



1. Purpose

The Pension Protection Act of 2006 (PPA) and Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART) permit employees on military leave to make withdrawals from the plan without violating the plan's distribution restrictions.

Your decisions regarding the provisions in this booklet may have income tax implications. You may wish to obtain the advice of a tax advisor before you submit any of these documents.

2. Booklet Information

The Qualified Military Service Leave Benefit Payment Application is enclosed in this booklet.

The instructions contained in this booklet summarize the major provisions of federal and State of California tax rules applicable to your payment. Tax rules are complex and contain conditions and exceptions not included in these instructions. You may find more specific information on the tax treatment of payments drawn from retirement plans in the Internal Revenue Service (IRS) Publication 575 - *Pension and Annuity Income*, and IRS Publication 590 - *Individual Retirement Arrangements*. These publications are available from your local IRS office, the IRS website at irs.gov, or the IRS Tax Forms Distribution Center by calling (800) 829-3676. For more information on California state tax withholding, refer to *Withholding From Pensions, Annuities, and Certain Other Deferred Income*, available at edd.ca.gov.

3. Eligibility to Withdraw Funds

To confirm deployment, you must attach a copy of your orders. The application cannot be processed without them.

Upon distribution of your 401(k) Plan or 457(b) Plan, you may not contribute to your Savings Plus account or any retirement plan maintained by the state for six months unless an exception applies.

You may not redeposit your distribution into your Savings Plus plan(s). However, you may qualify for military make-up contributions for the period of your active duty. For more information review the Qualified Military Service Leave Make-up Contributions Application.

401(k) Plan

You are eligible to withdraw all or any portion of the amount attributable to normal contributions and age based contributions if you are on active duty for a period of more than 30 days. If you elect to receive a withdrawal, you may not make a contribution to any retirement plan maintained by the State during the six-month period beginning on the date of distribution.

Special rules apply to "Qualified Reservists," defined as individuals called to active duty for a period of at least 180 days or an indefinite period, who are members of one of the following reserve components: Army National Guard of the United States, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard of the United States, Air Force Reserve, Coast Guard Reserve, and Reserve Corps of the Public Health Service.

If you are a Qualified Reservist, you may withdraw all or any portion of the amount that is attributable to normal contributions and age based contributions. Your withdrawal is exempt from the additional 10% early withdrawal tax. If you are not a Qualified Reservist, you may be liable for an additional 10% early withdrawal tax and an additional state income tax on your distribution.

During the two-year period beginning on the day after the end of your active duty service, if you receive a qualified reservist distribution, you may make contributions to an IRA (not offered by the Savings Plus Program) up to the amount of the qualified reservist distribution. If you are not a Qualified Reservist, there are no provisions to repay the amount you withdraw from your 401(k) Plan while on active duty. Coordination: If you are eligible to make withdrawals under both provisions listed above, any such withdrawal will be treated as a qualified reservist distribution.

457(b) Plan

You are eligible to withdraw all or any portion of your account while on active duty for a period of more than 30 days. If you elect to receive a withdrawal, you may not make a contribution to any retirement plan maintained by the State during the six-month period beginning on the date of distribution.

4. General Information

Payment Dates

We issue payment within 3-5 business days of receipt of properly completed form. Delivery of payment may vary depending on the type of payment method you request in Section 5 of the application.

Payment Information

Payments are issued via direct deposit, at no charge, to one financial institution of your choice or via check (\$2.00 fee - deducted from your account) to your address on file.

To issue payment via direct deposit, you must provide the following information:

- Name and 9-digit ABA (routing) number of your financial institution
- Account number and account type
- Copy of a voided check (checking account) or a letter from the financial institution (savings account) for verification of account information

NOTE: Direct Deposit ACH is not available to financial institutions outside of the United States.

If you change financial institutions, change your account number, or automated clearing house (ACH) routing number, you must complete a new Direct Deposit Form. Submission of a new Direct Deposit Form replaces any previous direct deposit information on file. This change may take up to 3-5 business days to become effective.

If any of the required information is incomplete, invalid, or not provided, you will be mailed a check.

Check Fee

A \$2.00 processing fee is charged for each payment you choose to have issued by check. This fee is deducted from your account.

Overnight Mail

If you receive payment by check, you may request to have your check sent to your home address in overnight mail for a \$25.00 fee. The fee is deducted from your account.

Uncashed Checks

Checks are valid for 120 days from the date of issuance. If uncashed after 120 days the check may not be negotiated by your financial institution. In the event you have a check which remains uncashed for more than 120 days, you must call the Savings Plus Service Center so that a replacement check can be issued.

Lost or Stolen Checks

You may call the Savings Plus Service Center to report a check as lost or stolen if you do not receive it within 14 days from the issue date.

Specific Money Source or Fund Designation

You may request to have your payment issued from a specific fund or, in the 457(b) Plan, a specific money source.

Savings Plus prorates all payments among your core funds unless you request otherwise in Section 3 of the Application.

IMPORTANT: If approved and you are currently contributing to the 401(k) or 457(b) Plan, your deferrals will be suspended for six months. After the suspension period, your deferrals will remain suspended until you restart your contributions. If you are currently contributing to any other plans maintained by the State, including 403(b), you are responsible for suspending those deferrals for six months.

5. Tax Withholding Information

Federal Tax Withholding

Federal income taxes are withheld based on the payment method. Refer to the 402(f) *Special Tax Notice Regarding Plan Payments* located in the "Forms/Publications/Support" tab at savingsplusnow.com.

- **Direct Payments and Periodic Payments of Less Than 10 Years:** The payment is reported to the IRS as ordinary income and is subject to mandatory 20% federal withholding. You may not waive this withholding. If you wish to increase the federal tax withholding, complete a *Withholding Certificate for Pension or Annuity Payments (W-4P)*.
- **Periodic Payments for 10 Years or More:** Periodic payments that extend for a period of 10 years or more are reported to the IRS as ordinary income. Federal income taxes are withheld at the rate that applies to married with three allowances unless you request otherwise by completing a *Withholding Certificate for Pension or Annuity Payments (W-4P)*.

Federal Withholding Certificate for Pension or Annuity Payments (W-4P)

A W-4P allows you to modify the amount of federal income tax withholding from your payment(s). You are not permitted to specify a dollar-amount withholding on the W-4P. However, you may elect to supplement your withholding amount by designating an additional dollar amount to be withheld.

For direct payments, if you choose to modify the amount of federal income tax withholding with a W-4P, the modification will only apply to the withdrawal request to which the W-4P is attached. If the withdrawal request to which the W-4P is attached sets up periodic payments, the W-4P will apply to all of those payments. The W-4P form is available at irs.gov or call the Savings Plus Service Center to request to have one mailed to you.

Special withholding rules apply to payments to non-U.S. citizens. Please refer to IRS Publication 505, *Tax Withholding and Estimated Tax*, IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens* for further information.

5. Tax Withholding Information (continued)

State Tax Withholding

All California residents are subject to California state income tax withholding at the rate of 10% of federal withholding unless you request otherwise by completing a *California State Withholding Certificate for Pension or Annuity Payments (DE 4P)*.

California State Withholding Certificate for Pension or Annuity Payments (DE 4P)

A DE 4P allows you to modify the amount of California state income tax withholding from your payment(s). You are not permitted to specify a dollar-amount withholding on the DE 4P. However, you may elect to modify your withholding amount by designating an additional dollar amount to be withheld, or claiming exempt.

For direct payments, if you choose to modify the amount of state income tax withholding with a DE 4P, the modification will only apply to the withdrawal request to which the DE 4P is attached. If the withdrawal request to which the DE 4P is attached sets up periodic payments, the DE 4P will apply to all of those payments. If you live outside California, consult your state taxing authority for more information. The DE 4P form is available at edd.ca.gov or call the Savings Plus Service Center to have one mailed to you.

1099-R Tax Document

For tax reporting, a 1099-R will be issued by January 31 of the year following your payment.

6. Payment Method

One Time Payment

A specific percentage or dollar amount paid directly to you. Savings Plus will report this payment to the IRS as ordinary income.

Periodic Payments

A reoccurring payment that extends over a fixed period of time, or for a fixed dollar amount. Periodic payments can only be taken during the period which you serve on active duty. Any distributions made following your completion of active duty (without separation of service from your employer) may be considered a deemed distribution and result in negative tax consequences and penalties.

- **Fixed Period:** Monthly, quarterly or annual payments calculated by dividing your account balance by the period of time (months/years) for which you wish to receive payments. Your payments will be recalculated annually, so that your account balance will be exhausted at the end of your payment schedule.
- **Fixed Amount:** Payments of the same amount monthly, quarterly or annually. If your payments are projected to continue beyond your life expectancy, you will receive an annual supplemental payment to meet the RMD.

NOTE: If you request periodic payments, you are responsible for notifying us upon your completion of active duty to discontinue it.

Supplemental Payment

A supplemental payment is in addition to your periodic payment schedule.

A supplemental payment is issued in the same method and manner as your periodic payment (prorated from all funds, from a specific money source, or from a specific fund and deposited into the same checking or savings account). A supplemental payment may reduce the amount of your future fixed period payments or the number of remaining fixed amount payments.

7. Contact Information

Voice Response System: (855) 616-4776, 24 hours a day, 7 days a week

Savings Plus Service Center: (855) 616-4776, 5:00 a.m. – 8:00 p.m. (PT), Monday–Friday
To speak with a customer service representative, press *0.

Walk-In Center: Open 8:00 a.m. – 5:00 p.m. (PT), Monday–Friday
1810 16th Street
North Building
Sacramento, CA 95811

TTY: (800) 848-0833

Website: savingsplusnow.com



Qualified Military Service Leave Benefit Payment Application

Phone: (855) 616-4776 • savingsplusnow.com

Processing will be completed within 3-5 business days of receipt of a properly completed, signed application.

1. Participant Information

Name: _____ Account Number or SSN: _____

Email: _____ Preferred Phone: _____

Date called to Active Duty: _____ Phone type: Home Work Cell

2. Distribution Provision

401(k) Plan

- Uniformed Services
For a period of more than 30 days on active duty
- Qualified Reservist
For a period of more than 180 days or an indefinite period on active duty

457(b) Plan

- Uniformed Services
For a period of more than 30 days on active duty

3. Distribution Direction (select one)

If an option is not selected, your assets will be distributed from all money sources and investment funds (pro-rata). If you indicate a percentage, you must use whole percents only. **NOTE:** Option 2 can only be used for the 457(b) Plan.

- 1. Proportionately** from all sources and funds (pro-rata) \$ _____ or _____%
- 2. From Specific Sources** (indicate all that apply)

Employee Pre-Tax \$ _____ or _____%	<input type="checkbox"/> 3. From Specific Funds (please list funds)
401(k) Rollover Pre-Tax \$ _____ or _____%	_____ \$ _____ or _____%
457(b) Rollover Pre-Tax \$ _____ or _____%	_____ \$ _____ or _____%
Roth After-Tax* \$ _____ or _____%	_____ \$ _____ or _____%
Other: _____ \$ _____ or _____%	_____ \$ _____ or _____%

*Identify Roth After-Tax money source: Contribution Rollover In-Plan Roth Conversion
- Year(s) of Conversion: _____

4. Payment Type (select one)

- 1. **One-Time Payment** Specify the dollar amount or percentage of your account to be paid directly to you:
 - Total account balance
 - Partial distribution as indicated in section 3 above (minimum \$25.00 including tax withholding)
- 2. **Periodic Payments (select only one frequency and type):**
Frequency: Monthly Quarterly Annually **Start Date:** _____
NOTES: If no payment frequency is selected, payments will be made monthly. If start date is not provided, the payment start date will be the date your request is processed.
 - Fixed Amount** \$ _____ (minimum \$25.00 including tax withholding)
Specified amount paid to you until your account balance is zero (final payment may be less). The number of payments you receive will vary depending on the earnings (gains/losses) for your account.
 - Fixed Period** _____ years (in whole years only)
Account balance paid to you for the number of years selected. The actual dollar amount will vary depending on your account earnings (gains/losses), and the duration requested. Payments will be recalculated annually.
- 3. **Supplemental Payment:** Select this method if this payment will be made in addition to your regularly scheduled periodic payments. Select 100% **or** specify the dollar amount of the additional payment. If you select 100%, you will be liquidating your entire account.
 - 100% **or** \$ _____**NOTE:** The supplemental payment is issued in the same method and manner as your periodic payments.

5. Payment Method

Select One:

NOTE: Direct Deposit ACH is not available to financial institutions outside of the United States

- Direct Deposit ACH on file:** Funds will be sent to the financial institution that Savings Plus has on file.
- Mail Check:** Your check will be mailed first class to your address on record with Savings Plus. Allow 5-10 business days from process date for delivery. If no other option is selected, your payment will be issued by check and mailed. An additional \$2.00 fee will be deducted from your account.
- Overnight Check:** Your check will be mailed overnight at your expense to your address on record with Savings Plus. An additional \$25.00 fee will be deducted from your account. PO Box addresses are not eligible for overnight delivery and Saturday delivery may not be available in your area. Allow 2-4 business days from process date for delivery.
- New Direct Deposit ACH:** Funds will be sent to the financial institution that you indicate below.

Financial Institution Information:

Financial Institution

ABA (routing) Number

Account Number

Account Type: Checking Savings

If account type is not selected, checking will be used.

John Doe
123 Main Street Ph. (916) 555-1212
Hometown, CA 98765

Date _____ 1492

PAY TO THE ORDER OF _____ \$ _____
_____ DOLLARS

Money Bank, Inc.
321 Main Street
Hometown, CA 98765

MEMO _____

⑆ 123456789 ⑆ 000012345678 ⑆ 1492

9-digit ABA routing number Checking Account Number Check Number

NOTE: Direct Deposit is only offered through members of the Automatic Clearing House (ACH). A copy of a voided check (checking) or a letter from the financial institution (savings) must be included with this form to verify banking numbers if New Direct Deposit ACH is selected. We cannot accept a deposit slip or starter check for banking numbers. If ACH information is not completed correctly, a voided check is not provided or no option is selected, a check will be sent to your address on file.

Is this account associated with a brokerage firm or other investment firm? Yes No

If yes, have you confirmed that the ABA and account numbers are correct? Yes No

I hereby authorize Savings Plus to initiate automatic deposits to my account at the financial institution named above. In the event an error is made, I authorize Savings Plus to make a corrective reversal from this account. Further, I agree not to hold Savings Plus responsible for any delay or loss of funds due to incorrect or incomplete information which I supplied or due to an error from my financial institution in depositing funds to my account. This agreement will remain in effect until Savings Plus receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit authorization form to Savings Plus. In the event this direct deposit authorization form is incomplete, contains incorrect information or a voided check is not provided, I understand a check will be issued to my address of record.

6. Tax Information

Taxes will be withheld as stated in Section 5 of the Booklet unless you provide a W-4P (for federal withholding; available at irs.gov) and/or a DE 4P (for state withholding; available at edd.ca.gov).

7. Tax ID Certification

NOTE: Backup withholding does not apply to retirement plan distributions. FATCA does not apply as this is a U.S. account.

Under penalties of perjury, I certify that:

1. The Taxpayer Identification Number or Social Security Number listed on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because:
 - a. I am exempt from backup withholding, or
 - b. I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or
 - c. The Internal Revenue Service has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person, and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

8. Signature

I request payment to be made in accordance with my election stated above. I certify that I have received the 402(f) *Special Tax Notice Regarding Plan Payments* located in the "Forms/Publications/Support" tab at savingsplusnow.com and, by signing, I waive the 30-day notice. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Participant Signature: _____ **Date:** _____

You may call the Savings Plus Service Center for a hard copy of the 402(f) *Special Tax Notice Regarding Plan Payments*.

California Department of Human Resources Privacy Notice on Information Collection (rev. 7/16)

This notice is provided pursuant to the Information Practices Act of 1977. The California Department of Human Resources (CalHR), Savings Plus Program, is requesting the information specified on this form pursuant to California Government Code sections 19993 and 19999.5. The information collected will be used for identification of your account and will be disclosed to the Savings Plus Administrative Services Provider (Nationwide) for processing of your request as indicated on the form. Individuals should not provide personal information that is not requested or required. The submission of all information requested is mandatory unless otherwise noted. If you fail to provide the information requested, CalHR will not be able to process the action(s) indicated on the form as requested.

Department Privacy Policy - The information collected by CalHR is subject to the limitations in the Information Practices Act of 1977 and state policy. For more information on how we care for your personal information, please read our Privacy Policy at calhr.ca.gov/pages/privacy-policy.aspx.

Access to Your Information - Nationwide is responsible for maintaining collected records. You have a right to access records containing your personal information we maintain. To request access, contact: CalHR Privacy Officer, 1515 S Street 400N, Sacramento, CA 95811 / (916) 324-0455 / CalHRPrivacy@calhr.ca.gov or contact Nationwide at (855) 616-4776.

Mail the original document to Nationwide Retirement Solutions, PO Box 182797, Columbus, OH 43218-2797 or fax to (877) 677-4329.