

# TOWN OF DAVIE POLICE PENSION PLAN

C/O Precision Pension Administration, Inc.

13790 NW 4 Street, Suite 105

Sunrise, Florida 33325

Phone: 954.636.7170

Toll Free Fax: 866.769.0678

## **RETURN OF CONTRIBUTIONS FOR NON-VESTED EMPLOYEES INSTRUCTION FORM**

The attached forms must be filled out completely. If any of the forms are received incomplete or not all the forms are submitted then the application for Return of Contributions for Non-Vested Employees will be deemed not received. We suggest to all of our members to seek professional assistance from a certified financial planner, tax accountant and / or lawyer with knowledge in this field before making this decision.

You will need to complete the following forms:

- 1) **Authorization of Withdrawal and Request for Payment Data:**  
This is a general information document needed to assist the Board in the process. This form needs to be signed.
- 2) **Request to the Plan for Return of Contributions:**  
This form advises the Board of your request for a refund of contributions and the type of distribution / rollover requested. This form needs to be signed and page two needs to be completed if a rollover is elected.
- 3) **Waiver of Rights for Non-Vested Member Return of Contributions:**  
This form waives all rights and benefits under the Plan for the non-vested member who elects to have contributions returned. This form needs to be signed and notarized.
- 4) **Direct Deposit Agreement:**  
If you are currently a Retired Member and receiving payments from the Plan, your DROP Distribution will be made to the same account. If you are a new Retiree requesting your first DROP Distribution, please complete and return the Direct Deposit Agreement. Kindly enclose a copy of a voided check.
- 5) **Election of Tax Withholding Form:**  
This form advises the Board of your Tax Withholding selection. Please complete every section and sign at the bottom of the page. Please note you may change your withholding amount at any time by completing a new form that may be found on our website.
- 6) **State Income Tax Form:**  
This is a tax form that needs to be completed whether or not State Income Tax applies to where you reside. Different states have various taxes for retirement payment. If you reside in the State of Florida, you will need to complete the top section of page 1, complete Part 1 and sign and date the last page. If you are relocating from the State of Florida, you will need to complete the top of Page 1, complete Part 1, and complete Part 2 as it applies to the State you are moving to and then sign and date the last page. We suggest you seek advice from a

professional before making a decision on this if you are moving out of the State of Florida.

7) **Special Tax Notice:**

Please read and sign the last page of this notice. The last page is the only page that has to be returned in this section.

8) **Waiver of 30 Day Waiting Period:**

This gives the Plan the authority to return the contributions before thirty days if all requirements are completed. This needs to be signed and dated in both areas on this form.

9) **Affidavit Regarding Marital Status:**

This form advises the Board whether you have been divorced prior and have no related marital court orders against you. This needs to be completed, signed and notarized.

10) **Affidavit of No QDRO's Exist:**

This form advises the Board whether the Applicant has a Qualified Domestic Relations Order against him / her. This needs to be completed, signed and notarized.

11) **A clear copy of your driver's license:**

This is for Identification purposes for the Plan.

**PROCEDURE:**

The Plan Administrator will review all of the documents upon receipt and will notify the Applicant if the Return of Contribution for Non-Vested Employees Application is accepted. All original forms must be submitted. The Board of Trustees will review the application for acceptance at the first Town of Davie Police Pension Plan meeting after the submission of the application. The Plan Administrator will notify the Applicant of the Board's acceptance or denial of the Return of Contributions for Non-Vested Employees Application. The amounts in your account must be verified by the Plan's Actuary and Town of Davie Payroll Department before disbursement. We will assist you in this endeavor and if you have any questions, please do not hesitate to contact the Plan Administrator.



**Davie Police Pension Plan  
C/O Precision Pension Administration, Inc.  
13790 NW 4 Street, Suite 105  
Sunrise, Florida 33325**

**Phone: 954.636.7170**

**Toll Free Fax: 866.769.0678**

**AUTHORIZATION OF WITHDRAWAL AND REQUEST  
FOR PAYMENT DATA**

TO: Board of Trustees

FROM: \_\_\_\_\_  
Member - Print Name

DATE OF REQUEST: \_\_\_\_\_

I hereby request reimbursement from the Pension Plan of any Contributions due me for the reasons stated below:

\_\_\_\_\_ Resignation effective as of: \_\_\_\_\_

\_\_\_\_\_ Termination of employment effective as of: \_\_\_\_\_

\_\_\_\_\_ Other (Explain): \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Member: \_\_\_\_\_

Address to send payment: \_\_\_\_\_

\_\_\_\_\_

Completed by: \_\_\_\_\_  
Plan Administrator

Date Approved by Board: \_\_\_\_\_



To be completed by the Authorized representative of the receiving Plan or IRA if option B or C is selected:

### AGREEMENT OF RECEIVING TRUSTEE OR PLAN

In accordance with the above authorization of the Transferor, we agree to deposit the forthcoming rollover amount from the Town of Davie Police Pension Plan into the following plan or account:

Type of Plan or Account receiving rollover (check one):

- \* \_\_\_\_\_ 401(a) [401(k), profit-sharing plan, defined benefit plan, money purchase plan, other "eligible employer plan"]
- \_\_\_\_\_ 403(a) [annuity plan]
- \_\_\_\_\_ 403(b) [tax-sheltered annuity]
- \_\_\_\_\_ 457(b) [eligible deferred compensation plan maintained by government employer]
- \_\_\_\_\_ 408(a) [Traditional IRA (not Roth IRA, Simple IRA or a Coverdell Education Savings Account)]

\* If rollover includes after-tax contributions to a 401(a) eligible employer plan, the receiving 401(a) plan hereby agrees to accept such rollovers and agrees to separately account for such amounts rolled over including separate accounting for the after-tax employee contributions and earnings on these contributions.

\_\_\_\_\_  
Print Name and Title of Authorized Representative

\_\_\_\_\_  
Authorized Representative Signature

\_\_\_\_\_  
Plan Name and Account Number

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

Return to:

**Town of Davie Police Pension Plan  
C/O Precision Pension Administration, Inc.  
13790 NW 4 Street, Suite 105  
Sunrise, Florida 33325**

#### SOCIAL SECURITY NUMBER COLLECTION DISCLOSURE STATEMENT

Pursuant to Section 119.071(5)(a)2., Florida Statutes, your social security number is requested for the purpose of determining eligibility for retirement benefits as a plan member, retiree or beneficiary; the processing of retirement benefits; verification of retirement benefits; income reporting; or other notice or disclosures related to retirement benefits. Your social security number will be used solely for one or more of these purposes.

**TOWN OF DAVIE  
POLICE PENSION PLAN**

**RETURN OF CONTRIBUTIONS TO NON-VESTED MEMBER  
AND WAIVER OF RIGHTS AND BENEFITS**

I, \_\_\_\_\_, the undersigned member of the Town of Davie Police Pension Plan, hereby request return of my accumulated employee contributions in the amount of \$\_\_\_\_\_.

**I understand that by accepting a return of my accumulated employee contributions, I waive, release and relinquish all my rights and benefits under the Town of Davie Police Pension Plan.** I also understand that if I return to service with the Town after accepting a return of my accumulated employee contributions, I am forever barred from restoring periods of prior credited service that I may otherwise be entitled to if I were not withdrawing my accumulated employee contributions, except to the extent that I may buy such periods of prior credited service as provided for by the Plan.

I have had a full and complete opportunity to consider the consequences of this return of my accumulated employee contributions and waiver, release and relinquishment of all my rights and benefits under the Town of Davie Police Pension Plan.

I further certify that I am over the age of 18 years and otherwise competent to enter into binding agreements and that I have received the Special Tax Notice Regarding Certain Plan Payments.

**THIS IS AN IMPORTANT LEGAL DOCUMENT. BEFORE YOU SIGN, BE SURE YOU UNDERSTAND YOUR RIGHTS!**

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

State of \_\_\_\_\_

County of \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_/\_\_\_\_/\_\_\_\_ by  
*Date*

\_\_\_\_\_, who is personally known to me or who has  
*(Name of person acknowledging)*

produced \_\_\_\_\_ as identification and did (did not) take a oath  
*(Type of identification)*

\_\_\_\_\_  
*(Signature)* Notary Public, Commission Number \_\_\_\_\_

\_\_\_\_\_  
*(Name of Notary Type, Printed or Stamped)*

Revised: 06-14-12

# DIRECT DEPOSIT AGREEMENT

Plan Name \_\_\_\_\_ Account Number \_\_\_\_\_

**Instructions.** If you wish to have pension checks deposited electronically into your financial institution account, **please return this agreement to your former employer or pension fund office**, along with a voided check or voided savings deposit form. If your bank is not a member of the Automated Clearing House (ACH), your former employer or pension fund office will notify you, and this authorization will be canceled. All banking information must be approved and submitted by a Plan Representative.

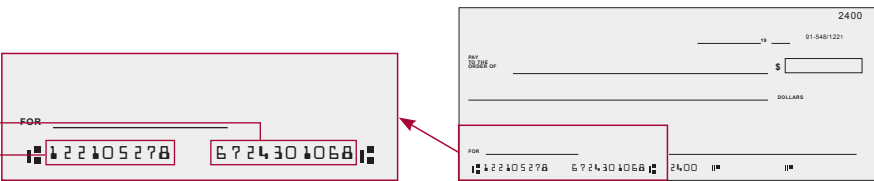
**1 PERSONAL INFORMATION**

Your Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**2 FINANCIAL INSTITUTION INFORMATION**

Financial Institution Name \_\_\_\_\_ ABA Routing Number \_\_\_\_\_  
 Branch Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Account Number \_\_\_\_\_ Account Name \_\_\_\_\_

Account Number \_\_\_\_\_ ABA Routing Number \_\_\_\_\_



Account Type (check one):  
 Checking  Savings

**3 AUTHORIZATION**

I authorize Fiduciary Trust Company International to make all benefit payments to which I am entitled by direct deposit to the account designated above. To correct any overpayments made to my account during or after my lifetime, I hereby authorize and direct the financial institution designated above to debit my account and refund such overpayment to Fiduciary Trust Company International.

This authorization is to remain in force until I revoke it in writing or if Fiduciary Trust Company International terminates the direct deposit service. I will send all notices relating to direct deposit through my former employer or pension fund. I understand that I must allow reasonable time for any changes to be executed.

X \_\_\_\_\_  
 Signature of Plan Participant \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 Print Name of Plan Participant

X \_\_\_\_\_  
 Signature of Authorized Plan Representative \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
 Print Name of Authorized Plan Representative

# ELECTION FORM FOR WITHHOLDING TAXES ON PERIODIC PAYMENTS (Substitute Form W-4P)

Plan Name \_\_\_\_\_ Account Number \_\_\_\_\_

**Important Information.** Your periodic benefit payments may be subject to federal and state income tax withholding unless you choose not to have tax withheld. If you choose not to have tax withheld, or if you do not have enough income tax withheld, you may have to make estimated tax payments or you may incur penalties. Please complete this form in its entirety and consult your tax advisor and/or *IRS Publication 505* if you have questions about tax withholding.

**This form should not be used for lump sum payments.**

## 1 PARTICIPANT INFORMATION

Your Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Marital Status (check one):

- Single  Married
- Married, but wish to withhold at a higher single rate

Total number of allowances (including yourself) \_\_\_\_\_

**Note:** If you leave your marital status and allowances blank, we will use Married with three Dependents as mandated by the IRS.

## 2 FEDERAL INCOME TAXES (CHECK ONE)

- I DO NOT WANT Federal Income Tax withheld from my periodic payment.  
You cannot make this choice if the payment is to be delivered outside the United States or its possessions.
- I WANT Federal Income Tax withheld from my periodic payment, based on the following:
  - Per the appropriate tax rate tables
  - Fixed amount of \$ \_\_\_\_\_ per payment
  - Fixed percentage \_\_\_\_\_% of gross payment

You may elect to have taxes withheld per the appropriate tax rate table, plus a fixed amount, by checking the first two boxes.

## 3 STATE INCOME TAXES (CHECK ONE)

- I DO NOT WANT State Income Tax withheld from my periodic payments.
- I WANT State Income Tax withheld from my periodic payments.

If you want state income tax withheld, please obtain a withholding form from your state's tax authority and submit the completed form to your plan administrator. If no withholding form is received, state income tax will not be withheld from your payments, and you may need to make estimated tax payments or you may incur penalties.

## 4 AUTHORIZATION

X \_\_\_\_\_ Date \_\_\_\_\_  
Signature of Plan Participant or Authorized Plan Representative



**Retirement Benefit Payment Services**  
**State Income Tax Withholding Election**

Participant Name: \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Address 1 \_\_\_\_\_  
 Address 2 \_\_\_\_\_  
 City, State Zip \_\_\_\_\_

**Part 1 – Legal Residence**

My legal residence is the same as the mailing address printed above.

My legal residence is as follows:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Part 2 – State Income Withholding Election** Information contained here is subject to change and should be used in conjunction with the applicable state tax laws. This document will not substitute for the advice of a tax advisor. For the most current state tax information, consult your tax advisor or your state revenue department.

Residents of . . .	Your Election
<b>Alaska (AK)</b> <b>Florida (FL)</b> <b>Hawaii (HI)</b> <b>Nevada (NV)</b> <b>New Hampshire (NH)</b> <b>South Dakota (SD)</b> <b>Tennessee (TN)</b> <b>Texas (TX)</b> <b>Washington (WA)</b> <b>Wyoming (WY)</b>	State income tax withholding is not required nor allowed. Please sign form and return.
<b>Pennsylvania (PA)</b>	PA state tax withholding is not offered. Please sign form and return.

<p>Connecticut (CT)  Illinois (IL)  Indiana (IN)  Maryland (MD)  Michigan (MI)  Missouri (MO)  Montana (MT)  New Jersey (NJ)  New Mexico (NM)  New York (NY)  North Dakota (ND)</p>	<p>State income tax withholding is voluntary. If you want state income tax withheld, you must provide the amount to withhold.</p> <ul style="list-style-type: none"> <li>▪ <b>ND, IL</b> – You may elect any dollar amount to be withheld.</li> <li>▪ <b>CT, NJ</b> – Only whole dollar amounts may be withheld and withholding amount must be at least \$10.00</li> <li>▪ <b>IN, MO, MT, NM</b> – Withholding amount must be at least \$10.00</li> <li>▪ <b>MI, NY</b> – Only whole dollar amounts may be withheld and withholding amount must be at least \$5.00</li> <li>▪ <b>MD</b> – Withholding amount must be at least \$5.00. Residents <i>cannot</i> elect out of mandatory state tax withholding if an eligible rollover distribution is not rolled over. In this case, 7.75 % of the gross distribution will be withheld for state taxes.</li> </ul> <p><b><u>YOUR ELECTION:</u></b></p> <p><input type="checkbox"/> I do not want state income tax withheld.</p> <p><input type="checkbox"/> I elect to have the following amount withheld:</p> <p style="text-align: center;">\$ _____  (enter amount)</p>
<p>Alabama (AL)  Colorado (CO)  District of Columbia (DC)  Idaho (ID)  Kentucky (KY)  Louisiana (LA)  Minnesota (MN)  Mississippi (MS)  Ohio (OH)  Rhode Island (RI)  South Carolina (SC)  Utah (UT)  West Virginia (WV)  Wisconsin (WI)</p>	<p>State income tax withholding is voluntary. If you want state income tax withheld, you must provide a valid election.</p> <p><b><u>YOUR ELECTION:</u></b></p> <p><input type="checkbox"/> I do not want state income tax withheld.</p> <p><input type="checkbox"/> I elect to have state income tax withheld as follows:</p> <p style="padding-left: 40px;">Marital status:           <input type="checkbox"/> Married   <input type="checkbox"/> Single</p> <p style="padding-left: 40px;">Allowances:                 _____</p> <p style="padding-left: 40px;">Additional Amount:         \$ _____</p>
<p>Arizona (AZ)</p>	<p>State income tax withholding is voluntary. If you want state income tax withheld, you must provide the percentage of federal income tax you would like withheld for state income tax.  Note: State tax will <i>not</i> be withheld from lump sum payments.</p> <p><b><u>YOUR ELECTION:</u></b></p> <p><input type="checkbox"/> I do not want state income tax withheld.</p> <p><input type="checkbox"/> I elect to have the following fixed percentage of my federal income tax withheld for state income tax:</p> <p style="text-align: center;"> <input type="checkbox"/> 10.7%   <input type="checkbox"/> 20.3%   <input type="checkbox"/> 24.5%  <input type="checkbox"/> 26.7%   <input type="checkbox"/> 33.1%   <input type="checkbox"/> 39.5% </p>

<p>Delaware (DE) Iowa (IA) Kansas (KS) Maine (ME) Massachusetts (MA) Nebraska (NE) Oklahoma (OK)</p>	<p>State income tax withholding is mandatory if you elect to have federal income tax withheld. If you do not want state income tax withheld, you must elect to have no federal tax withheld on Federal Tax Form W-4P.</p> <p><b><u>YOUR ELECTION:</u></b></p> <p><input type="checkbox"/> <b>I do not want state income tax withheld and I have elected not to have Federal Tax withheld.</b></p> <p><input type="checkbox"/> <b>DE, KS, OK, MA:</b> I elect to have state tax withheld as follows:</p> <p style="padding-left: 40px;">Marital status: <input type="checkbox"/> Married <input type="checkbox"/> Single</p> <p style="padding-left: 40px;">Allowances: _____</p> <p style="padding-left: 40px;">Additional Amount: \$ _____</p> <p><input type="checkbox"/> <b>IA:</b> I elect to have 5% withheld. I would also like additional withholding of: \$ _____. (Additional withholding is optional.)</p> <p><input type="checkbox"/> <b>ME, NE:</b> State withholding is based on your federal tax election. Check this box to have state tax withheld.</p>
<p>Arkansas (AR) California (CA) Georgia (GA) North Carolina (NC) Oregon (OR) Vermont (VT) Virginia (VA)</p>	<p>State income tax withholding is mandatory <i>unless you specifically elect to no withholding.</i></p> <ul style="list-style-type: none"> <li>▪ <b>AR:</b> Residents cannot elect out of mandatory 5% state tax withholding if an eligible rollover distribution is not rolled over. This is for non-periodic (eligible rollover distribution) distributions only.</li> <li>▪ <b>VA:</b> Residents can only elect no withholding if (a) the same choice was made for federal purposes, (b) recipient is a nonresident, (c) recipient expects to have no tax liability, or (d) recipient's adjusted gross income is less than \$7,000 if single, \$14,000 if married. Residents cannot elect out of mandatory 4% state tax withholding if an eligible rollover distribution is not rolled over.</li> </ul> <p><b><u>YOUR ELECTION:</u></b></p> <p><input type="checkbox"/> <b>I do not want state income tax withheld.</b></p> <p><input type="checkbox"/> <b>I elect to have state tax withheld as follows:</b></p> <p style="padding-left: 40px;">Marital status: <input type="checkbox"/> Married <input type="checkbox"/> Single</p> <p style="padding-left: 40px;">Allowances: _____</p> <p style="padding-left: 40px;">Additional Amount: \$ _____</p>

**Part 4 – Authorization**

*I, the undersigned, hereby certify that my legal residence in Part 1 is accurate and I authorize state taxes to be withheld as indicated on this form. I understand the information presented on this form is for informational purposes only and is not intended as tax advice.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# **TOWN OF DAVIE POLICE PENSION PLAN SPECIAL TAX NOTICE**

## **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the Town of Davie Police Pension Plan (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.

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 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 a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

### **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 plan, section 403(b) plan, or governmental section 457(b) 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 from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). 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, 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. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). 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 59½ (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)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

**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 59½, 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 defined benefit 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
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Payments for certain distributions relating to certain federally declared disasters
- Phased retirement payments made to federal employees.

**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 59½, 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 (QDROs) 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).

### **Will I owe State income taxes?**

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

## **SPECIAL RULES AND 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, *Individual Retirement Arrangements (IRAs)*.

### **If your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

How long you have to complete the rollover depends on what kind of plan loan you have. If you



have a qualified plan loan offset, you will have until your tax return date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

### **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 your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

### **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 the Plan is a governmental plan, 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.

### **If you roll over your payment to a Roth IRA**

If you roll over the payment from the Plan 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 59½ (or after your death or disability, or as a qualified first-time homebuyer 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)*.

### **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.<sup>1</sup> 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 not a plan participant**

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere

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<sup>1</sup>Certain pension (usually defined contribution plans) plans may have an optional Roth account. Please contact your Plan Administrator to determine if your Plan has this option. The optional Roth accounts are not required to be offered by the Plan.

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 participant 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 participant, you have the same rollover options that the participant 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 59½ 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 70½.

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 participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant 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 participant would have been age 70½.

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant'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 participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO 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 (not including payments from a designated Roth account in the Plan), 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.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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*.

### **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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

\* \* \*

**I HAVE RECEIVED THE PRECEDING 9-PAGE SPECIAL TAX NOTICE:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Print Clearly Participant's Name

*Note: Return **ONLY** this last page (numbered 10 of 10) to:*

**Town of Davie Police Pension Plan**

c/o

Plan Administrator

13790 NW 4 Street, Suite 105

Sunrise, FL 33325

Telephone: (954) 636-7170

E-Mail: [gregb@mydpdpension.org](mailto:gregb@mydpdpension.org)

**TOWN OF DAVIE POLICE OFFICERS' PENSION FUND**

**C/O Precision Pension Administration, Inc.**

**13790 NW 4 Street, Suite 105**

**Sunrise, Florida 33325**

**Phone: 954.636.7170**

**Toll Free Fax: 866.769.0678**

**WAIVER OF 30 DAY WAITING PERIOD**

I, \_\_\_\_\_, have received and read the Special Tax Notice Regarding Plan Payments which outlines my rights and options regarding the distribution of my non-vested or vested balance. I understand that I have the right to consider my decision over a thirty day period, starting as of the date I receive my Special Tax Notice. I hereby waive the thirty day requirement and request that my distribution be made upon receipt of my completed election forms.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Upon receipt of payment in full of my Account in the Plan, I hereby release the Plan Administrator, the Plan Sponsor, Trustees and all Vendors for the Plan from and against any and all claims I may have or hereafter claim to have against the Plan Administrator, the Plan Sponsor, Trustees and all Vendors for the Plan, but only with respect to my interest in the Plan. Nothing contained in this release is intended to relieve any fiduciary of any obligation or duty under ERISA, or to violate the provisions of section 410 of ERISA.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**AFFIDAVIT REGARDING MARITAL STATUS**

**STATE OF FLORIDA** )  
**COUNTY OF BROWARD** ) **SS.**

I, \_\_\_\_\_, being duly sworn, hereby depose and state as follows:

I am a member of the Town of Davie Police Pension Fund applying for benefits or a refund of contributions from the Pension Fund.

**INITIAL THE APPLICABLE LINE BELOW.**

\_\_\_\_\_ I have been involved in divorce proceedings and hereby represent that I have attached a copy of all divorce decrees, property settlement agreements, income deduction orders and child support orders concerning my divorce

\_\_\_\_\_ At the time of submission of this application, I affirm that I have never been divorced and am not subject to any divorce decrees, property settlement agreements, income deduction orders or court-ordered child support awards.

**FURTHER AFFIANT SAYETH NAUGHT.**

\_\_\_\_\_  
MEMBER

The foregoing instrument was subscribed, sworn to, and acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and did/did not take an oath.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

\_\_\_\_\_  
Printed, Typed or Stamped Name

**NOTE:** Florida law provides, pursuant to Florida Statutes, §185.185, that it is a crime to knowingly submit false or misleading information to obtain a pension benefit or to otherwise conceal material information from the Pension Board. Upon conviction, the Pension Board has the discretion to forfeit “any and all benefits.”

Initial Here: \_\_\_\_\_

**TOWN OF DAVIE POLICE PENSION PLAN**

AFFIDAVIT ACKNOWLEDGEMENT THAT NO QDRO'S EXIST  
DISTRIBUTING ANY PORTION OF MEMBER'S  
BENEFITS DUE FROM THE FUND

STATE OF FLORIDA)  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, being duly sworn, hereby depose and state  
as follows:

1. I am a member in the **Town of Davie Police Officers' Pension Plan** applying for benefits from the Fund.
2. At the time of my submission of this application, there is no QDRO that exists distributing any interest in my **Town of Davie Police Officers' Pension Plan** account to any former spouse(s).

FURTHER AFFIANT SAYETH NAUGHT.

\_\_\_\_\_  
MEMBER

The foregoing instrument was subscribed, sworn to, and acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification and did/did not take an oath.

\_\_\_\_\_  
Notary Public  
My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
Printed