



Department of Technology, Management & Budget
 Office of Retirement Services
 www.michigan.gov/ors (800) 381-5111
 P.O. Box 30171
 Lansing MI 48909-7671

Refund Application

For State and State Police Employees

| | |
|-----------------------------------|--------------------------|
| MEMBER'S NAME (LAST, FIRST, M.I.) | MEMBER ID OR SSN |
| MAILING ADDRESS | DAYTIME TELEPHONE () |
| CITY, STATE, ZIP CODE | EMPLOYMENT END DATE |

Use this form if you have terminated employment and would like to withdraw your contributions on account with the State Employees' Retirement System or the Michigan State Police Retirement System. **This will forfeit your rights to a future pension with the retirement system.** See refund instructions on the back side before completing.

Section I – Refund Election To be completed by applicant. Please select one option below.

Option 1: I wish to have my refund paid directly to me.

Option 2: I wish to have all previously untaxed contributions and interest transferred directly into the qualified retirement plan or individual retirement account held at _____, and have any previously taxed contributions refunded to me.

Option 3: I wish to have \$_____ of my previously untaxed contributions and interest transferred into the retirement plan or individual retirement account held at _____. I wish to have the balance paid directly to me.

Check this box if you want Michigan Income tax withheld from your refund.

Section II – Financial Designation. To be completed by the plan administrator of the financial organization, if applicant selected Option 2 or 3 above. Before signing, refer to Section II on the back side.

In accordance with the authorization in Section I, we agree to deposit the forthcoming transfer amount from the retirement system into the stated account. We understand the transfer may take up to 90 days to process.

TYPE OF ACCOUNT Individual Retirement Account (IRA) Qualified Plan

| | | |
|--|--|-------------------------|
| MAKE CHECK PAYABLE TO (PLAN OR IRA NAME) | ACCOUNT NUMBER | TELEPHONE NUMBER () |
| MAILING ADDRESS | CITY, STATE, ZIP CODE | |
| TRUSTEE OR PLAN ADMINISTRATOR SIGNATURE | TRUSTEE NAME OR PLAN ADMINISTRATOR (PRINT) | DATE |

Section III – Applicant Certification STOP. Read all instructions and appear before a notary public before signing.

| | |
|---------------------|------|
| APPLICANT SIGNATURE | DATE |
|---------------------|------|

Notary Public: Subscribed and sworn to before me this _____ day of _____, _____

County of _____, State of _____

My commission expires _____

Notary Signature _____



Instructions

Taking a refund could affect your taxes. The following is only a summary of tax rules that may apply to your refund. Contact the IRS, the Michigan Department of Treasury, or consult a tax advisor for more information.

Tax Withholding. We are required to withhold federal income tax from your refund under certain circumstances. Your refund may also be subject to Michigan income tax. If you want Michigan income tax withheld from your refund, check the box in Section I.

If you have terminated employment, you can have all or any portion of your refund of previously untaxed money either transferred to a qualified plan or paid directly to you. A qualified plan is a payment of your refund to your individual retirement account (IRA) or to another employer plan. How your refund is paid to you will affect the tax you owe.

If you choose a qualified plan-to-plan transfer, your refund will not be taxed in the current year and no income tax will be withheld. Your refund will be paid directly to your IRA or, if you choose, to another employer plan that accepts your rollover. Your refund will be taxed later, when you withdraw it from the IRA or the employer plan.

If you choose to have your refund paid directly to you, you will receive only 80 percent of the refund. The retirement system is required to withhold 20 percent of the refund and send it to the IRS as federal income tax withholding to be credited against your taxes. Your refund may also be subject to Michigan income tax withholding. Your refund will be taxed in the current year unless you transfer it to a qualified plan. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the refund before age 59 1/2, you may also have to pay an additional 10 percent tax.

If you choose to receive your refund directly and later wish to transfer it into your IRA or other employer plan, you may do so within 60 days of receiving your refund. The amount transferred will not be taxed until you take it out of your IRA or employer plan. If you want to transfer 100 percent of your refund to an IRA or an employer plan, you must find other money to replace the 20 percent that was withheld. If you transfer only the 80 percent that you received, you will be taxed on the 20 percent that was withheld and not rolled over.

You can find specific information on the tax treatment of payments from qualified retirement plans in IRS publication 575, *Pension and Annuity Income*, or IRS Publication 590, *Individual Retirement Accounts*. You can download these forms at www.irs.gov, or call 1-800-TAX-FORMS.

For more information on the Michigan income tax withholding rules, contact the Michigan Department of Treasury at www.michigan.gov/taxes.

Section I – Refund Election. Select one option. If you choose option 1 or 3, 20 percent of the previously untaxed contributions and interest will be withheld as federal income tax. If you chose option 2 or 3, your plan administrator must complete Section II.

Section II – Financial Designation. The plan administrator must complete this if option 2 or 3 in Section I is selected.

Plan administrator: After completing Section II, return the form to the refund applicant. In accordance with the authorization in Section I, you agree to deposit the forthcoming rollover amount from the retirement system into the stated account. Please understand the transfer may take up to 90 days to process.

Section III– Applicant Certification.

By signing this form you agree to the following terms.

- *I certify I have ceased employment with the state of Michigan/Michigan State Police, am not on a leave of absence, and am not on a layoff expected to last 12 months or less. I request that the accumulated balance in my account plus interest be refunded as indicated in Section I. I understand once a refund is processed, it cannot be cancelled. I realize I am giving up my retirement rights accumulated under the contributory plan, and release the State Employees' Retirement System and/or the State Police Retirement System from any claim of accumulated benefits under the contributory plan and hereby forfeit all such rights and benefits.*
- *I realize I am giving up my retirement rights accumulated under the contributory plan, and release the State Employees' Retirement System and/or the State Police Retirement System from any claim of accumulated benefits under the contributory plan and hereby forfeit all such rights and benefits.*

Mail your completed application to:

Office of Retirement Services
P.O. Box 30171
Lansing, MI 48909-7671
Or fax to: (517) 322-1116

You will receive your refund within 90 days from the date ORS receives your completed application.

Note: If your application is incomplete, we will return it to you to correct.