



City of Austin Police Retirement System*

Designation of Retirement Deposits Form & Instructions

Please read the following attachments before completing the APRS Designation of Retirement Deposits Form:

- APRS Retirement Options for Terminating Employees
 - APRS Required IRS Distribution Tax Notice

Refund disbursement checks and Forms 1099-R will be mailed to the address provided on the APRS Designation of Retirement Deposits Form.

Please return completed form to:
Austin Police Retirement System
P.O. Box 41089
Austin, TX 78704

For additional information, please contact us at (512) 416-7672.

*Also referred to as APRS or System

APRS Retirement Options for Terminating Employees

Note: State and Federal laws do not allow Active/Vested/Proportionate Members to make a partial withdrawal of deposits or to receive loans from their retirement funds.

IF YOU HAVE LESS THAN TEN YEARS OF CREDITABLE SERVICE:

You May Receive a Refund after Terminating Employment with APD...

You may choose to have your deposits refunded after you terminate your employment with the City of Austin Police Department. Generally, your retirement contribution refund check (less mandatory 20% tax withholding) will be issued two weeks after your final paycheck (which will include your final contribution to the System) is issued. In order for your refund to be processed, you must no longer be active on the APD payroll system, and APRS must have received your APRS Designation of Retirement Deposits Form with any required attachments.

You May Leave Your Funds for Proportionate Retirement...

You may choose to retain your deposits in the System if you are eligible or expect to become eligible to participate in the Proportionate Retirement Program. To qualify, you must be or become a member of one of the participating retirement systems under the Statewide Proportionate Retirement Program. The retirement systems currently participating are:

Teachers Retirement System of Texas
Texas Municipal Retirement System
Texas County and District Retirement System
The El Paso City Employees' Pension Fund
City of Austin Police Retirement System

Employees' Retirement System of Texas
Judicial Retirement System of Texas I and II
City of Austin Employees' Retirement System
El Paso Fireman and Policeman's Pension Fund

Once you meet retirement eligibility as described below AND have at least ten years of combined Creditable Service with one or more retirement systems, you may retire from APRS if you select this option. It is your responsibility to contact APRS upon reaching retirement eligibility.

You May Roll Over Contributions to and IRA or Other Qualified Plan...

You may choose to roll over, taxfree, all or any portion of your "eligible rollover distribution" to and Individual Retirement Account (IRA), state or local government Section 457 deferred compensation plan, or other qualified employer plan that accepts rollovers. Previously taxed APRS contributions, if any, will be paid directly to you. The eligible rollover distribution is paid directly from the APRS plan to the designated qualified plan. If you choose a direct rollover, you defer taxes on the monies until you later withdraw the funds from the qualified plan into which your funds were rolled over. For additional information on rollovers, refer to Internal Revenue Service Publication 575 for additional information. This publication is available from your local IRS office or online a www.irs.gov.

To complete the rollover, *one of the following forms of documentation* must also be provided to APRS from the receiving plan or financial institution: 1) a Trustee to Trustee Transfer letter on company letterhead; 2) a Letter of Acceptance; 3) an Automated Customer Account Transfer (ACAT) form; or 4) a Direct Transfer/Rollover form. **This third party document must be an original, signed by a representative of the receiving plan or financial institution and include the following information:**

Name of Member	
Member's Social Security Number	
Transfer From:	Transfer To:
Austin Police Retirement System	Name of company to make check
payable	
P.O. Box 41089	Mailing Address
Austin, TX 78704	Contact person/phone number
Type of Plan – 401(a) Defined Benefit Plan	Type of account (i.e. IRA)
	Account Number
	Transfer amount (if known)

Note: All rollover checks are mailed to the receiving plan or financial institution. APRS does not offer wire transfer for rollover transactions.

IF YOU HAVE TEN OR MORE YEARS CREDITABLE SERVICE:

You May Delay Your Refund Until After Interest Posting...

You may choose to leave your deposits in the System through the end of the calendar year. You will receive interest on your deposits (interest is only credited to vested member accounts), and your refund check will be issued in January and mailed to the address provided on the APRS Designation of Retirement Deposits form. Retirement interest is accrued on the last day of the calendar year based on the amount that you had in the System on the first day of that calendar year. Your money must remain on deposit for the entire calendar year in order to accrue interest.

You May Declare Vested Status and Receive a Monthly Annuity When You Reach Retirement Eligibility...

You may choose to declare and become a Vested Member if you have ten or more years of Creditable Service with APRS. This means, in addition to the other refund/rollover choices available to Members with less than ten years of Creditable Service with APRS, a Vested Member also has an additional choice for designation of deposits. As a Vested Member who leaves the employment with the Police Department before reaching retirement eligibility, you may leave your deposits in the System. When you reach age 62, or when you meet other age and service requirements for retirement eligibility (see requirements below), you must apply to begin drawing a monthly retirement annuity.

Upon leaving the Police Department, you should indicate on the APRS Designation of Retirement Deposits Form that you want to retain your deposits in the System as a Vested Member. Your deposits will remain in APRS until you reach retirement eligibility and you apply for retirement from APRS. Your deposits will continue to earn interest until you begin to receive your monthly annuity. In addition to the APRS Designation of Deposits form, an APRS Beneficiary Designation Form should also be completed. If you select this option and do not return to work for the Police Department, you can withdraw your funds at any time, however, withdrawal will forfeit your Vested status and retirement eligibility.

RETIREMENT ELIGIBILITY

Members are eligible for normal, unreduced retirement when they meet one of the following age and service requirements:

Age 62 with any number of years of Creditable Service

Any age with **23 years Creditable Service**

Age 55 with **20 years Creditable Service**

APRS Required IRS Distribution Taxation Notice

GENERAL INFORMATION

This notice contains important information you need to know before you decide how to receive your retirement plan benefits. This notice is provided to you because of all or part of the payment that you receive from APRS may be eligible for rollover to an eligible IRA, state or local government Section 457 deferred compensation plan, or another qualified plan. You have 30 days from the date of this notice to make a decision on how to receive your payment. However, you may waive the 30 days as long as this information has been provided to you.

SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

1. The payment can be made directly to an eligible IRA, state or local government Section 457 deferred compensation plan, or if you choose, another qualified plan that will accept a direct rollover, or
2. The payment can be paid to you,

If you choose a direct rollover:

- Your payment will not be taxed and no income tax will be withheld.
- Your payment will be made directly to your eligible IRA, state or local government Section 457 deferred compensation plan, or to another qualified plan that accepts your rollover.
- Your payment will be taxed later when you take it out of the qualified plan into which your funds were rolled over.

If you choose to have a Plan payment that is eligible for rollover paid to you:

- You will receive only 80% of the payment, because the Plan sponsor is required to withhold 20% of the payment for income tax withholding to be credited against your taxes. You will receive a Form 1099-R in January of the following year.
- Your payment will be taxed in the current year. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 1/2, you may also have to pay an additional 10% tax for early withdrawal of retirement funds.
- You can still roll over the payment to a qualified plan that accepts your rollover within 60 days after you receive your payment. The amount rolled over will not be taxed until you take it out of the qualified plan.
- If you want to roll over 100% of the payment to a qualified plan, you must replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and not rolled over.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain conditions and exceptions that are not included in this notice. Therefore, you are encouraged to consult with a professional tax advisor before you take a payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRA office, on the IRS' website at www.irs.gov, or by calling 1-800-TAX-FORMS.

SOCIAL SECURITY NUMBER VERIFICATION

The Internal Revenue Service requires verification of the name of all recipients of pension funds. The name you use on the APRS Designation of Retirement Deposits Form MUST match the name on your government issued social security card. You must certify that the name you have printed on the APRS Designation of Retirement Deposits Form matches the name on your government issued social security card.

