# Introduction
# Application for Withdrawal of Accumulated Total Deductions

**Form Last Revised: June, 2011**

*The Application for Withdrawal of Total Accumulated Deductions* allows an eligible member to receive a refund of the total accumulated deductions in his or her annuity savings (retirement) account. An eligible member is one who:

- has terminated his or her employment with a governmental unit;
- is not receiving workers' compensation;
- is not seeking to be restored to his or her position; and
- is not accepting a position in the service of the Commonwealth or one of its political subdivisions.

Members are strongly advised to review the following:

- If you have over ten years of creditable service, you may currently be or might become eligible for a retirement allowance. By taking a withdrawal of your accumulated total deductions, you will lose any right to this retirement allowance. Before proceeding with a withdrawal, you should ask your retirement board for a personalized estimate of any benefits that you will forego by withdrawing.

- Taking a refund of your total accumulated deductions terminates your rights in the retirement system and may subject you to tax consequences. For distributions made after January 1, 2002, please be aware that your options of an eligible retirement plan for transferring your deductions have been expanded dramatically. Please carefully review the "Special Tax Notice" that accompanies this application. If you have unresolved concerns, you may wish to consult with an attorney or a tax professional.

- The amount of interest that members receive will vary, depending upon the years of creditable service and the nature of the separation from employment.

- Your employer must certify the termination of your employment, that you owe no obligation to the employer under an employee benefit plan, and sign this application.

- Your retirement board will determine if you are eligible for a refund of your total accumulated deductions.

## Instructions

Members must complete pages 1, 2, and 3, and sign page 3.

# Application for Withdrawal of Accumulated Total Deductions

**Form Last Revised: February, 2012**

| **Retirement Board:** Please place your address and phone number here. ▸ | Reading Retirement Board<br>2 Haven Street/Unit 307<br>Reading, MA 01867<br>(781)942-9007 |
|---|---|

To the _____ Retirement Board Date _____

## Section A: To Be Completed by the Member

Name (Print) _____ Social Security # _____ Phone # _____

Former or Maiden Name (if different) _____ Cell Phone # _____ E-mail Address _____

I (Check One) ☐ terminated ☐ resigned from my position, _____ (job title) with the political subdivision of _____, effective _____ .

I, the undersigned, hereby request that the amount in my Annuity Savings Fund account be paid to me as directed herein. I understand that in consideration of the return of said amount, my membership in the Retirement System shall terminate and all rights and privileges to which I was entitled as a member of the Retirement System are hereby surrendered, including eligibility for a termination retirement allowance upon completion of 20 years of service and including eligibility to receive a retirement allowance upon completion of 10 years of service and upon attaining age 55. I hereby elect to receive a return of my accumulated total deductions as provided herein in lieu of the receipt of such allowance. I understand that if I return to employment that renders me eligible to become a member of a Retirement System, I will do so with the status of a new member with the contribution rate then in effect and will not be entitled to creditable service for my previous service unless after I return to service and before the date that any retirement allowance becomes effective for me I pay into the Annuity Savings Fund of the Retirement System an amount equal to the accumulated deductions withdrawn by me together with buyback interest to date. Such payment into the Annuity Savings Fund of the Retirement System shall be in one lump sum or in installments as authorized by the Retirement Board. I understand that the Retirement Board will provide my name to the Massachusetts Department of Revenue for child support obligation purposes.

I have read the Special Tax Notice Regarding Plan Payments provided to me by the Retirement Board. I understand that if I choose to directly receive the return of my accumulated total deductions, 20% of the taxable portion of such return will be withheld and paid to the Internal Revenue Service.

1) It is ☐ it is not ☐ my intention to accept a position in the service of the Commonwealth or any political subdivision thereof which would entitle me to become a member of any similar contributory retirement system or seek to be restored to the position from which I was terminated.

2) I am ☐ I am not ☐ receiving Workers' Compensation Benefits pursuant to the provisions of G.L. c. 152.

Member's Last Name | First | M.I. | Social Security #

3) Have you been officially investigated for or charged with misappropriation of funds from your employer or convicted of any crime related to your office or position? ☐ Yes ☐ No
If **yes**, please provide documentation.

## Method of Payment

4) Check One:

☐ A) I wish to have the amount of my Annuity Savings Fund that is eligible for a refund paid directly to me in full with the exception of the 20% withholding of the federally taxable portion, which will be paid to the Internal Revenue Service.

☐ B) I wish to have the federally taxable amount of my Annuity Savings Fund that is eligible for a refund paid directly to an IRA, a 401(a) qualified plan, a 403(b) annuity contract, or an eligible governmental 457(b) deferred compensation plan as specified below, with the federally non-taxable amount paid directly to me.

☐ C) I wish to have the federally non-taxable amount of my Annuity Savings Fund paid to an IRA or a 401(a) defined contribution plan as specified below, with the federally taxable amount paid directly to me.

☐ D) I wish to have the federally taxable amount of my Annuity Savings Fund that is eligible for a refund paid directly to an IRA, a 401(a) qualified plan, a 403(b) annuity contract, or an eligible governmental 457(b) deferred compensation plan as specified below, with the federally non-taxable amount of my Annuity Savings Fund paid to an IRA or a 401(a) qualified defined contribution plan as specified below.

☐ E) I wish to have _____% of the federally taxable amount of my Annuity Savings Fund that is eligible for a refund paid directly to me (on which I realize there will be 20% withholding paid to the Internal Revenue Service) and the balance of the federally taxable amount of my Annuity Savings Fund paid directly to an IRA, a 401(a) qualified plan, a 403(b) annuity contract, or an eligible governmental 457(b) deferred compensation plan as specified below, with the federally non-taxable amount paid directly to me.

## For Taxable Portion

Name (IRA, qualified 401(a) plan, 403(b) annuity provider, or eligible governmental 457(b) deferred compensation plan)

Address of above-listed entity | City | State | Zip

Member's Account Number with above-listed entity

Member's Address | City | State | Zip

Member's Last Name | First | M.I. | Social Security #

## For Non-Taxable Portion

Name (IRA, qualified 401(a) defined contribution plan)

Address of above-listed entity | City | State | Zip

Member's Account Number with above-listed entity

Member's Address | City | State | Zip

# Important Notice

Be aware that, if you take a refund of your retirement contributions, you will terminate your membership and your rights in the retirement system. If you later return to Massachusetts public service on or after April 2, 2012 after receiving a refund, YOU WILL BE CONSIDERED A NEW EMPLOYEE and will be subject to the pension reform changes included within Chapter 176 of the Acts of 2011.

These changes include, but are not limited to:

- A new age factor table that will require you to work longer for the same or a similar benefit that you would receive under today's table.
- An increase in the salary average period used in the retirement benefit calculation formula from 3 years to 5 years.
- An increase in the minimum retirement age from age 55 to 60.

## Member & Witness Signature Block

I request payment according to the method selected on page 2.

Member's Signature _____ Date of Signature_____

Witness' Signature _____

Witness' Printed Name_____ Date of Signature_____

Continued

| Member's Last Name | First | M.I. | Social Security # |
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## Section B: To Be Completed by the Department Head

This is to notify the Retirement Board that _____ was _____ (job title) in the _____ department in the political subdivision of _____ who (Check One) ☐ resigned ☐ terminated on _____ and that the above named employee will appear on the payroll for the last time on the pay period ending _____.

1) To the best of my knowledge the above named employee is not leaving to accept a position in the service of the Commonwealth or any political subdivision thereof which would entitle the above to become a member of any similar contributory retirement system and is not seeking to be restored to the position from which such employee was terminated.

2) Was the above member employed less than full time? ☐ Yes ☐ No

3) Is the above employee receiving Workers' Compensation benefits? ☐ Yes ☐ No

4) Does the above employee owe any money to the employer under an employee benefit plan, including a cafeteria plan established pursuant to 26 U.S.C. section 125? ☐ Yes ☐ No

5) Has this employee been officially investigated for or charged with misappropriation of funds from his/her employer or convicted of any crime related to his/her office or position? ☐ Yes ☐ No

**If yes, please provide documentation.**

Signature/Department Head _____

## Section C: To Be Completed by the Retirement Board

**Determination of Eligibility for Return of Accumulated Total Deductions**

Members are eligible for a refund of accumulated total deductions under the following conditions.

Check the condition which applies to this member.

☐ 1) The member is leaving service and does not intend to take a position in the service of the Commonwealth or any political subdivision thereof subject to the provisions of G.L. c. 32, §§ 1-28 and does not intend to seek to be restored to the position from which he/she was terminated.

☐ 2) The member is leaving service as above and is otherwise entitled to receive a retirement allowance but the normal yearly amount of the allowance would be less than $360, the member MUST receive a refund.

☐ 3) The member is a veteran who entered the service of a governmental unit within the Commonwealth prior to July 1, 1939 and is retiring under G.L. c. 32, §§ 56-60. (Under this condition the member must sign the waiver on the appropriate form).

Continued

| Member's Last Name | First | M.I. | Social Security # |
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☐ 4) In general, if a member is employed by two or more governmental units and enrolled in the retirement systems pertaining to each governmental unit, upon ending service in one unit, the member's accumulated total deductions must be transferred to the retirement system pertaining to the unit in which service continues. However, if the member has contributed a lesser amount to the Annuity Savings Fund of the system in which service has ended, the member is entitled to a refund of those accumulated total deductions.

NOTE: The right to receive a retirement allowance or a return of accumulated total deductions is subject to the provisions of G.L. c. 32, § 15 pertaining to dereliction of duty by members and G.L. c. 32, § 19C pertaining to child support obligations.

## Years and Months of Creditable Service

_____

## Interest Provisions

No interest shall be included in the accumulated total deductions paid to the member for any period after the expiration of two years from the end of the month preceding the date of his or her termination of service.

Members who entered into service on or after January 1, 1984 are subject to the following provisions with respect to the refund of interest credited to their annuity accounts.

Check the condition which applies to this member:

☐ 1) The member has less than 120 months (10 years) of creditable service and has voluntarily withdrawn from service. The member will receive 3% interest on accumulated total deductions.

☐ 2) The member has more than 120 months (10 Years) of creditable service and has voluntarily withdrawn from service. The member will receive 100% interest of the regular interest on accumulated total deductions.

☐ 3) The member was involuntarily terminated from service. The member will receive 100% of the regular interest on accumulated total deductions, regardless of his or her amount of creditable service.

## Refund

Total in annuity savings account as of date of withdrawal $ _____

Minus interest not eligible for refund $ _____ *

Continued

| Member's Last Name | First | M.I. | Social Security # |
|---|---|---|---|
| | | | |



TOTAL REFUND TO BE ISSUED

Federal taxable portion $ _____ Federal non-taxable portion $ _____

AMOUNT REFUNDED (Fill in those that apply)

To Member $ _____

To Department of Revenue/
Child Support Enforcement Unit $ _____

To Designated Plan (IRA, 401(a), 403(b), 457.) $ _____ Type of Plan _____

To Internal Revenue Service $ _____

To Pension Reserve Fund $ _____

To Retirement System $ _____

Date of Retirement Board vote authorizing refund _____

Date refund issued _____

Signature _____
Board Member or Administrator

Print Name _____

*Note: No regular interest shall be included in the amount of any accumulated total deductions which are to be paid to the member for any period after the expiration of two years from the end of the month immediately preceding the date of his termination of service.