FPPA

Application Packet Cover Sheet

Fire & Police Pension Association of Colorado
FPPAco.org • 5290 DTC Parkway, Suite 100 • Greenwood Village, Colorado 80111-2721
(303) 770-3772 in the Denver Metro area • (800) 332-3772 toll free nationwide • (303) 771-7622 fax

For Members Of The

FPPA Defined Benefit System;
- **Statewide Defined Benefit Plan (SWDB) and the**
- **Statewide Hybrid Plan (SWH)**

Application

Termination Packet

Applying For

Exit DROP and Separate from Employment

This Packet Applies To:
Members who have participated in the Deferred Retirement Option Plan (DROP) and are now ready to leave the job and exit the DROP.

Please Remember:
- Keep and submit the forms together.
- Have your signature notarized, where applicable.

Questions? Contact an FPPA Retirement Coordinator at the phone numbers listed above.

Send all completed forms to:
FPPA Retirement Coordinator at the address listed above.

Please make copies for your files of the forms you fill out prior to submitting them to FPPA.

Forms & Publications

In this packet you will find forms and information FPPA needs to process your exit from DROP. In addition, you will find information about taking a distribution from other retirement accounts administered by FPPA, if applicable. It is important that you review the Special Tax Notice Regarding Plan Payments.

FPPA

Application Packet

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Congratulations!

You have worked a long time to get to this point and FPPA wants to make the process as simple as possible.

In order to assist you we have put together the following information packet. We have grouped like information, please submit the forms together in the sections as shown below.

Exit DROP and Separate from Employment

- ***Termination of DROP Participation Form***
- ***Electronic Funds Transfer/Direct Deposit Form***
- ***W-4P Monthly Pension Payment Form***
- ***Form W-9 – Request for Taxpayer Identification Number and Certification***

Distribution Options

Please read the enclosed Special Tax Notice Regarding your Rollover Options prior to requesting a distribution

How to Request a Distribution from:

- Accounts held at Fidelity Investments
  - Statewide Hybrid Money Purchase (SWH-MP)
  - Statewide Money Purchase (SWMP)
  - Separate Retirement Account (SRA)
  - Deferred Retirement Option Plan (DROP)
  - Deferred Compensation (457)

- SRA Account held at FPPA
  - ***SRA Distribution Payment Option Selection Form***
  - ***Withholding/Rollover Election Form***
  - ***W-4P Tax Withholding (for Refund of Contributions, SRA or DROP) Form***

Please read the following instructions carefully and adhere to any specific deadlines.

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Exit DROP and Separate From Employment

You may begin receiving your monthly pension benefit via direct deposit in the month following the month of your termination of participation in the DROP. For example, if your last day on payroll is July 10th, your first pension payment will be payable on August 21st.

Pension payroll is issued on the 21st of each month. If the 21st falls on a weekend or holiday, the payroll is issued on the last business day prior to the 21st.

The defined benefit amount you will receive was determined at the time you elected to enter the DROP and was based on your retirement benefit calculation and the benefit option that you elected. The payment will include any benefit adjustments that have been awarded while you were participating in DROP.

To begin your pension payments, the following forms need to be completed and returned to FPPA. All forms must be received by the 10th of the month to be included in the current month's payroll cycle.

- ***FPPA Defined Benefit System Termination of DROP Participation Form***
  This form is mandatory and must be completed before any distributions can take place. This notifies FPPA that you are no longer an active employee and are therefore eligible to receive your monthly retirement pension, and take distribution of the SRA, DROP, Money Purchase Component and 457 Deferred Compensation, if applicable. This form must be signed by you and your employer.

- ***Form W-4P – Monthly Pension Distribution - and -***
  Form W-9 – Request for Taxpayer Identification Number and Certification

  The forms are necessary to ensure FPPA withholds the mandatory taxes for U.S. Citizens or U.S. resident aliens receiving U.S. pension income, per I.R.S. Code.

  The W-4P (required) is your tax withholding election form for your monthly pension benefit. Until it is received, FPPA is required by the IRS to withhold taxes at a rate of married with three (3) deductions. This pension is taxable. Please contact your tax advisor if you have questions concerning the appropriate amount to withhold.

  The W-9 (required) is a request for Taxpayer Identification Number of a U.S. person (including a resident alien) and to request certain certifications and claims for exemption. If you are unable to complete the W-9 form, please complete a W-8BEN form, which can be downloaded from the IRS website at www.irs.gov/formw8ben.

- ***Electronic Funds Transfer / Direct Deposit Form***
  FPPA requires that your monthly pension payment be directly deposited into your bank or credit union account(s). The information on this form is necessary to establish the direct deposit. You will receive a deposit advice upon your first payment and if the net amount of your payment changes. Retirees may access all of their pension benefit information including deposit advices 24 hrs a day / 7 days a week by logging on to the Member Account Portal (MAP) located on the FPPA web site at www.FPPAco.org.

If you do not wish to have your payment directly deposited into your account, Retirees can opt for their pension payment check to be mailed. There is a $10.00 monthly processing fee deducted from the pension benefit amount for this service.

In the future, if you choose to change your tax withholding or direct deposit account, the forms are available from FPPA's office or web site (www.FPPAco.org). Changes received by the 10th of the month will be included in the current month's payroll cycle.

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Special Tax Notice Regarding Your Rollover Options

This is included for your information only. Please read this Special Tax Notice Regarding Plan Payments carefully! If you have tax questions that are not addressed in this document you are encouraged to consult your tax advisor.

The before-tax contributions of the SWH Money Purchase, as well as the entire balance in your DROP, SRA and 457 accounts are taxable and are, therefore, eligible for a rollover to another eligible employer plan, traditional IRA or tax-sheltered annuity.

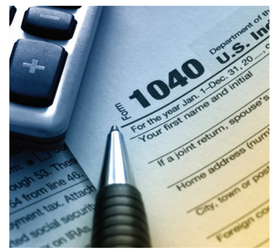
Eligible employer plans include: 401(a), 401(k), 403(b), and 457(b) (governmental plans only). An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your before-tax contributions to another eligible employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Your before-tax contributions are considered a 401(a) retirement plan.

Information Regarding Minimum Required Distribution (MRD)

You may elect to commence benefits at any time but payments must begin no later than April 1st of the year following the calendar year in which you turn age 70 ½. If you fail to make an election of commencement date and form of payment, your payments will automatically be paid to you in a lump sum no later than April 1st of the calendar year following the calendar year in which you attain age 70½.

FPPA Special Tax Notice Regarding Your Rollover Options – Follows this page.

FIRE & POLICE PENSION ASSOCIATION of COLORADO



FPPA

Special Tax Notice Regarding Your Rollover Options

Under a Governmental 401(a) Plan

You are receiving this notice because all or a portion of a payment you are receiving from a 401(a) qualified plan administered by the Fire and Police Pension Association (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover. IF YOU RECEIVE OR ACCESS THIS NOTICE ELECTRONICALLY, YOU MAY REQUEST A PAPER COPY OF THIS NOTICE AT NO CHARGE TO YOU.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan's administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

General Information About Rollovers

How can a rollover affect my taxes?

You will be taxed on the payment of any pre-tax contributions from the Plan if you do not roll it over. If you are under age 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies).

If you do a rollover of pre-tax contributions to a traditional IRA or an eligible employer plan, you will not have to pay tax until you receive payments later from the IRA or plan, and the 10% additional income tax will not apply if those payments are made after you are age 59 ½ (or if an exception applies).

If you do a rollover of pre-tax contributions to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount). However, if you are under age 59 ½ at the time of the rollover, the 10% additional income tax will not apply. See the section below titled "If you roll over your payment to a Roth IRA" for more details.

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified section 401(a) plan, section 403(b) plan, or governmental section 457(b) deferred compensation plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment of the rolled over amount in the future. Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary.) (This means that your lifetime monthly benefits are not eligible for rollover.)
- Required minimum distributions after age 70 ½ (or after death.)
- Corrective distributions of contributions that exceed tax law limitations

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan administrator for the election form and related information.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- **Payments from a governmental pension plan** made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (DRO)
- Payments up to the amount of your deductible medical expenses

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 ½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (DROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Are there limits on the number of rollovers I may do?

There are no limits on Plan to IRA rollovers. However, within a 1-year period from the date on which you have a distribution from the Plan rolled over to an IRA, you cannot make a rollover from that IRA to another IRA. This 1-year limit does not apply to trustee to trustee transfers between IRAs.

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

Special Rules & Options

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you roll over your payment to a Roth IRA

You can roll over a payment from the Plan made after January 1, 2016 to a Roth IRA only if your modified adjusted gross income is not more than $117,000 for the year the payment is made to you. If married, and you file a joint return, your modified adjusted gross income is not more than $184,000. The Plan administrator is not responsible for verifying your eligibility to make a rollover to a Roth IRA. (IRS Notice 2008-30)

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 ½ (or after your death or disability, or as a qualified first-time home buyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*. You should consult your tax advisor if you are interested in rolling over your distribution to a Roth IRA.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If you retired as a public safety officer and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

The Form 1099-R that you receive from the Plan administrator will report the deducted insurance premium as taxable. If you want to take advantage of this $3,000 exclusion, you must report the amount claimed on your Form 1040. The instructions to Form 1040 explain that the taxable amount received from the Plan, reduced by the amount of qualified premiums deducted and paid by the Plan (not to exceed $3,000), must be entered on line 16b of the Form 1040. Next to the entry, in the margin, you must write the letters "PSO." This is an annual election—you will need to report the exclusion for each year in which you want to claim the exclusion.

If you are not a plan member

Payments after death of the member. If you receive a distribution after the member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the member was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 ½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70 ½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the member who receives a payment from the Plan under a domestic relations order (DRO), you generally have the same options the member would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). If you are an alternate payee other than the spouse or former spouse of the member, you generally have the same options as a surviving beneficiary other than the spouse, so that the only rollover option you have is to do a direct rollover to an inherited IRA. Payments under the DRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

Notice Period

Generally, payment cannot be made from the Plan until at least 30 days after you receive this notice. Thus, you have at least 30 days to consider whether or not to have your payment rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your payment will then be processed in accordance with your election as soon as practical after it is received by the Plan administrator.

For More Information

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, [*Contributions to Individual Retirement Arrangements (IRAs)*]; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

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January 2016

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Distribution Options for;

- **Statewide Money Purchase,**
- **Statewide Hybrid-Money Purchase Component,**
- **457 Deferred Compensation,**
- **DROP, and**
- **Separate Retirement Account.**

You are not required to take a distribution of your accounts at termination of service. As a retiree, you have the same access to Fidelity services that you did as an active member. And you can reallocate your assets at any time. However, you may choose from a variety of benefit payment options; each option will have various tax consequences, depending on your particular situation. Please seek qualified tax advice before making your selection.

Your distribution options are:

1. A lump sum payment (full or partial);
2. Periodic payments (designating a specific amount or a period of time);
   (NOTE: Periodic payments are not guaranteed for life and are made for as long as there is money in your account.)
3. A combination of lump sum and periodic payments (see note above);
4. IRS life expectancy calculation for minimum distribution;
5. Defer payment(s) from your account until a later start date or until the IRS requires distribution. (April 1st of the calendar year following the year in which you turn 70 ½);
6. Purchase an annuity; or
7. Purchase a Monthly Lifetime Benefit (contact an FPPA Retirement Coordinator for estimates, forms and procedures). – See Monthly Lifetime Benefit Purchase Section below:

Monthly Lifetime Benefit Purchase

Since you are now ready to terminate DROP and separate from service, you may make a one-time irrevocable election to purchase a monthly lifetime benefit. You may use all or a portion of the following accounts: DROP, SRA, Statewide Hybrid-Money Purchase Component. (Note: 457 DC and Statewide Money Purchase accounts are not eligible accounts).

The funds would be transferred into your SWDB or SWH-DB Component to purchase an additional fixed monthly lifetime benefit. The purchase must be in one lump sum.

You may indicate this request on the *FPPA Defined Benefit System Termination of DROP Participation Form* or contact an FPPA Retirement Coordinator for estimates, forms and procedures.

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How to Request a Distribution

Accounts held at Fidelity Investments:

If you have service in the Statewide Defined Benefit Plan or the Statewide Hybrid Plan and have terminated employment, you may apply for a distribution from any of the following accounts:

- Statewide Hybrid Money Purchase Component (SWH-MP);
- Statewide Money Purchase (SWMP);
- Separate Retirement Account (SRA) at Fidelity;
- Deferred Retirement Option Plan (DROP);
- Deferred Compensation (457)

Due to the date of your termination and the timing of the receipt of final contributions, <u>funds invested at Fidelity may not be available for distribution for approximately 30-60 days after separation of service.</u>

If you choose to begin distribution of the funds in your account at this time, please contact Fidelity Investments at the number listed below to choose your withdrawal date and method of payment and to request distribution form(s). Once you receive the distribution form(s) from Fidelity, **<u>please sign and forward to FPPA for approval.</u>**

Fidelity Investments - 1-800-343-0860

Retirement Specialists are available Monday-Friday 6:00 a.m. to 10:00 p.m. MST

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(303) 770-3772 in the Denver Metro area • (800) 332-3772 toll free nationwide • (303) 771-7622 fax

SRA held at FPPA:

When you entered the DROP, you may have elected to keep your SRA funds at FPPA. Upon separating service and exiting DROP, your options for distribution are similar to the other retirement accounts listed, except for periodic payments. If you would like periodic payments, FPPA will transfer your SRA to Fidelity or you may roll it over into another qualified plan. The Periodic Payment option is not available for SRA accounts held at FPPA.

The following set of forms are required for distribution of the SRA Account held at FPPA:

- ***SRA Distribution Payment Option Selection***
  This form is required for distribution of the SRA. The payment options are listed on this form. Please read this form carefully then complete Parts A and B. Your signature must be notarized in Part C.
- ***Withholding/Rollover Election Form***
  This form is only necessary if you elect to roll over any portion of your SRA. Please refer to the form for more specific instructions. In the event you elect to roll over any part or all of your SRA, you will receive a check for the amount of the rollover, made payable to the trustee of your new plan. You will then be responsible for delivering the check to your new plan. If you choose to roll your SRA to Fidelity, FPPA will roll the funds for you.
- ***The W-4P*** (required) is your tax withholding election form for your monthly pension benefit. Until it is received, FPPA is required by the IRS to withhold taxes at a rate of married with three (3) deductions. This pension is taxable. Please contact your tax advisor if you have questions concerning the appropriate amount to withhold.
- ***Electronic Funds Transfer / Direct Deposit***
  Any part of your SRA paid directly to you may be deposited into your bank or credit union account. Please complete and sign this form and attach a copy of a cancelled check for the account(s) listed.

Forms located on FPPA web site.