

## 1. Purpose

This booklet contains information and a payment application to help you select a payment method. Your decisions regarding distributions from your account may have income tax implications. You may wish to obtain the advice of a tax advisor before you request a payment.

## 2. Document and IRS Information

**The Benefit Payment Application (BPA) 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](http://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](http://edd.ca.gov).

## 3. Eligibility to Withdraw Funds

### 401(k) Plan Pre-Tax and After-Tax Roth

You must meet the following criteria to receive payment from your 401(k) Plan:

1. Separated from State service; or
2. Attainment of age 59½, regardless of your employment status.

If you meet any of the following criteria, you can receive payment from your 401(k) Plan without an additional 10% tax for early withdrawal:

1. Separated from State service during or after the year you turned age 55; or
2. Separated from State service during or after the year you turned age 50 if you are a public safety employee; or
3. Attainment of age 59½, regardless of your employment status.

### 457(b) Plan Pre-Tax and After-Tax Roth

You must meet the following criteria to receive payment from your 457(b) Plan:

1. Separated from State service; or
2. Attainment of age 70½ or older, regardless of your employment status.

### A note about 401(k) and 457(b) Plan After-Tax Roth distributions

A Roth distribution will be tax free if the distribution is made 5 years or more after January 1 of the calendar year in which the first Roth contribution or Roth conversion was made and the distribution was made on account of death, disability, or attainment of age 59½.

### 401(k) and 457(b) In-Plan Roth Conversion

If the source of funds used for an In-Plan Roth Conversion is from the Savings Plus 401(k) or a pre-tax rollover from another retirement plan that was not a section 457(b) plan or a pre-tax IRA, a 10% Recapture Tax may apply if the distribution(s) are made from the In-Plan Roth Rollover Account before age 59½ unless the distribution is made 5 years or more after January 1 of the calendar year of the In-Plan Roth Conversion. This tax may apply even if the distribution would be a qualified distribution. This tax will not apply if the distribution is made after a separation from service after age 55, on account of death or disability, or for public safety employees who retire at age 50 or older. For more information on distribution of your In-Plan Roth Conversion Assets, please visit [savingsplusnow.com](http://savingsplusnow.com).

Savings Plus will verify eligibility to withdraw funds from your 401(k) Plan and 457(b) Plan before we issue a payment.

## 4. General Information

### Public Safety Employees' 10% Early Withdrawal Tax Exception

Certain state and local public safety employees, age 50 and older, who have separated from service are not subject to the additional 10% early withdrawal tax. You must declare that you are a public safety employee in section 9 of the application to not be subject to the additional 10% early withdrawal tax. If you do not declare that you are a public safety employee in section 9 of the application, you will be subject to the additional 10% early withdrawal tax. This exception does not apply to any IRA assets that are rolled into the plan.

## 4. General Information (continued)

### PCRA

If you have a Personal Choice Retirement Account (PCRA), it may be necessary to transfer your PCRA funds into your core funds to satisfy the amount of your withdrawal request and maintain the required minimum in your core account.

### 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 6 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 money source or fund.

Savings Plus prorates all payments among your core funds unless you request otherwise in Section 4 of the Application.

## 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](http://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](http://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.

### 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)*.

## 5. Tax Withholding Information (continued)

### 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](http://edd.ca.gov) or call the Savings Plus Service Center to have one mailed to you.

### Required Minimum Distribution (RMD)

The rate of federal tax withholding on your RMD is 10% unless you complete a W-4P to elect otherwise. However, RMD payments made in installments on a periodic basis of 10 years or more will have federal income tax withheld as if you are married claiming three withholding allowances unless you complete a W-4P to elect otherwise.

**NOTE:** Tax withholding for the portion of the payment that is not the RMD will follow the rules described in this Tax Withholding section.

### 1099-R Tax Document

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

## 6. Payment Methods

### 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.

Fixed Period and Fixed Amount payments that continue beyond age 70½ will remain the same and the residual RMD due to you will be paid out as part of the normal RMD processing.

- **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.

### 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.

### Required Minimum Distribution (RMD)

Your RMD is the minimum amount you must withdraw from your account each year and will begin in the later of the calendar year in which you attain age 70½ or the calendar year in which you retire. However, for the first RMD you may elect to defer this payment until April 1 of the following calendar year. If you make this election, you will be required to receive two RMD payments for that calendar year. The IRS imposes an excise tax of 50% of the amount not distributed as required.

### Direct Rollover

If you would like to roll your account over to an Individual Retirement Account (IRA) or to another eligible retirement plan, please call the Savings Plus Service Center. If applicable, Savings Plus must issue your RMD before we process your application. If you return to employment, contact Savings Plus.

## 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](http://savingsplusnow.com)



# 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: \_\_\_\_\_

Phone type:  Home  Work  Cell

## 2. Plan Type (select one - complete a separate form for each plan type)

401(k)  457(b)

## 3. Payment Event Type (select one)

- Initiate payment - Complete all sections of this form.
- Change method of payment - Skip ahead to section 6 and complete the form.
- Elect supplemental payment - Skip ahead to section 5 option 3 and complete the form.
- Stop payment - Skip ahead to section 9 and complete the form.

## 4. 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.

1. Proportionately from all sources and funds (pro-rata) \$ \_\_\_\_\_ or \_\_\_\_\_%

2. From Specific Sources (indicate all that apply)

Employee Pre-Tax \$ \_\_\_\_\_ or \_\_\_\_\_%

401(k) Rollover Pre-Tax \$ \_\_\_\_\_ or \_\_\_\_\_%

457(b) Rollover Pre-Tax \$ \_\_\_\_\_ or \_\_\_\_\_%

Roth\* \$ \_\_\_\_\_ or \_\_\_\_\_%

Other: \_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

3. From Specific Funds (please list funds)

\_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

\_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

\_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

\_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

\_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_%

\*Identify Roth money source:  Contribution  Rollover  In-Plan Roth Conversion  
- Year(s) of Conversion: \_\_\_\_\_

## 5. 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 4 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.

Form continued on next page

## 5. Payment Type (select one) (continued)

4.  **Required Minimum Distribution (RMD):** You may select this option in the later of: 1) the calendar year you turn age 70½; or 2) the calendar year in which you separate from service. RMD payments are issued annually.

**Start Date:** \_\_\_\_\_

### Beneficiary Information for RMD

If your spouse is your sole primary beneficiary and is more than 10 years younger than you, attach proof of your beneficiary's date of birth.

5.  **Defer Initial RMD:** You may select this option if you wish to defer your initial RMD until April 1 of the year following the later of: 1) the calendar year you turn age 70½; or 2) the calendar year in which you separate from service. If you defer your initial payment, you will receive two RMDs in the same calendar year. All subsequent annual payments will be issued in November unless you subsequently change your method of payment and your RMD is satisfied.

### Beneficiary Information for RMD

If your spouse is your sole primary beneficiary and is more than 10 years younger than you, attach proof of your beneficiary's date of birth.

## 6. 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.

The image shows a voided check form. At the top left, it says "John Doe, 123 Main Street, Ph. (916) 555-1212, Hometown, CA 98765". To the right, there is a "Date" field with a line for writing. Below that, it says "PAY TO THE ORDER OF" followed by a line and a "\$" symbol. To the right of that is a box for the amount and the word "DOLLARS". Below that, it says "Money Bank, Inc., 321 Main Street, Hometown, CA 98765". At the bottom, there is a "MEMO" field. At the very bottom, there are three boxes with numbers: "1234567891", "000012345678", and "1492". Below these boxes are labels: "9-digit ABA routing number", "Checking Account Number", and "Check Number". A large "VOID" watermark is overlaid on the entire form.

**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.

## 7. 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).

Form continued on next page

## 8. 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.

## 9. 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](http://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.

I certify that I am a public safety employee and this distribution qualifies for the 10% early withdrawal tax exception.

**NOTE: If you are a public safety employee and you do not check this box, the tax exception will not be applied.** (More information is available in Section 4 of the Booklet)

**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](http://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](mailto:CalHRPrivacy@calhr.ca.gov) or contact Nationwide at (855) 616-4776.

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