

REFUND REQUEST
State Budget and Control Board
South Carolina Retirement Systems
Customer Service Refund Claims
Box 11960, Columbia, SC 29211-1960

PRINT OR TYPE IN INK

CHECK ONE:
☐ South Carolina Retirement System
☐ Police Officers Retirement System
☐ General Assembly Retirement System
☐ Judges and Solicitors Retirement System

Section I MEMBER / ALTERNATE PAYEE INFORMATION

Last Name & Suffix	First/Middle Name	Date of Birth	Social Security Number
Mailing Address		Former/Maiden Name (if applicable)	
City	State	ZIP+4	Telephone Number

☐ Check here if you are the alternate payee under a Qualified Domestic Relations Order (Member SSN _____)

I do hereby apply for a refund of the total amount of contributions plus interest credited to me in the above-checked Retirement System. I understand that upon payment of such amount I do hereby waive for myself, my heirs, and assigns all my rights, title, and interest in any fund under the care and control of this Retirement System. **I also understand that by receiving a refund that I am forfeiting my service credit and giving up all rights to any future service retirement or disability retirement benefits.** I further understand that **my refund request will be canceled if I return to employment covered by the Retirement Systems** prior to payment of my refund. This includes any employment for which I am eligible to join the SC Retirement System, the Police Officers Retirement System, or the State Optional Retirement Program.

NOTE: Refunds for members of the SC Retirement System and Police Officers Retirement System are payable within 6 months after demand, but not less than 90 days after termination of employment. All required paperwork must be received from the member and the employer before a refund can be paid.

I terminated from _____ on _____
Employer Date

Section II For your refund payout, please select ONE of the payment methods below. (See page 2 for detailed explanation.)

<input type="checkbox"/> Lump-Sum Payment Pay the total refund amount (less required federal tax withholding) directly to me.	<input type="checkbox"/> Direct Rollover Rollover the taxable portion of my refund to the trustee/plan named below. The portion you rollover will not be taxed until you take it out of the eligible plan. (Information must be provided in Section III)	<input type="checkbox"/> Partial Rollover Rollover the Partial Amount of \$ _____ to the trustee/plan named below. Pay the remaining balance directly to me in a lump-sum payment. (Information must be provided in Section III)
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Section III COMPLETE THIS SECTION IF YOU SELECTED A DIRECT OR PARTIAL ROLLOVER ABOVE.

<p>Account Number With Trustee/Plan (Limit to 25 characters) _____</p> <p>Name of Trustee/Plan _____</p> <p>P.O. Box or Street Address _____</p> <p>City _____ State _____ Zip + 4 _____</p>	<p style="text-align: center;">Account Types Available (Check only ONE box)</p> <p><input type="checkbox"/> I R A <input type="checkbox"/> Annuity Plan - 403(b) <input type="checkbox"/> Qualified Plan - 401(k) or 401(a) <input type="checkbox"/> Other-see instructions on page 2 Specify Plan Name _____</p>
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You must attach a legible copy of your current driver's license or special identification card issued by your State Department of Transportation or Public Safety.

Please read all information on page 2 before signing this form IN BLUE INK.

I hereby certify I have read and understand the information on this form, including the tax rules, and I agree to the terms stated.

MEMBER'S OR ALTERNATE PAYEE'S SIGNATURE _____ Date: _____
(Certified copy of legal authorization required with signature other than applicant's)

WITNESS _____ Date: _____
(Required only when signed by a mark)

STATE OF _____ COUNTY OF _____

ACKNOWLEDGED BEFORE ME THIS DATE _____ NOTARY NAME _____
(Please print)

MY COMMISSION EXPIRES _____ NOTARY SIGNATURE _____

NOTARY BUSINESS PHONE _____

Please call SC Retirement Systems Customer Service with any questions: (800) 868-9002 (in state) or (803) 737-6800

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND THE SOUTH CAROLINA RETIREMENT SYSTEMS. THE SOUTH CAROLINA RETIREMENT SYSTEMS RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT.

When you receive a refund you forfeit your retirement service credit and give up rights to any future service retirement or disability retirement benefits. If you return to work for an employer covered by the Retirement Systems after receiving your refund check and rejoin the system, you may request to pay back with interest your withdrawn (refunded) member contributions and interest. When you leave the funds in your retirement account, you retain your years of service credit, which may be added to any future service you may accrue, should you later be employed in a position covered by the Retirement Systems. For current retirement eligibility information, please call South Carolina Retirement Systems Customer Service at (800) 868-9002 or (803) 737-6800 or visit our website at www.retirement.sc.gov. Should you choose a refund, there are some important tax consequences (see below and IRS Publication 575, available at www.irs.gov).

SPECIAL TAX RULES

This payment from the South Carolina Retirement Systems is classified as a Qualified Total Distribution under Internal Revenue Code Section 401(a) and will be reported to the Internal Revenue Service on Form 1099R. This distribution may consist of both taxable and nontaxable income.

Rollover

A rollover is a tax-free transfer from one retirement plan to another. If you are the retirement plan participant, or if you are the former spouse of the participant and an acceptable Qualified Domestic Relations Order (QDRO) exists, the taxable portion of the refund is eligible for rollover to an IRA, 403(b) plan, 457 plan, 401(k) plan, or other 401(a) plan (an "eligible" plan). You may elect to rollover all or any part of the taxable portion of your refund. The portion rolled over will not be taxed until you take it out of the eligible plan.

A rollover may be accomplished by: 1) a direct transfer by the South Carolina Retirement Systems on your behalf to an eligible plan; or 2) a rollover by you to an eligible plan within sixty (60) days of receipt of the distribution. **ANY AMOUNT ELIGIBLE FOR ROLLOVER NOT DIRECTLY TRANSFERRED BY THE SOUTH CAROLINA RETIREMENT SYSTEMS TO AN ELIGIBLE PLAN MUST HAVE FEDERAL TAXES WITHHELD AT A RATE OF TWENTY PERCENT (20%).** If you do not choose a direct transfer, you can still decide to rollover all or part of the taxable portion of your refund within 60 days of receipt of the distribution. However, you must find other money to replace the 20% withheld if you want to rollover 100% of the taxable portion of your refund.

A rollover from the Retirement Systems 401(a) plan is not allowed into the South Carolina 457 Deferred Compensation Plan. If you intend to roll over funds from the Retirement Systems 401(a) plan into a governmental 457 plan other than the South Carolina 457 Deferred Compensation Plan, verify with that Plan Administrator that the 457 plan accepts rollovers. If it does accept rollovers from the Retirement Systems 401(a) plan, check the "Other" box and provide the plan name.

Under Age 59 1/2 and Do Not Elect Rollover

If you do not take advantage of a rollover as indicated above and are under the age of 59 1/2 at the time of distribution, your distribution will be subject to regular income tax in the year you receive the payment, plus **THERE WILL BE A 10% PENALTY TAX ON THE TAXABLE PORTION OF YOUR DISTRIBUTION.** The 10% penalty tax will be due when your income tax return is filed. This tax penalty does not apply to distributions due to death, disability, separation from service in or after the year in which you reach age 55, or distribution pursuant to a QDRO--see Special Tax Rules in IRS Publication 575 and IRS Form 5329 for more information on this tax penalty.

The Pension Protection Act of 2006 provides for the waiver of the 10 percent early withdrawal penalty tax if a qualified public safety employee, **as defined by the Pension Protection Act**, receives a distribution from a qualified retirement plan after separation from service in or after the year in which the employee reaches age 50. **Note:** A Qualified Public Safety Employee Certification (Form 7507) must be completed by your current employer.

Born Before 1936 and Do Not Elect Rollover

If you were born before 1936, the ordinary income portion of your distribution may be eligible for 10-year averaging based on the tax rates in effect in the year of distribution, and the capital gains portion may be taxed as a long-term capital gain at a rate of 20%. Averaging often reduces the tax you owe because it treats the payment as if it were paid out over 10 years.

This special tax treatment discussed above requires that your refund must be a lump-sum distribution. A distribution cannot be treated as a lump-sum distribution unless you have been a plan participant for at least 5 years preceding the tax year in which the distribution was received. The 5-year participation requirement does not apply if this refund is made to the beneficiary or estate on account of the participant's death. You may elect to use the special tax treatment for income averaging and capital gains only once per employee, and the election applies to all lump-sum distributions you received in that year. This election is made by completing Form 4972 with your annual income tax return.

Withholding

A taxable distribution eligible for rollover but paid directly to you will generally be subject to an automatic federal withholding rate of 20%.

South Carolina Income Taxes

The taxable portion of this refund will be subject to South Carolina income taxes in the year in which you receive your refund. The above federal provisions (except for the additional 10% penalty tax and the mandatory 20% withholding) also apply in computing South Carolina income taxes.

The tax laws are complex and always changing. You should consult your personal tax advisor with regard to the application of all federal and state taxes on benefits received from the South Carolina Retirement Systems.

Please notify us, in writing, should your address change prior to the payment of your refund or prior to the receipt of your 1099R. For tax reporting purposes, 1099Rs are mailed no later than January 31 each year for the previous calendar year's refund. If you return to work for an employer covered by the Retirement Systems prior to receiving your refund check, your refund request will be canceled.