



Oklahoma Firefighters Pension and Retirement System

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www.ok.gov/fprs



Deferred Option Plan "Plan B" Withdrawal Form

- **This form must be received by the 15th day of the month to ensure a payment at the end of that month.** Due to tax reporting requirements, all distributions shall be paid the last working day of a month.
- Affidavit Verifying Lawful Presence in the US (Form 24) must be on file before any distribution can be made.
- If you are doing a direct rollover, you will need to fill out a Plan B Rollover Election Form (Form 20R).

The IRS requires that you receive a safe harbor special tax notice at least 30 days before payment of your distribution. The safe harbor special tax notice is posted on the website listed above for you to access or you may request the safe harbor special tax notice be sent by e-mail, or on a written paper document, which document will be provided to you at no charge. **However, the 30 day notice requirement may be waived by checking the box that follows.**

WAIVER OF 30-DAY NOTICE I HEREBY AFFIRMATIVELY ELECT TO WAIVE ANY APPLICABLE NOTICE REQUIREMENT.

By signing this form, you have affirmatively consented to access the required safe harbor special tax notice posted on the website listed above or that you have requested to receive a copy from the system by mail or e-mail, and you acknowledge that you have the effective ability to access and will read the safe harbor tax notice.

PLEASE INDICATE YOUR CHOICE OF PAYMENT BELOW, SIGN, DATE, AND RETURN TO OUR OFFICE.

WITHDRAW TOTAL ACCOUNT BALANCE

I REQUEST A ONE-TIME PAYMENT FROM MY PLAN B ACCOUNT. THIS ONE-TIME PAYMENT SHALL IN THE AMOUNT OF \$ _____

(FILL IN AMOUNT REQUESTED, **20% WILL BE WITHHELD FROM THIS AMOUNT**). PLEASE MAKE THIS PAYMENT THE LAST DAY OF _____ .

NOTE: THE PENSION RULES ALLOW ONLY ONE ONE-TIME PAYMENT PER MONTH. EACH ONE-TIME WITHDRAWAL REQUIRES A NEW FORM TO BE FILED WITH THE PENSION OFFICE.

I REQUEST AN INSTALLMENT PAYMENT FROM MY PLAN B ACCOUNT IN THE AMOUNT OF \$ _____ (FILL IN AMOUNT REQUESTED, **20% WILL BE WITHHELD FROM THIS AMOUNT**) TO BE PAID MONTHLY. PLEASE BEGIN MY MONTHLY PAYMENT ON THE LAST DAY OF _____ TO BE INCLUDED WITH MY MONTHLY PENSION BENEFIT.

*** IMPORTANT ***

If you receive distribution from Plan B, 20% of the above taxable amount will be withheld for federal taxes if the distribution is paid to you. You may elect a direct rollover of amounts eligible for a rollover and you will not be taxed on the distribution at this time. You will need to fill out a Plan B Rollover Election Form (Form 20R) if you wish to do a rollover. You are treated as electing a withholding of 20% on required minimum distributions.

DO YOU WISH TO HAVE STATE TAX WITHHELD? YES NO

DO YOU WISH TO HAVE THE ADDITIONAL 10% FEDERAL TAX PENALTY WITHHELD? YES NO

DUE TO TAX REPORTING REQUIREMENTS, ALL DISTRIBUTIONS FROM THIS PLAN SHALL BE PAID THE LAST WORKING DAY OF A MONTH.

DATE

MAILING ADDRESS

SOCIAL SECURITY NUMBER

CITY STATE ZIP CODE

CITY RETIRED FROM

PHONE

PRINTED NAME

PARTICIPANT'S SIGNATURE

SEEK THE ADVICE OF A COMPETENT PROFESSIONAL TAX ADVISOR

Before receiving a distribution from the Deferred Option Plan (Plan B), we strongly encourage you to seek the advice of a competent professional tax advisor. 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. This notice summarizes only the federal (not the state or local) tax rules that might apply to your payment. The rules described are complex and contain many conditions and exceptions that are not discussed.

20% WITHHOLDING FOR TAXES

If you receive a distribution from Plan B, 20% will be withheld from the taxable portion of the distribution unless you do a "*direct rollover*" of the distribution to another eligible employer plan that accepts rollovers, a traditional individual retirement account ("IRA"), or a Roth IRA.

ADDITIONAL TAX ON EARLY DISTRIBUTIONS

If you are under age 59½ at the time you receive a distribution, a 10% additional tax for early distribution could apply to the taxable portion of the distribution. However, this additional tax does not apply: (1) if you are at least 59½ years old when you receive the distribution; (2) to a distribution made to you after you separate from service from your employer as a public safety officer when you are at least 50 years old during the calendar year in which you separate from service; or (3) to any part of a distribution that is rolled over.

The additional tax also does not apply if an early distribution is made because of the firefighter's death or disability or if the payment is part of a series of substantially equal periodic payments (not less frequently than annually) made over the life (or life expectancy) of the firefighter or the joint lives (or joint life expectancy) of the firefighter and the designated beneficiary. You may call the pension office for assistance in the calculation of a substantially equal periodic payment from your Plan B option balance. The additional tax also does not apply if an early distribution is made directly to the government to satisfy a federal tax levy or made to an alternate payee under a qualified domestic order.

ROLLOVERS

There are two ways to do a rollover. You can do either a *direct rollover* or a *60-day rollover*. **You will need to fill out a Plan B Rollover Election Form (Form 20R) to do a rollover.**

DIRECT ROLLOVER

A *direct rollover* means the money is not paid to you, but instead is transferred directly by the Pension System: to another eligible employer plan; to a traditional IRA; or to a Roth IRA. Your distribution cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an education IRA).

If you choose a direct rollover, your distribution will be paid: to an eligible employer plan; to your traditional IRA; or to a Roth IRA. You will not be taxed on the distribution at that time (except to the extent you roll over your distribution to a Roth IRA, in which case the taxable portion of the distribution is included in taxable income in the year of the distribution).

After-tax contributions may also be directly rolled over to: another eligible employer plan; a traditional IRA; or a Roth IRA. However, not all employer plans accept after-tax contributions. Be sure to check with the recipient plan prior to requesting the rollover of after-tax contributions.

60-DAY ROLLOVER; 20% WITHHOLDING FOR FEDERAL INCOME TAXES

However, if your distribution is *paid to you* (check made out to you) instead of being *directly rolled over*, 20% of the taxable portion of your distribution will be withheld for federal income taxes and sent to the IRS. This means you will receive only 80% of the taxable portion of your distribution. (Note --there may be additional withholding required for state income taxes.)

TAXATION OF ROLLOVER TO ROTH IRA

If you do a *direct rollover* or a *60-day rollover* of your distribution from Plan B to a Roth IRA, it is included in taxable income (other than the amount of your after-tax contributions) in the year of the direct rollover or the distribution to you, as applicable, but is not taxable when it is distributed from the Roth IRA, provided the Roth IRA requirements are satisfied.