

## **Designation of Retirement Deposits Form and Instructions**

Please read the following attachments before completing the APRS Designation of Retirement Deposits Form and submit page 5 with the below listed documents:

- Copy of Valid Driver's License
- Direct Deposit Banking Information Document or Canceled Check - *if applicable*
- Rollover Institution Information - *if applicable*
- Proportionate Application - *if applicable*

**Austin Police Retirement System  
P.O. Box 40609  
Austin, TX 78704**

**OR**

**submit to the  
Member Portal  
using the  
following link  
[www.ausprs.org](http://www.ausprs.org)**

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

\*Also referred to as APRS or System

## APRS Retirement Deposit 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 (APD) or the System. Generally, your retirement contribution refund (less mandatory 20% tax withholding) will be issued within a month after your final paycheck (which will include your final contribution to the System) is issued. For your refund to be processed, you must no longer be active on the APD or APRS 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 and that membership must be verified by the participating system. In addition to APRS, the retirement systems currently participating are:

Teachers Retirement System of Texas	Employees' Retirement System of Texas Judicial
Texas Municipal Retirement System	Retirement System of Texas I and II
Texas County and District Retirement System	City of Austin Employees' Retirement System
The El Paso City Employees' Pension Fund	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. Please notify the System if you change employers.

#### **You May Roll Over Contributions to an IRA or Other Qualified Plan...**

You may choose to roll over all or any portion of your "eligible rollover distribution" to an 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 to a traditional plan, you defer taxes until you later withdraw the funds from the qualified plan into which your funds were rolled over. If you roll over to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount). 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](http://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; or 3) a Direct Transfer/Rollover form.

Name of Member  
Member's Social Security Number

**Transfer From:**  
Austin Police Retirement System  
P.O. Box 40609  
Austin, TX 78704  
Type of Plan – 401(a) Defined Benefit Plan

**Transfer To:**  
Name of company to make check payable to  
Mailing Address  
Contact person/phone number  
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. If interest is granted, you will receive interest on your deposits (interest is only credited to vested member accounts), and your refund will be issued in January and mailed to the address provided on the APRS Designation of Retirement Deposits form. The Board of Trustees annually determines the amount of interest paid on vested members' accumulated deposits (if any), taking into consideration the performance of the fund's investments and the actuary's recommendations. 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 (10) 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 APD or the System 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 may apply to begin drawing a monthly retirement annuity. It is your responsibility to contact APRS upon reaching retirement eligibility.

Upon leaving APD or System, 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 as granted by the Board 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 APD or the System, 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:

### **Group A (hired on or before 12/31/2021):**

**Age 62** with any number of years of creditable service

**Age 55** with **20 years creditable service**

**Any age** with **23 years creditable service**

### **Group B (hired on or after 1/1/2022):**

**Age 62** with any number of years of creditable service

**Age 50** with **25 years creditable service**

## **MEMBER RESPONSIBILITIES**

You have certain responsibilities if you keep your APRS membership after termination. First, you are solely responsible for timely and properly applying for benefits. Also, you are responsible for notifying APRS of your proportionate time in another Texas retirement system which participates in the Proportionate Retirement Program and keeping that information current. You are also responsible for keeping your contact information and beneficiary designations current with APRS.

Non-vested members of the System must request a refund of your deposits by the seventh (7th) anniversary of your separation date unless you have declared your status as a Proportionate Retirement Program Member. Failure to request the refund will result in the permanent forfeiture of your deposits and creditable service with the System. Non-vested members who attain age the IRS Required Minimum Distribution (RMD) age prior to separation or prior to the seventh (7th) anniversary date of separation who have not requested a refund of your deposits will forfeit your deposits and creditable service with the System if the refund is not requested within ninety (90) days after the System notifies you of the need to refund your deposits.

## 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 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.

### 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 to a traditional plan will be taxed later when you take it out of the qualified plan into which your funds were rolled over.
- If you roll over to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount).

#### 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.

### FAILURE TO CLAIM A REFUND WILL RESULT IN THE FORFEITURE OF YOUR DEPOSITS

Non-vested members of the System must request a refund of your deposits by the seventh (7<sup>th</sup>) anniversary of your separation date unless you have declared your status as a Proportionate Retirement Program Member. Failure to request the refund will result in the permanent forfeiture of your deposits and creditable service with the System. Non-vested members who attain RMD age if prior to separation or prior to the seventh (7<sup>th</sup>) anniversary date of separation who have not requested a refund of your deposits will forfeit your deposits and creditable service with the System if the refund is not requested within ninety (90) days after the System notifies you of the need to refund your deposits.

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



# Designation of Retirement Deposits Form

Name as it appears on your Social Security Card      Last 4 of SSN      Separation Date      Telephone Number

Permanent Mailing Address      E-mail Address

**Step 1.** Please read the APRS Retirement Deposits Option for Terminating Employees and the APRS Required IRS Distribution Taxation Notice before completing all applicable sections of this form. **Choose an option from section (A) or (B).**

**A) Refund of Contributions and Interest** – Mark the box beside the option selected. **By selecting one of the Refund options under section (A), you acknowledge that Federal Income Tax at a tax rate of 20% will be withheld on all untaxed contributions and interest paid directly to you. You acknowledge that you may also be subject to an additional 10% early withdrawal penalty if this refund is issued before age 59½. MUST PROVIDE a canceled check or a direct deposit document from your financial institution containing the institution’s name, routing number, account number and the name of the account holder.**

**Refund directly to me.**

**Refund directly to me after the interest allocation (if granted) in January of the following year.**

**Refund a portion of my contributions and interest (if any) directly to me and roll over the balance to a qualified plan.**

**\$\_\_\_\_\_ to be paid directly to me. MUST PROVIDE documentation from the receiving plan as described in the attached instructions and fill out the direct deposit information.**

**Roll over my untaxed contributions and interest (if any) to a qualified plan.**

Specific original documentation from the receiving plan or financial institution must be attached. Any untaxed contributions, if any, will be paid directly to me. MUST PROVIDE documentation from the receiving plan as described in the attached instructions. Note: All rollover checks are mailed to the receiving plan or financial institution. APRS does not offer wire transfer for rollover transactions.

**B) Retain in Retirement System** – Mark the box beside the option selected. ***It is the member's responsibility to notify APRS of any future address changes. In addition to the APRS Designation of Retirement Deposits Form, an APRS Beneficiary Designation Form must be completed (contact the System at (512) 416-7672 or online at [www.ausprs.org](http://www.ausprs.org)).***

**Declare Vested Status.**

This option is only available if you have ten or more years of Creditable Service with APRS. When you reach retirement eligibility, it is your responsibility to apply to begin receiving a monthly annuity. Your annuity will be based on average salary, years of creditable service, and the multiplier at the time of retirement.

**Retain as Proportionate Retirement Program “Participant” (No minimum years of service required).**

Proportionate Retirement is only available with verified membership based on the listed systems on page 2. Please complete and send the [Proportionate Application](#) along with this form to determine eligibility.

**Step 2.** Enter banking information below and provide a canceled check or a direct deposit document. If you have elected to rollover your funds, please include a Letter of Acceptance from the rollover institution. **All submissions must include a copy of your driver's license. APRS will not accept incomplete forms.**

*I hereby authorize the Austin Police Retirement System to initiate credit entries (deposits) and to initiate, if necessary, debit entries and adjustments for any credit entries in error to my account indicated below, and I authorize the financial institution named below to credit and/or debit these entries to such account.*

**Direct Deposit Information:**      **Checking**      **Savings**  
**Name of Bank:** \_\_\_\_\_  
**Routing Number:** \_\_\_\_\_  
**Account Number:** \_\_\_\_\_

***I am making the above selection with respect to my contributions and any accrued interest in the Austin Police Retirement System. I understand that if I choose to withdraw my contributions and interest from APRS, I forfeit my right to any future benefits with APRS. I have read and understand the APRS Required IRS Distribution Taxation Notice. I further certify that the name I printed on this form matches the name on my government issued social security card and acknowledge that false statements or fraudulently obtaining benefits will result in the forfeiture of my APRS benefits that could subject me to criminal penalties.***

**Member Signature** \_\_\_\_\_ **Date** \_\_\_\_\_