



### Request For Refund and/or Rollover

See page 2 for instructions. Mail completed original application to Santa Fe address. DO NOT FAX APPLICATION.

#### Section I: Member Information

Name: \_\_\_\_\_ SSN: \_\_\_\_\_ DOB: \_\_\_\_\_  Male  Female

Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone: \_\_\_\_\_

Marital Status:  Single  Married  Married, previously divorced  Divorced\*  Widowed

\* Failure to submit a court endorsed copy of your divorce decree(s) will cause a delay in the processing of your refund. See page 2.

#### Section II: Distribution Options (Direct deposits not allowed)

I elect to have my contributions mailed directly to me at the address listed above. I understand that 20% federal tax will be withheld from the taxable portion of this distribution. I may also be subject to an additional 10% penalty tax if my age is under 59½ at the time of refund.

I elect a direct rollover of all my pre-tax contributions plus interest to the qualified trust plan listed below. Any monies not designated for transfer will be mailed to me. \_\_\_\_\_ IRA \_\_\_\_\_ Eligible Qualified Plan

I elect a partial rollover of my pre-tax contributions plus interest to the qualified trust plan listed below. Any monies not designated for transfer will be mailed to me.

- Percentage to transfer: \_\_\_\_\_% (The percentage indicated will be applied to all subsequent refunds. Request to rollover into accounts outside the United States cannot be honored.)

Financial Institution Information: (provide only when requesting a rollover)

Financial Institution: \_\_\_\_\_ Account Number: \_\_\_\_\_  
(up to 30 characters only)

Mailing Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

(initial here) \_\_\_\_\_ I understand that federal income tax will not be withheld from the portion of the distribution that is transferred. I understand that the balance I receive directly is subject to 20% federal withholding.

#### Section III: Member Signature

I waive the Federal 30 day waiting period and request payment as soon as administratively possible.

Member Signature (Please sign in the presence of a notary.) \_\_\_\_\_ Date \_\_\_\_\_

#### Notary Public

State of \_\_\_\_\_, County of: \_\_\_\_\_ Signed before me by \_\_\_\_\_ on the day \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_.

Notary Public \_\_\_\_\_ My Commission Expires \_\_\_\_\_

#### Section IV: Spousal Consent

I hereby certify that I am the spouse of the above named Member and that I freely consent to the request for refund and/or rollover made herein.

Spouse Signature (Please sign in the presence of a notary.) \_\_\_\_\_ Date \_\_\_\_\_

#### Notary Public

State of \_\_\_\_\_, County of: \_\_\_\_\_ Signed before me by \_\_\_\_\_ on the day \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_.

Notary Public \_\_\_\_\_ My Commission Expires \_\_\_\_\_

#### Section V: Employer Certification (Mandatory if you terminated within the last 90 days)

This is to certify that the above employee terminated employment with \_\_\_\_\_ on \_\_\_\_\_ and that final earnings will be reported on the monthly report ending \_\_\_\_\_. (Should not extend beyond one (1) month following termination date.)

Authorized By: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(print name)



## Request for Contribution Refund Instructions – Page 2

If you wish to withdraw your member contributions plus interest, you must terminate your employment and submit a Request for Refund and/or Rollover Application to each of your current employer(s). If you terminated employment more than three months ago, you may submit the application directly to NMERB. Please do not use white out. Copied, faxed or emailed applications are not accepted—please send original document. ***\*If you were divorced or legally separated after receiving any ERB service credit, you must submit a release of claims from your ex-spouse, documents that indicate that your retirement is your sole and separate property, a Qualified Domestic Relations Order that divides your ERB benefits, or a court document that indicates that your divorce was prior to earning any ERB service.***

Refunds are processed in two phases: 1) The initial check will be for contributions and interest posted to your account as of the date the refund is processed. **This check will generally be processed within 20 working days from the date we receive a valid and completed refund application;** 2) **A second check will be issued in approximately four months for additional contributions reported after the refund date.** *These dates are subject to change; delays are typically based on employer report of final earnings and administrative processing.*

Please check your application for accuracy. You must select one of the options from Section II: Direct Refund, Direct Rollover or Direct Partial Rollover. If you select a rollover to another qualified plan you must include your financial institution's information and an account number. If you wish to have your refunds processed as soon as administratively possible and waive the Federal 30 day waiting period, please check the appropriate box. Both you and your spouse, if you are married, must sign this form in the presence of a notary public in Sections III and IV.

### ***New NMERB Retirement Eligibility Rules***

***After you receive a full refund of your member contributions, you will have no service credit. If you later rejoin the NMERB, you will be subject to the most recent retirement eligibility rules.***

### Summary of IRS Regulations on Periodic Distributions

Contributions made before July 1, 1983 and payments made to purchase service have already been taxed and are therefore ***non-taxable*** when distributed from your account; these contributions are not eligible for a Direct Rollover. Contributions since July 1, 1983 and total interest earned have been taxed deferred and ***are taxable*** when distributed; the taxable balance is eligible for a *rollover* and all or any portion of your account balance can be taken as a *direct refund* or as a *direct rollover*. A rollover is a tax free transfer of an eligible distribution from one qualified employer retirement plan directly to another qualified plan or to an Individual Retirement Arrangement (IRA).

#### **If you choose a direct refund:**

Tax deferred contributions and accumulated interest credited to your account are taxed upon withdrawal. The Internal Revenue Service (IRS) requires NMERB to withhold 20% from your refund if you do not rollover the funds to a qualified retirement plan or IRA. In addition, the IRS imposes a special penalty tax on early distributions, such as a lump sum distribution, received before the plan participant reaches age 59½. This special penalty tax of 10% of the taxable portion of the distribution is applied in addition to the regular income tax.

#### **If you choose a direct rollover:**

The taxable balance of your contributions and interest are not taxed in the current year and no income tax is withheld. Your refund will be made directly to the IRA or qualified plan you identify on your refund application. Your refund will be taxable when you take it out of the IRA or qualified plan. You may select to rollover any portion (percentage) of your taxable balance. The portion of the taxable balance you receive as direct refund will be taxed in the year in which you receive payment.

The federal income tax withholding rate of 20% applies to eligible distributions made from a qualified retirement plan, such as NMERB. This tax shall be withheld on any eligible distribution made to a member, the member's surviving spouse or to an alternate payee if it is not rolled over directly into another qualified or IRA.

***This message summarizes the Internal Revenue Code (IRC) rollover rules and is not intended as tax advice. To determine how IRC rollover rules apply to your situation, we suggest that you consult with a qualified tax professional for advice. Please note the 20% mandatory federal tax withholding is the responsibility of the NMERB. Any further tax liability is the sole responsibility of the member.***