



Department of Technology, Management & Budget
 Office of Retirement Services
 www.michigan.gov/ors (800) 381-5111
 P.O. Box 30171
 Lansing MI 48909-7671

Refund Application

For Public School Employees

| | | |
|-----------------------------------|----------------------------|-----------------------|
| MEMBER'S NAME (LAST, FIRST, M.I.) | DATE OF BIRTH | MEMBER ID OR SSN |
| MAILING ADDRESS | REPORTING UNIT LAST WORKED | |
| CITY, STATE, ZIP CODE | EMPLOYMENT END DATE | HOME TELEPHONE () |

Use this form if you have terminated employment and want to withdraw your pension contributions on account with the retirement system. **This may forfeit your rights to a future pension with the retirement system.** See refund instructions before completing. If you are eligible for a pension and married, you and your spouse must complete the *Refund Certification and Spousal Waiver (R0902C)*.

Section I – Refund Election. To be completed by applicant, please select one option from below.

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| <input type="checkbox"/> Option 1: I wish to have my refund paid directly to me. |
| <input type="checkbox"/> Option 2: I wish to have all previously untaxed pension contributions and interest transferred directly into the qualified retirement plan or individual retirement account held at _____, and have any previously taxed contributions refunded to me. |
| <input type="checkbox"/> Option 3: I wish to have \$ _____ of my previously untaxed pension contributions and interest transferred into the retirement plan or individual retirement account held at _____. I wish to have the balance paid directly to me. |

Section II – Tax Withholding ORS will automatically withhold federal income taxes from any amounts paid directly to you.

Check this box if you want Michigan Income tax withheld from your refund.

Section III – Financial Designation. To be completed by financial institution, if applicant selected option 2 or 3 above. Before signing, refer to Section III on the back side.

| | | |
|--|--|-------------------------|
| TYPE OF ACCOUNT <input type="checkbox"/> Individual Retirement Account (IRA) <input type="checkbox"/> Qualified Plan | | |
| MAKE CHECK PAYABLE TO (PLAN OR IRA NAME) | ACCOUNT NUMBER | TELEPHONE NUMBER () |
| MAILING ADDRESS | CITY, STATE, ZIP CODE | |
| TRUSTEE OR PLAN ADMINISTRATOR SIGNATURE | TRUSTEE NAME OR PLAN ADMINISTRATOR (PRINT) | DATE |

Section IV – Employer Certification. To be completed by the payroll office of the applicant's last employer, ONLY if employment ended within the last 6 months. Before signing, refer to Section IV on the back side.

| | | |
|---------------------------------|---|-------------------------|
| NAME OF REPORTING UNIT | REPORTING UNIT # | TELEPHONE NUMBER () |
| PAYROLL OFFICIAL'S NAME (PRINT) | DATE CONTRIBUTIONS LAST WITHHELD FROM WAGES | |
| PAYROLL OFFICIAL SIGNATURE | TITLE | DATE |

Section V – Applicant Certification STOP. Read all instructions and appear before a notary public before signing.

| | |
|--|------|
| APPLICANT SIGNATURE | DATE |
| Notary Public: Subscribed and sworn to before me this _____ day of _____, _____ | |
| County of _____, State of _____ | |
| My commission expires _____ | |
| Notary Signature _____ | |



Instructions

Section I – Refund Election. Select one option. If you choose option 1 or 3, 20 percent of the previously untaxed contributions and interest will be withheld as federal income tax. If you chose option 2 or 3, your plan administrator must complete Section II.

Section II -Tax Withholding. *Taking a refund could affect your taxes. The following is only a summary of tax rules that may apply to your refund. Contact the IRS, the Michigan Department of Treasury, or consult a tax advisor for more information.*

We are required to withhold federal income tax from your refund under certain circumstances. Your refund may also be subject to Michigan income tax.

If you have terminated employment, you can have all or any portion of your refund of previously untaxed money either transferred to a qualified plan or paid directly to you. A qualified plan is a payment of your refund to your individual retirement account (IRA) or to another employer plan. How your refund is paid to you will affect the tax you owe.

If you choose a qualified plan-to-plan transfer, your refund will not be taxed in the current year and no income tax will be withheld. Your refund will be paid directly to your IRA or, if you choose, to another employer plan that accepts your rollover. Your refund will be taxed later, when you withdraw it from the IRA or the employer plan.

If you choose to have your refund paid directly to you, you will receive only 80 percent of the refund. The retirement system is required to withhold 20 percent of the refund and send it to the IRS as federal income tax withholding to be credited against your taxes. Your refund may also be subject to Michigan income tax withholding. Your refund will be taxed in the current year unless you transfer it to a qualified plan. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the refund before age 59½, you may also have to pay an additional 10 percent tax.

If you choose to receive your refund directly and later wish to transfer it into your IRA or other employer plan, you may do so within 60 days of receiving your refund. The amount transferred will not be taxed until you take it out of your IRA or employer plan. If you want to transfer 100 percent of your refund to an IRA or an employer plan, you must find other money to replace the 20 percent that was withheld. If you transfer only the 80 percent that you received, you will be taxed on the 20 percent that was withheld and not rolled over.

You can find specific information on the tax treatment of payments from qualified retirement plans in IRS publication 575, *Pension and Annuity Income*, or IRS Publication 590, *Individual Retirement Accounts*. You can download these forms at www.irs.gov, or call 1-800-TAX-FORMS.

For more information on the Michigan income tax withholding rules, contact the Michigan Department of Treasury at www.michigan.gov/taxes.

Section III – Financial Designation. The plan administrator must complete this if option 2 or 3 in Section I is selected.

Plan administrator: After completing Section II, return the form to the refund applicant. In accordance with the authorization in Section I, you agree to deposit the forthcoming rollover amount from the retirement system into the stated account. Please understand the transfer may take up to 90 days to process.

Section IV – Employer Certification. A payroll official from the applicant's last public school employer must complete this if employment ended within the last 6 months.

Payroll official: After completing Section III, return form to refund applicant. By signing this form you certify that the applicant has ceased all employment in this reporting unit, is not on leave of absence, is not on layoff expected to last less than 12 months, will not be offered a substitute (temporary) position within the next 12 months, or has elected to participate in the Optional Retirement Plan.

Section V– Applicant Certification.

By signing this form you agree to the following terms.

- *I certify I have ceased employment in all public-supported educational institutions under this retirement system, am not on a leave of absence, am not on a layoff expected to last 12 months or less, will not be obtaining a substitute (temporary) position within the next 12 months, or I have elected to participate in an Optional Retirement Plan. I request that the accumulated balance in my account plus interest be refunded as indicated in Section I. I understand once a refund is processed, it cannot be cancelled.*
- *I realize I am giving up my retirement rights accumulated under the contributory plan, and release the Michigan Public School Employees Retirement System from any claim of accumulated benefits under the contributory plan and hereby forfeit all such rights and benefits. If I am married, I will also complete and submit the Refund Certification and Spousal Waiver (R0902C).*

Mail your completed application to:

Office of Retirement Services
P.O. Box 30171
Lansing, MI 48909-7671
Or fax to: (517) 322-1116

You will receive your refund within 90 days from the date ORS receives your completed application.

Note: If your application is incomplete, we will return it to you to correct.