marriage or other court records showing birth name and present name (If a person has had more than one name change, records submitted must reflect all name changes.)
2. Name Change Affidavit (KPERS-40NC) or other affidavit from a parent listing all name changes
3. Request for Member Information Change form (KPERS-12) signed and submitted to KPERS by designated agent at the time of the name change will be acceptable for name changes occurring during employment
4. Federal Employment Eligibility Verification form (I-9)
5. Driver's license
6. Social Security card

If you are unable to provide proof of name change according to 1-6 above, submit a photocopy of **two** of the following documents:

7. Name Change Affidavit (KPERS-40NC) or other affidavit from two persons declaring that the persons have known the applicant by all names in question
8. Birth documents of natural child if document shows both the given name and the married name
9. Other documents showing both names in question, such as school records, medical records, insurance policy application, etc.

Instructions for Retirement Application

■ General Information

- Complete all pages of this application.
- Feel free to detach the pages for easier completion.
- Sign and date the completed application and have it notarized where indicated.
- Mail the completed application and necessary documents to KPERS at least 30 days before the date you select to retire.
- Once KPERS receives your application, we will review it and send an acknowledgement letter to you and your employer.

■ Part A – Member Information

- 1-2. Enter your name and Social Security number. This number *must* agree with the number your employer has on file.
3. Mark the corresponding box to indicate which system you are retiring from.

Note: If you are eligible to retire from more than one plan (for example, KPERS and KP&F), you may mark more than one plan if you are choosing the *same* retirement options. Submit two applications if you wish to choose different retirement options for each plan.

4. Enter the date you've selected to retire. KPERS and KP&F members can retire on the first day of any month following the last day on the payroll. Judges and special KP&F members can retire any day of the month following the last day on the payroll.

Important: The Retirement System must receive this application before your selected retirement date.

- 5-7. Enter the indicated personal information. Enter the mailing address to which the Retirement System should direct all communications on your behalf.

■ Part B – Retirement Benefit Options

Important: Before choosing one of the seven benefit options, please review the separate *Retirement Options* publication for details about each option. Kansas law does not allow you to change this option after your retirement date.

1. Mark this box to choose the Maximum Monthly Benefit with no survivor benefits.
- 2-4. Mark the corresponding box (#2, #3 or #4) to choose a Joint-Survivor Option. Complete all information for your joint annuitant. You will need to provide proof of age and all name changes for your joint annuitant.

- 5-7. Mark the corresponding box (#5, #6 or #7) to choose a Life-Certain Option. Complete the included Designation of Beneficiary – Retired form (KPERS-7/99R).

■ Part C – Partial Lump-Sum Option (PLSO)

You can take part of your retirement benefit in an up-front lump sum at retirement. Choosing this option means you will receive a single lump-sum payment equal to a given percentage of your lifetime benefit's actuarial present value. This lump sum is then combined with one of the other retirement options to provide reduced, regular monthly payments for the rest of your life.

1. Mark the corresponding box to indicate whether you wish to choose the Partial Lump-Sum Option. You must indicate whether you are electing the PLSO. If you choose "yes," complete the rest of Part C. If you choose "no," advance to Part D.
2. Mark the corresponding box to indicate your choice of lump-sum payment percentage.

Note: KPERS 2 members can only choose a 10, 20 or 30 percent option. If you select any other option, your election will default to 30 percent. This does not affect KP&F or Judges.

In general, your retirement benefits are subject to federal tax, but not Kansas state taxes. Read and understand the "Tax Information About Plan Payments" in this booklet before completing the *PLSO Payment Options*. Federal law requires a mandatory 20 percent tax withholding on taxable amounts paid directly to you.

Note: Taxable amounts that are rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan. A rollover to a Roth IRA is a taxable distribution in the year the funds are transferred.

Part of your PLSO payment will be considered **nontaxable** if you made any contributions on an after-tax basis.

You made contributions on an after-tax basis if you:

- Were a member before July 1984.
- Purchased service with a lump-sum payment other than a rollover or trustee-to-trustee transfer.

Federal law allows you to "recover" these amounts gradually without paying income tax on them again. A portion will be included in your PLSO payment and the rest will be paid to you gradually in your regular monthly benefit payments according to IRS regulations.

Taxable Amount

3. Mark this box to have the entire taxable amount paid directly to you. The Retirement System will withhold a required 20 percent for federal taxes. Advance to Nontaxable Amounts.
4. Mark this box to have the entire taxable amount paid to a qualified defined contribution plan, traditional IRA or Roth IRA. Advance to #6.
5. Mark this box to have **part** of the taxable amount paid to a qualified defined contribution plan, traditional IRA or Roth IRA and the remainder to you. Enter the rollover amount in the space provided. The minimum rollover is \$500. The Retirement System will withhold a required 20 percent for federal taxes from the portion paid to you. Advance to #6.
6. If you marked #4 or #5, indicate the name, mailing address, account number and plan type of each rollover plan. If different, provide address where the check should be mailed. Verify with your financial institution or rollover plan exactly how your rollover check should be made payable. Indicate the percentage of payment to be placed within each plan. The total percentage amounts must be in whole numbers and equal 100 percent.

Nontaxable Amount

Note: You may not have a nontaxable amount.

7. Mark this box to have the entire nontaxable amount paid to you. Advance to Part D.
8. Mark this box to have the entire nontaxable amount paid to a qualified defined contribution plan, traditional IRA or Roth IRA. Advance to #9.
9. If you marked #8, indicate the name, address, account number and plan type of the rollover plan. If different, provide address where the check should be mailed. Verify with your financial institution or plan exactly how your withdrawal check should be made payable.

State of Kansas Set-Off Program

The State of Kansas Set-off program is a program used to collect certain government debts. If you owe a debt to a Kansas state agency, municipality, municipal court or district court, your payment will be applied (set-off) to that delinquent debt. If your PLSO payment is set-off, additional time will be required to process your payment.

For more information on the Set-off Program, visit www.da.ks.gov/ar/setoff or call the Customer Call Center at (785) 296-4628.

■ Part D – Member Statement and Signature

Important: This section must be completed regardless of which retirement payment option you choose.

1. Read and understand each statement, then sign and date the form. You need to certify your marital status and that you received information about continuing life insurance. By signing, you are confirming that you understand all rules concerning working after retirement, including prearrangements to return to work. You are also confirming your retirement benefit option and that you understand this choice is irrevocable. Finally, you are confirming that all of the information you have provided is correct to the best of your knowledge. Your signature must be notarized.

■ Part E – Spousal Consent to Member’s Retirement Benefit Selection

Important: Kansas law requires spousal consent if you select a Partial Lump-Sum Option (PLSO) and/or any retirement benefit option that would provide less than one-half of your monthly retirement benefit to your spouse if you die. This section must be completed by your spouse if you are married and chose the Maximum Monthly Benefit, a Life-Certain Option and/or a PLSO.

1. Spouse prints his/her name.
2. Spouse needs to read and understand the statement.
3. Spouse signs and dates the form to attest that he/she is the spouse of the retiring member and that he/she understands and agrees with the retirement option the member chose. Spouse’s signature must be notarized.

TAX INFORMATION REGARDING PLAN PAYMENTS

You are receiving this notice because all or a portion of a payment you are receiving from KPERS is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Note: If you have an electronic version of this booklet, you may request a paper copy from KPERS at no charge.

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 KPERS if you do not roll it over. If you are under age 59 1/2 and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies).

If you **do** a rollover to a traditional IRA or an eligible employer plan, you will not have to pay tax until you receive payments later from the IRA or plan, and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

If you **do** a rollover to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount). However, if you are under age 59 1/2 at the time of the rollover, the 10% additional income tax will not apply. See the section below titled "Can I roll over my payment to a Roth IRA?" for more details.

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 employer plan (a tax-qualified section 401(a) plan, section 403(b) plan, or governmental section 457(b) deferred compensation 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 of the rolled over amount in the future. 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.

If you **do a direct rollover**, KPERS 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**, KPERS is required to withhold 20% of the payment for federal income taxes. 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. 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 59 1/2 (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 payment from KPERS 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) (This means that your lifetime monthly benefits are not eligible for rollover.).
- Required minimum distributions after age 70 1/2 (or after death).
- Corrective distributions of contributions that exceed tax law limitations.

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

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 KPERS for the election form and related information.

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

If you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions for any payment from KPERS (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 KPERS:

- 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 from a governmental defined benefit pension plan 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
- 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% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 1/2, 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 (QDROs) 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 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).

Will I owe state income taxes?

KPERS lump-sum benefits, including earnings, generally keep their Kansas state tax-exempt status, even when rolled over into a qualified IRA containing other retire-

ment funds. For more information about Kansas state taxes, please contact the Kansas Department of Revenue or a qualified tax preparer. If you live in another state, check if your benefit is taxable in that state.

Special Rules And Options

What if my 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 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, as described below.

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 the amount paid from the Plan and at the same time 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 the entire amount paid from the Plan 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 the 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 payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

What happens if I miss the 60-day rollover deadline?

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances,

such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Are there special rules if I was 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.

Can I roll over my payment to a Roth IRA?

Yes. You can roll over a payment from KPERS 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 59 1/2 (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 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% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs). You should consult your tax advisor if you are interested in rolling over your distribution to a Roth IRA.

Are there different rules if I am not the KPERS member?

Payments after death of the member

If you receive a distribution that you do not roll over after the member's death, 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 "Are there special rules if I was born on or before January 1, 1936" applies only if the member was born on or before January 1, 1936.

If you are a surviving spouse

If you receive a payment from KPERS 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 59 1/2 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 70 1/2.

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 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 from KPERS, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70 1/2.

If you are a surviving beneficiary other than a spouse

If you receive a payment from KPERS 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. If you do not do a direct rollover to an inherited IRA, KPERS is required to withhold 20% of the payment for federal income tax. 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 member who receives a payment from KPERS 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). If you are an alternate payee other than the spouse or former spouse of the member, you generally have the same options as a surviving beneficiary other than the spouse, so that the only rollover option you have is to do a direct rollover to an inherited IRA. Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

Are there different rules if I am 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%, KPERS 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 claim-

ing 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.

Are there any 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, KPERS 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.

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.

Notice Period

Generally, payment cannot be made from KPERS until at least 30 days after you receive this notice. Thus, you have at least 30 days to consider whether or not to have your payment 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 payment will then be processed in accordance with your election as soon as practical after it is received by KPERS.

Retired Public Safety Officers

If you retired as a state 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 state public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew employed by the state.

Currently, only retirees with state employee health insurance through the Division of Health Care Finance are eligible to have premiums deducted directly from their KPERS benefit. State legislation is needed to extend the benefit to other retirees.

The Form 1099-R that you receive from KPERS at tax time will report the deducted insurance premium as taxable. If you want to take advantage of this \$3,000 exclusion, you must report the amount claimed on Form 1040. The instructions to Form 1040 explain that the taxable amount received from KPERS, reduced by the amount of qualified premiums deducted and paid by KPERS (not to exceed \$3,000), must be entered on line 16b of the Form 1040. Next to the entry, in the margin, you must write the letters "PSO." This is an annual election—you will need to report the exclusion for each year in which you want to claim the exclusion.

Special Notice to KP&F Members

If you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency, any pension you get based on that work may reduce your Social Security benefits. The Windfall Elimination Provision affects how the amount of your retirement or disability benefit is calculated if you receive a pension from work where Social Security taxes were not taken out of your pay. A modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit than you otherwise would receive.

The Windfall Elimination Provision primarily affects you if you earned a pension in any job where you did not pay Social Security taxes and you also worked in other jobs long enough to qualify for a Social Security retirement or disability benefit. Please contact Social Security if you have further questions.

For More Information

You may wish to consult with KPERS or a professional tax advisor, before taking a payment from KPERS. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from 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.

revised 11/15



APPLICATION FOR RETIREMENT BENEFITS

For security reasons, do not submit application by e-mail.

■ **Contact Us – toll free:** 1-888-275-5737 • **phone:** 785-296-6166 • **fax:** 785-296-6638
email: kpers@kpers.org • **web site:** kpers.org • **mail:** 611 S. Kansas Ave., Suite 100, Topeka, KS 66603

■ Part A – Member Information

- 1. Social Security Number: _____ - _____ - _____
 - 2. Name (First, MI, Last): _____
 - 3. Retiring From: KPERS KP&F Judges
 - 4. Selected Retirement Date: _____/_____/_____
 - 5. Telephone Number: (____) _____
 - 6. Mailing Address: _____
 - 7. Personal E-mail: _____
- City, State, Zip: _____

Important: The Retirement System must have this application before the retirement date you selected. You are also required to submit proof of age and all name changes. Please see “Acceptable Proof of Birth and Name Change” at the beginning of this booklet for details. To retain your retirement date, you may submit this application without the required documentation. However, you must provide the documentation before the Retirement System can begin monthly benefit payments.

■ **Part B – Retirement Benefit Options** – Review the separate publication *Retirement Options* for details about each option. Select **one** of the seven monthly benefit options. Mark the box corresponding to the retirement option of your choice, then complete any additional areas indicated. Kansas law does not allow you to change this option after your retirement date.

Maximum Monthly Benefit Option

- 1. Maximum Monthly Benefit (with no survivor benefit)

Joint-Survivor Options

- 2. 50% Joint-Survivor Benefit 3. 75% Joint-Survivor Benefit 4. 100% Joint-Survivor Benefit

If you chose a joint-survivor option, complete all information for your joint annuitant below. You must provide proof of age and all name changes for your joint annuitant. Your joint annuitant cannot be changed later.

- a. Name (First, MI, Last): _____
- b. Social Security Number: _____ - _____ - _____
- c. Date of Birth: _____/_____/_____
- d. Male Female

Life-Certain Options

- 5. 5-Year Life-Certain Option 6. 10-Year Life-Certain Option 7. 15-Year Life-Certain Option

If you chose a life-certain option, you must submit a Designation of Beneficiary – Retired form (KPERS-7/99R). The form is included in this booklet. You can change beneficiaries at any time by completing a new form.

■ **Part C – Partial Lump-Sum Option (PLSO)** – You must indicate whether you are electing the PLSO. Choosing this option means you will receive a single lump-sum payment equal to a given percentage of the actuarial present value of your lifetime benefit. You will then receive the rest of your benefit in reduced monthly payments.

Partial Lump-Sum Option Election

- 1. “I elect the PLSO.” Yes No

*If you chose “yes,” select a percentage option below and complete the payment options on the next page.
If you chose “no,” advance to Part D.*

“Having elected the PLSO option above, I understand I will receive a single lump-sum payment as a percentage of the actuarial present value of my lifetime benefit. I further understand that my monthly benefit will be permanently reduced according to the percentage I choose.”

- 2. 10% 20% 30% 40% 50%

**KPERS 2 members can only choose a 10, 20 or 30 percent option. This does not affect KP&F or Judges.*

Member Name (Please Print): _____ Social Security Number: _____ - _____ - _____

■ **Part C – Partial Lump-Sum Option (PLSO)** (continued from page 1)

PLSO Payment Options – Read the “Tax Information About Plan Payments” section of this booklet before completing this part of the form. Failure to complete this part will delay payment for 30 days and require mandatory withholding of 20 percent of the taxable amount of your payment.

Note: The lump sum will be sent at the same time as your first monthly benefit payment. No interest is payable on any lump sum. In the event you die before receiving the lump-sum payment, it will be paid to your spouse. If you have no spouse, it will be paid to your designated beneficiary(ies).

“I have elected the Partial Lump-Sum Option and choose to have the lump sum paid as follows:”

Taxable Amount – Please choose one payment option for the taxable amount of your PLSO payment. Federal law requires a mandatory 20 percent federal tax withholding on taxable amounts paid directly to you. If you are rolling over to more than two rollover plans, you may duplicate this page.

3. Pay the entire taxable PLSO amount to me. *Advance to Nontaxable Amounts section.*
4. Pay the entire taxable PLSO amount to a qualified defined contribution plan, traditional IRA or Roth IRA. Advance to #6.
5. Pay part of the taxable PLSO amount to a qualified defined contribution plan, traditional IRA or Roth IRA and the remainder to me. Enter the dollar amount to be paid to a rollover plan: \$ _____. The minimum rollover is \$500. Advance to #6.
6. If you marked #4 or #5, please list the name, address, account number and plan type of each rollover plan. Indicate percentage amounts to be paid to each plan. Total percentage amounts must be in whole numbers and equal 100 percent. Verify with your financial institution or rollover plan exactly how your payment check should be made payable.

a. *Rollover Plan #1*

| | |
|--|--|
| Check payable to: _____ | Check mailed to: _____ |
| Mailing Address: _____ | Mailing Address: _____ |
| City, State, Zip: _____ | City, State, Zip: _____ |
| Account Number: _____ | Percentage to Be Rolled Over: _____ % |
| Select Plan Type: <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA | <input type="checkbox"/> Qualified defined contribution plan |

b. *Rollover Plan #2*

| | |
|--|--|
| Check payable to: _____ | Check mailed to: _____ |
| Mailing Address: _____ | Mailing Address: _____ |
| City, State, Zip: _____ | City, State, Zip: _____ |
| Account Number: _____ | Percentage to Be Rolled Over: _____ % |
| Select Plan Type: <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA | <input type="checkbox"/> Qualified defined contribution plan |

Nontaxable Amount: Please choose one payment option for any nontaxable amount of your PLSO payment.

7. Pay the entire nontaxable PLSO amount to me. Advance to Part D.
8. Pay the entire nontaxable amount to a qualified defined contribution plan, traditional IRA or Roth IRA. Advance to #9.
9. If you marked #8, please list the name, address, account number and plan type of the rollover plan. Verify with your financial institution or rollover plan exactly how your payment check should be made payable.

a. *Rollover Plan*

| | |
|--|--|
| Check payable to: _____ | Check mailed to: _____ |
| Mailing Address: _____ | Mailing Address: _____ |
| City, State, Zip: _____ | City, State, Zip: _____ |
| Account Number: _____ | Percentage to Be Rolled Over: _____ % |
| Select Plan Type: <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA | <input type="checkbox"/> Qualified defined contribution plan |

Member Name (Please Print): _____ Social Security Number: _____ - _____ - _____

■ Part D – Member Certification

Note: This section must be completed regardless of which retirement payment option you chose.

1. I certify that I am: Married Not Married
2. I certify that I have received information about continuing life insurance. Yes No
3. By signing below, I understand Kansas law requires a 60-day waiting period (180-day if retiring before age 62) for KPERS members who return to work for any KPERS employer. KP&F members have a 30-day waiting period. This waiting period begins the day after my retirement date.
4. I understand Kansas law requires me to verify that I have no prearrangement to return to work for any KPERS employer. By signing below, I certify I have not made and will not make any prearrangement before retirement or during my waiting period to return to work for my employer or another Retirement System employer.
5. I understand that if I am found to have made a prearrangement to return to work or have violated the waiting period agreement for returning to work, my retirement benefit will be suspended starting the month I return to work until six months after I end employment. I further understand I will be required to repay to the Retirement System all monthly retirement benefits received after I began employment.
6. I confirm my choice of retirement benefit options, with the understanding that Kansas law does not allow me to change this option after my retirement date. I confirm that all information I have provided on this form, including supporting documentation of birth and name change, is true to the best of my knowledge.

Member Signature: _____ Month/Day/Year: ____/____/____

Notary Public: State of _____ County of _____

Signed or attested before me on (date) _____ by (name of member) _____

Notary Public Signature: _____ My appointment expires (month/day/year) ____/____/____.

(SEAL)

■ Part E – Spousal Consent to Member’s Retirement Benefit Selection

Note: Kansas law requires spousal consent if you select a Partial Lump-Sum Option (PLSO) and/or any retirement benefit option that would provide less than one-half of your monthly retirement benefit to your spouse if you die. This section must be completed by your spouse if you are married and chose the Maximum Monthly Benefit, a Life-Certain Option and/or a PLSO.

1. Spouse Name (First, MI, Last): _____

“I hereby attest that I am the spouse of the above-named member. I further attest that I understand and agree with the retirement benefit option selected by my spouse.”

Spouse Signature: _____ Month/Day/Year: ____/____/____

Notary Public: State of _____ County of _____

Signed or attested before me on (date) _____ by (name of spouse) _____

Notary Public Signature: _____ My appointment expires (month/day/year) ____/____/____.

(SEAL)



WITHHOLDING CERTIFICATE FOR PENSION BENEFIT PAYMENTS (SUBSTITUTE W-4P)

For security reasons, do not submit form by email.

■ **Important** – Your monthly benefit is taxable for federal income tax purposes beginning with your first payment. Please complete the information below to let KPERS know your federal tax withholding preferences. Depending on your benefit amount, **federal law requires us to withhold** as if you were a married individual claiming three withholding allowances if you do not submit a withholding certificate. Be sure to read the certification, then sign and date the form.

You can change your withholding **electronically** instead of sending this paper form. Login to your member account at kpers.org. See instructions on page 2 for more information.

■ **Contact Us** – toll free: 1-888-275-5737 • phone: 785-296-6166 • fax: 785-296-6638
email: kpers@kpers.org • web site: kpers.org • mail: 611 S. Kansas Ave., Suite 100, Topeka, KS 66603

■ Part A – Recipient Information

- | | |
|--|--|
| 1. Social Security Number: _____ - _____ - _____ | 2. Name (First, MI, Last): _____ |
| 3. Telephone Number: (____) _____ | 4. Mailing Address: _____ City, State, Zip: _____ |

■ **Part B – Withholding Election** – Please choose one of the options below and complete the information for that option.

1. **No**, do not withhold federal income tax from my benefit payments.
2. **Yes**, withhold federal income tax from my benefit payments, as follows:
 - (a) Marital Status: Single Married Married, but withhold at higher "Single" rate
 - (b) Total number of withholding allowances you are claiming for withholding: _____
 - (c) Additional amount, if any, you wish to have withheld from each benefit payment: \$ _____
You cannot enter an additional amount in (c) without completing (a) and (b) above.

■ Part C – Certification

"I understand I am liable for federal income tax on my retirement benefits. I further understand penalties may be imposed by the Internal Revenue Service if my estimated tax payments and withholding are inadequate to satisfy estimated tax payment rules. I understand this election will replace any previous tax withholding elections and will remain in effect until I complete a new withholding certificate and send it to the Retirement System."

Signature: _____ Month/Day/Year: ____/____/____

TAX WITHHOLDING INFORMATION AND INSTRUCTIONS

For security reasons, do not submit form by email.

■ Taxes on Retirement Benefits

In general, Retirement System benefits, including the \$4,000 retiree death benefit, are subject to federal income tax, but not Kansas income tax. If you move to another state, check if your retirement benefit is taxable in that state. Your monthly benefit is taxable from the time your benefits begin.

■ Withholding Information

You can control how much tax is withheld by filing this Withholding Certificate for Pension Benefit Payments (Substitute W-4P) form with KPERS. The form is provided in the Application for Retirement Benefits Booklet. You can also download one on our web site or contact KPERS for a paper form. You can change your withholding amount anytime. When completing the Substitute W-4P form, you must select a marital status and the number of exemptions if you choose to have KPERS withhold taxes from your benefit. You can also add an additional flat amount for withholding, but you cannot just select a flat amount without marital status and exemptions. If you choose not to have taxes withheld from your retirement benefit, you are still liable for federal income tax. You may also be subject to penalties under the "Estimated Tax Payment" rule if your withholding is not high enough. Depending on your benefit amount, federal law requires us to withhold as if you were a married individual claiming three withholding allowances if you do not submit a withholding form.

■ Paperless Withholding Change

You can change your withholding information in your member account instead of mailing a paper form. Changes made online are effective immediately. Login to your member account at kpers.org. Click "Member Account" button at the top.

To access your personal account, you must first enroll. It takes two to three minutes and you'll only have to do it once. Enrollment lets us identify you and protects your personal information. After that, you can login anytime using the user ID and password you set up.

■ If You Contributed to the Retirement System Before July 1984

Before July 1984, member contributions were on a post-tax basis. Because of this, a portion of the benefits you receive will not be taxable. Federal law allows you to "recover," tax-free, any contributions you made on a post-tax basis, and regulates the rate at which you make this recovery. If you did not contribute to the Retirement System before July 1984, your entire benefit is taxable unless you have purchased service with a lump-sum payment. Lump-sum purchases other than rollovers or trustee-to-trustee transfers are on a post-tax basis. The total nontaxable (tax-free) amount will be the amount of previously-taxed contributions you paid into the Retirement System.

■ 1099-R Tax Form

By January 31 each year, the Retirement System will mail you a 1099-R form with information for your federal tax return. This form shows the benefits paid to you and the taxable amount. You may receive more than one 1099-R form if you receive benefits from different plans administered by KPERS or you received more than one distribution type during the year. Information and IRS instructions are printed on the back of the form.

■ For More Information

Additional state and federal tax information, including 1099-R forms, is available at kpers.org/taxes.html. The Internal Revenue Service also provides detailed resources at irs.gov. If you have questions about your individual tax situation or the amount of tax to withhold, please contact a qualified tax professional.



KPERS-15B Rev. 2/17

DIRECT DEPOSIT AGREEMENT

For security reasons, do not submit form by email.

■ **Contact Us – toll free:** 1-888-275-5737 • **phone:** 785-296-6166 • **fax:** 785-296-6638
email: kpers@kpers.org • **web site:** kpers.org • **mail:** 611 S. Kansas Ave., Suite 100, Topeka, KS 66603

■ Part A – Benefit Recipient Information

1. Social Security Number: _____ - _____ - _____
2. Name (First, MI, Last): _____
3. Telephone Number: (____) _____
4. Mailing Address: _____
City, State, Zip: _____

■ **Part B – Financial Institution Information** – Verify the **nine-digit** routing number for electronic transfers with your financial institution. See sample check below for routing number location.

1. Financial Institution: _____
2. Location (City, State): _____
3. Telephone Number: (____) _____
4. Type of Account (mark one): Checking Savings
5. Routing Number for Electronic Transfers: _____
6. Bank Account Number: _____

| | | | |
|--|------------------------|-----------------|------|
| YOUR NAME 123 Main Street Anyplace, KS 60000 | | DATE _____ | 1234 |
| PAY TO THE ORDER OF: _____ | | \$ _____ | |
| | | DOLLARS | |
| ANYPLACE BANK Anyplace, KS 60000 | | | |
| MEMO _____ | | | |
| ① 250250025 | ② 202 020 8 | ③ 1234 | |
| 9-Digit Bank Routing Number | Your Account Number | Check Number | |

■ **Part C – Benefit Recipient Authorization** – If this form is signed by anyone other than the benefit recipient, a copy of legal authorization (e.g., durable power-of-attorney, guardianship or conservator documents) must be attached or currently on file with KPERS.

"I authorize the named financial institution to act as my agent to receive my monthly benefit from the Kansas Public Employees Retirement System (KPERS) for the purpose of making direct deposits to my account. If monies to which I am not entitled are deposited to my account, I authorize the financial institution to return the funds to KPERS. By signing this form, I and each joint tenant on my account agree to allow KPERS to debit the account in order to recover any funds that were deposited in error.

I understand that this means of recovery shall not prevent KPERS from utilizing other lawful means to retrieve funds deposited in error. This authorization hereby revokes all prior authorizations given to KPERS and remains in effect until I give KPERS written notice."

Benefit Recipient Signature: _____ Month/Day/Year: ____/____/____

DIRECT DEPOSIT INSTRUCTIONS

For security reasons, do not submit form by email.

■ Instructions

All information requested on this form is necessary. The Retirement System cannot accept forms that are incomplete or have been altered in any way.

It is very important that you notify KPERS if your address changes, even though your benefit is directly deposited. The address listed on this form will update our records.

Please verify the financial information with your financial institution before completing Part B. Be sure that the routing number reflects the number for *electronic transfers*. This nine-digit number may be different from the routing number for the branch bank at which the account is held. You should be able to find the correct routing number on your checks. See the sample check on page 1. If you are depositing into a savings account, contact your financial institution for the correct routing number. You may choose only **one** account at one financial institution for your direct deposit. KPERS cannot deposit to a prepaid debit card.

Your monthly benefit payments will be directly deposited in your account on the last working day of each month. In the event of your death, payments dated after the last day of the month in which your death occurs must be returned to the Retirement System. The Retirement System will then determine survivor benefits, if any, and begin payments.

■ Changing Accounts or Financial Institutions

KPERS will continue to send payments to the account at the financial institution you select until you notify us of a change. You can make a change at any time by completing a new direct deposit form. If you change financial institutions, maintain both accounts until you receive a payment in the new account. This change may take 30-60 days.



DESIGNATION OF BENEFICIARY – RETIRED

For security reasons, do not submit form by email.

■ Important – You have the option to make beneficiary changes in your online account at kpers.org. *Changes online or with this form replace all previous designations.* Read instructions on page 2. If you have more beneficiaries than spaces in any category, please use an Additional Retirement Beneficiaries page. Do not attach plain paper or continue on the back of this form. Additional pages must be attached to this completed form to be valid.

Mark this box if you are using additional pages.

■ Contact Us – toll free: 1-888-275-5737 • **phone:** 785-296-6166 • **fax:** 785-296-6638
email: kpers@kpers.org • **web site:** kpers.org • **mail:** 611 S. Kansas Ave., Suite 100, Topeka, KS 66603

■ Part A – Member Information

- 1. Social Security Number: _____ - _____ - _____
- 2. Name (First, MI, Last): _____
- 3. Telephone Number: (____) _____
- 4. Mailing Address: _____
City, State, Zip: _____

■ Part B – Primary Beneficiary for KPERS Retirement Benefits – Includes accumulated contributions and interest. Each beneficiary will share your benefits equally. *You must name a primary beneficiary in this section.*

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

■ Part C – Contingent Beneficiary for KPERS Retirement Benefits – Includes accumulated contributions and interest. Each beneficiary will share your benefit equally if your primary beneficiary(ies) is not living.

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

Name: _____ Social Security Number: _____ - _____ - _____

Person (state relationship): _____ Estate Trust Date of Birth: ____/____/____

■ Part D – Optional Funeral Establishment Designation – If you name a funeral establishment to receive your \$4,000 death benefit, you also need to name a primary beneficiary to receive any other benefits.

- 1. Funeral Establishment: _____
- 2. Mailing Address: _____
- 3. City, State, Zip: _____

Initial here _____ if you intentionally left Parts B and C blank and you wish to keep the beneficiaries KPERS currently has on file.

■ Part E – Member Signature – Only the member may designate a beneficiary. Conservators, guardians and those with power of attorney cannot name a KPERS beneficiary. Member’s signature must be witnessed by a disinterested party. Witness may not be a beneficiary. If a funeral establishment is named, employees of the establishment may not witness signature.

*Second witness required only if member signs with an “X.”

Member Signature: _____ Month/Day/Year: ____/____/____

Witness Signature: _____ Month/Day/Year: ____/____/____

*Witness Signature: _____ Month/Day/Year: ____/____/____

■ Who Can You Name as Beneficiary?

You can choose:

- A living person.
- A trust.
- Your estate.
- Any combination of these options.

You cannot name a church or other charitable organization as a beneficiary.

If you choose more than one beneficiary, each will share your benefits equally. You can also name a contingent beneficiary to receive your benefits if your primary beneficiary is not living. Only members can complete the designation form. Conservators, guardians and those with power of attorney cannot select or change a KPERS beneficiary.

You have the option to make beneficiary changes in your online account. To login, navigate to kpers.org, then click the Member Login button. *Changes online or with this form replace all previous designations.* Every time you complete the form, fill in both the primary and contingent beneficiary sections if you intend to have a contingent beneficiary. If you complete only the contingent section and leave the primary blank, you will have no primary beneficiary, even if a past form names one. The Board of Trustees recognizes only those designations received in the Retirement System office before your death.

Important: You must name a primary beneficiary in Part B. If no primary or contingent beneficiary is living at the time of your death, your retirement benefits will be paid according to the line of descendency in K.S.A. 74-4902(7).

■ What Your Beneficiary Receives

Your beneficiary receives your \$4,000 retiree death benefit and any of your remaining contributions and interest.

If you chose a five, ten or 15-year Life-Certain payment option when you retired, your beneficiary receives a monthly benefit for the rest of the guaranteed period after your death instead of returned contributions and interest.

■ Naming a Trust or Your Estate

If you name a trust, provide the name of the trust (e.g., Your Name, Trust #1). If you name your estate, write "Estate of (Your Name)" or "My Estate." You can name another primary or contingent beneficiary in addition to your estate or a trust, and each will share your benefit equally.

■ Naming a Funeral Establishment

In addition to a living person, your estate and a trust, you can name a funeral establishment in Part D to directly receive your \$4,000 retiree death benefit for funeral expenses. If you directly name a funeral establishment, the establishment will pay the tax on the benefit as regular business income. If you designate a funeral establishment, you also need to name a primary beneficiary to receive any other retirement benefits.

If you wish to keep your current beneficiaries and simply add the optional funeral establishment designation, you may leave Parts B and C blank and initial the statement in Part D. This will add the funeral establishment to your beneficiary record without changing your current primary and contingent beneficiaries.

■ Naming a Minor Child

If you name a minor child as a primary beneficiary, lump-sum benefit amounts under \$10,000 will be paid out under the Kansas Uniform Transfer to Minors Act. The Retirement System will send the guardian or custodian a form to complete and the benefit is paid to that individual on behalf of the minor. If the benefit is \$10,000 or more, Kansas law requires a conservator be appointed to receive the benefit on the child's behalf.

■ Naming Additional Beneficiaries

If you need to name more beneficiaries than space allows on the *Designation of Beneficiary – Retired* form (KPERS-7/99R), use an *Additional Retirement Beneficiaries* page. This page must be with your completed *Designation of Beneficiary – Retired* form to be valid. You can download an additional page at kpers.org or contact the Retirement System to receive one by mail.

■ Membership in More Than One Retirement System (KPERS, KP&F, Judges, Board of Regents)

If you are a member of more than one KPERS-administered retirement system (KPERS, KP&F, Judges), this beneficiary designation will become your designation for all systems.

If you are retired in one retirement system and active in another, you can also complete an *Additional Life Insurance Beneficiaries* page if you wish to name a separate beneficiary for your group life insurance. Additional pages must be with your completed *Designation of Beneficiary – Retired* form to be valid.

For additional information on designating a beneficiary, visit kpers.org or refer to your membership guide.

Our mission:

The Kansas Public Employees Retirement System, in its fiduciary capacity, exists to deliver retirement, disability and survivor benefits to its members and their beneficiaries.

Core values that guide us:

- service
- integrity
- respect
- accountability
- innovation
- teamwork



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