



## APPLICATION FOR LUMP-SUM PAYMENT FOR REEMPLOYED RETIREES UNDER AGE 65

*(Reemployed retirees may also apply for benefits through their Online Personal Accounts at [www.strsoh.org](http://www.strsoh.org).)*

### Section 1 — General Information *(Please print in ink.)*

Name \_\_\_\_\_  
First Middle Last

Retiree's Social Security number or STRS Ohio account number \_\_\_\_\_

Home address \_\_\_\_\_  
Street address City State ZIP code

Phone (\_\_\_\_\_) \_\_\_\_\_ Birth date \_\_\_\_\_  
Area code

Email \_\_\_\_\_

Effective date \_\_\_\_\_  
Month Year

**Effective date is the first of the month following last date of service or 12 months after the effective date of a previous reemployed benefit payment, whichever is later.**

#### *Please note the following information regarding your reemployed lump-sum payment:*

1. Section 6 on Page 4 of this form must be completed by the fiscal officer of your employer.
2. Separate applications must be certified if your final year of service was with more than one employer. The application is not complete unless it contains the school official's certification.
3. There are no provisions in the retirement law allowing partial withdrawals or loans.
4. STRS Ohio cannot determine the exact withdrawal amount until the completed application is received from your employer. If requested, STRS Ohio will send an estimate of your lump-sum amount.
5. Your reemployed account check will be mailed to the address shown on this application unless STRS Ohio receives written notice of your change of address. Your funds will be rolled over if you complete Section 2. You may request a direct deposit of your funds by providing bank information in Section 3.
6. Section 5 on Page 3 of this form must be signed. If the application is not signed, it will be returned to you.

#### **Income Tax**

Federal tax requirements state account withdrawal checks must be issued between 30 and 180 days from the date STRS Ohio mails special tax information to you. If more than 180 days have passed from the Special Tax Notice Mailed date shown in the box to the right, please contact STRS Ohio for a new application. Your signature in Section 5 indicates you wish to waive the 30-day waiting period. Please call us if you do not wish to waive this waiting period.

**Special Tax Notice Mailed**

Under federal law, STRS Ohio is required to withhold 20% federal income tax from the taxable amount of all lump-sum payments exceeding \$200. If you elect a direct rollover to a qualified plan, you will not be subject to the 20% federal income tax withholding. If you are under age 59-1/2, additional taxes and penalties may apply. Please consult a tax advisor.

**Important note:** If you take a refund of your reemployed account before age 65, the lump-sum amount consists of contributions you have made plus interest, if eligible, at a rate set by the State Teachers Retirement Board through the end of the month in which your last day of contributing service occurred or 12 months after the payment of a previous reemployed benefit payment,

*(continued)*



whichever is later (interest rates are subject to change). If you wait until attaining age 65, the lump-sum amount may also include a percentage of matching contributions plus interest, or you may qualify to receive a monthly annuity benefit in lieu of a lump-sum payment. Taking a refund of your account before age 65 cancels your rights to an annuity or refund that may include matching contributions and interest on those contributions.

## Section 2 — Direct Rollover Instructions

1. Retirement plans eligible for direct rollovers include traditional individual retirement accounts (IRAs), Roth IRA, SEP-IRA, SIMPLE IRA, 403(b) plans, 457(b) governmental plans and retirement plans qualified under Internal Revenue Code Section 401(a).
2. Retirement plans are not required to accept rollovers and many retirement plans do not accept nontaxable contributions. Please check with your plan.
3. Please also refer to the enclosed *Special Tax Notice Regarding Lump-Sum Payments* for tax restrictions applicable to rollovers before completing this section.

I wish to directly roll over all or part of my eligible payment to an eligible retirement plan and have confirmed that my plan administrator accepts direct rollovers from Section 401(a) retirement plans.

### Rollover distribution to be made payable to:

Name of financial institution or plan trustee \_\_\_\_\_

Attention \_\_\_\_\_

Address of financial institution \_\_\_\_\_

Street address

City

State

ZIP code

Account number with institution (*required*) \_\_\_\_\_

Type of account	<input type="checkbox"/> Traditional IRA	Amount of rollover	<input type="checkbox"/> 100%
( <i>check one</i> )	<input type="checkbox"/> Roth IRA	( <i>check one</i> )	<input type="checkbox"/> \$ _____
	<input type="checkbox"/> SEP-IRA		<input type="checkbox"/> _____%
	<input type="checkbox"/> SIMPLE IRA		
	<input type="checkbox"/> 401(a) qualified plan, including 401(k)		
	<input type="checkbox"/> 403(b)		
	<input type="checkbox"/> 457(b) governmental plan		
	<input type="checkbox"/> Other _____		

### Complete as applicable:

- I understand that any money remaining in my account after the above amounts are rolled over will be paid directly to me and any taxable amounts will be subject to 20% federal income tax withholding.
- Mail rollover check, payable to my specified eligible retirement plan, to my home address. **Note:** The financial institution's address is still required above.

### Section 3 — Direct Deposit to Bank Account\* (Choose one type of account.)

If this section is not completed, any funds not rolled over will be mailed to the address provided in Section 1.

#### SAVINGS or INVESTMENT ACCOUNT

Account number \_\_\_\_\_ 9-digit routing or transit number \_\_\_\_\_

Name of financial institution \_\_\_\_\_ Joint account holder \_\_\_\_\_

Financial institution phone (\_\_\_\_\_) \_\_\_\_\_  
Area code

#### CHECKING (Please attach a voided check to this form or provide the account number and routing number in the box below.)

<p><b>Tape voided check here (do not staple).</b></p> <p><b>OR</b></p> <p>Account number _____</p> <p>9-digit routing or transit number _____</p>
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Name of financial institution \_\_\_\_\_ Joint account holder \_\_\_\_\_

Financial institution phone (\_\_\_\_\_) \_\_\_\_\_  
Area code

\*For direct deposit to an investment account, please ask your investment plan to provide direct deposit information on a form or letter. Include a copy of the form or letter with this application. For a savings or checking account, include account information in the space provided above. You may also update your bank information by logging in to your Online Personal Account at [www.strsoh.org](http://www.strsoh.org).

### Section 4 — Income Tax Withholding

**Income tax withholding on lump-sum payments:** Under federal law, STRS Ohio must withhold 20% federal income tax on all lump-sum payments that are eligible for rollover and paid directly to you. If you would like an amount greater than 20% withheld, please indicate the percent of tax to withhold (cannot be less than 20%): \_\_\_\_\_%.

**Ohio withholding for Ohio residents only** (If no election is made, STRS Ohio will process your application without Ohio state tax withholding.)

I request the following amount be withheld for Ohio tax: \$ \_\_\_\_\_.

I do not want Ohio state tax withheld from my STRS Ohio benefit. This choice does not release you from Ohio tax obligations if you live in Ohio.

The state of Ohio provides STRS Ohio with a voluntary withholding program. STRS Ohio withholds only Ohio income tax and only upon your request. If you live outside of Ohio, you may wish to contact a tax consultant concerning the income tax laws of that state.

### Section 5 — Acknowledgment of Reemployed Retiree

I reviewed this completed application and elect to withdraw my contributions and interest in a lump-sum payment. I understand that by taking a lump-sum payment before attaining age 65, I am forfeiting the right to any potential matching contributions and interest, and I am not eligible to receive a monthly annuity benefit.

I provided the requested information to the best of my knowledge. I also certify I am not under any agreement or employment contract for future teaching service. I understand this application must be received and payment issued by STRS Ohio within 180 days from the Special Tax Notice Mailed date indicated on the front of this application.

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

Name \_\_\_\_\_ Social Security number or  
 STRS Ohio account number \_\_\_\_\_

**EMPLOYER CERTIFICATION**

*Photocopy this page and distribute one page to each employer.*

**Section 6 — To Be Completed by Fiscal Officer**

This section is to be completed by the school fiscal officer.

**Under Ohio law, employers must verify information and certify only accurate and correct information about an applicant's contributions. This information is used to determine payment due the applicant. Employers are required to reimburse STRS Ohio for any overpayment of funds resulting from an error in employer certification.**

I certify to the best of my knowledge the member named above, who is applying for an STRS Ohio reemployed benefit payment, is not currently under contract with this employer in an STRS Ohio-contributing position as defined in retirement law; is not on leave of absence from such employment; does not have any other contractual status; is not an applicant for such employment, including substitute teaching; and is under no verbal or written agreement for future teaching.

	Fiscal Year*	
	Year _____–Year _____	Year _____–Year _____
Last date of service for which STRS Ohio compensation was earned .....	_____	_____
Last date on payroll.....	_____	_____
Total STRS Ohio compensation earned .....	\$ _____	\$ _____
Retirement contributions (to be reported on <i>Annual Report</i> ):		
Employee contributions — taxed.....	\$ _____	\$ _____
Employee contributions — tax-deferred or picked up.....	\$ _____	\$ _____

Note: Employee contribution rate is 14%.

Fiscal officer's signature \_\_\_\_\_ Date \_\_\_\_\_

Employer \_\_\_\_\_ Title \_\_\_\_\_

Employer number \_\_\_\_\_ Phone (\_\_\_\_\_) \_\_\_\_\_  
Area code

\*If you are completing this form July through October and the applicant worked after June 30, you must complete the information for the previous fiscal year ended June 30 and the current fiscal year.





## SPECIAL TAX NOTICE REGARDING LUMP-SUM PAYMENTS

This notice contains important information you will need before you decide how to receive your payment from STRS Ohio, including information about rollovers. A payment from STRS Ohio can be processed in three ways. You can have: (1) all of the payment paid by direct rollover to an IRA or an eligible employer plan; (2) all of the payment paid to you; or (3) some portion paid as a rollover with the remaining amount paid to you. Rules that apply to most payments are described below under “General Information About Rollovers.” Special rules that only apply in certain circumstances are described under “Special Rules and Options” on Page 3.

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### General Information About Rollovers

#### *Your right to waive the 30-day notice period*

Neither a direct rollover nor a payment can be made by STRS Ohio before 30 days and no later than 180 days after your receipt of this notice. After receiving this notice, you have at least 30 days to decide whether or not to have all or part of your payment directly rolled over. If you do not wish to wait until this 30-day notice period ends before making your decision, you may waive the notice period. Your withdrawal will then be processed as soon as possible after it is received by STRS Ohio.

#### *How a rollover affects your taxes*

You will be taxed on a payment from STRS Ohio if you choose not to roll over the payment. If you are under age 59-1/2 and choose not to roll over the payment, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you choose a rollover, you will not have to pay tax until you receive payments at a later date and the 10% additional income tax will not apply if those payments are made after you are age 59-1/2 (or if an exception applies).

#### *Where you may roll over the payment*

You may roll over the payment to a traditional IRA, Roth IRA, SEP-IRA, SIMPLE IRA, individual retirement annuity or an eligible employer plan (qualified under section 401(a), 401(k), 403(b) or 457(b) governmental plan) of the Internal Revenue Code that will accept the rollover. The rules of the IRA or eligible employer plan that holds the rollover will determine your investment options, fees and rights to payment from the IRA or eligible employer plan (e.g., 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.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to an 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 also need to know about any documents that are required before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If an eligible employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent payment from the plan that accepts your rollover may also be subject to different tax treatment than payments from STRS Ohio. Check with the administrator of your eligible employer plan before making the rollover.

(continued)

## ***How you roll over the payment***

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

- **If you choose a direct rollover**, STRS Ohio will make the payment directly to your IRA or an eligible employer plan. You should contact the IRA sponsor or administrator of the plan for information on how to make a direct rollover.
- **If you do not choose a direct rollover**, you may still make a rollover by depositing the payment from STRS Ohio 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 choose a direct rollover, STRS Ohio is required to withhold 20% of the payment for federal income taxes. 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 (e.g., your savings, a loan, etc.). 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 59-1/2 (unless an exception applies).

## ***How much you may roll over***

If you choose to roll over, you may roll over all or part of the amount eligible for rollover. Any payment from STRS Ohio 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 70-1/2 (or after death).

STRS Ohio can tell you what portion of a payment is eligible for rollover.

## ***A 10% additional income tax on early distributions may apply if you do not choose a rollover***

If you are under age 59-1/2, you will have to pay the 10% additional income tax on early distributions for any payment from STRS Ohio (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 STRS Ohio:

- 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 after your death;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a division of property order (DOPO);
- Payments up to the amount of your deductible medical expenses; or
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after Sept. 11, 2001, for more than 179 days.

## ***A 10% additional income tax on early distributions may apply to distributions from an IRA***

If you receive a payment from an IRA when you are under age 59-1/2, 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 payments made under a DOPO 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 after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).



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## **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 allowable portion of your after-tax contributions is generally included in the payment. 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.

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 (to determine your taxable income for later payments from the IRAs). If you choose a direct rollover of only a portion of the amount paid from STRS Ohio and a portion is paid to you, each of the payments will include an allowable portion of the after-tax contributions. If you choose a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit, which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an 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. If you do a direct rollover of the entire amount paid from STRS Ohio 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 receive a distribution of \$10,000, 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 \$8,000 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 eligible 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 457(b) governmental plan). You can make the rollover within 60 days to an eligible 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 Internal Revenue Service (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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, 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 Jan. 1, 1936***

If you were born on or before Jan. 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 STRS Ohio to a Roth IRA, but not to a designated Roth account in an eligible employer plan.

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 five years, counting from Jan. 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 59-1/2 (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 five years. In applying this five-year rule, you count from Jan. 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).

## ***If you are not a member of STRS Ohio***

- **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 does not apply, and the special rule described under "If you were born on or before Jan. 1, 1936" above, applies only if the member was born on or before Jan. 1, 1936.
  - **A surviving spouse**, receiving a payment from STRS Ohio, has the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to roll over 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 59-1/2 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 70-1/2.

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, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70-1/2.
  - **A surviving beneficiary other than a spouse**, receiving a payment from STRS Ohio, has only one rollover option — 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 DOPO.** A division of property order (DOPO) is an order issued by a court in connection with a divorce or legal separation. If you are the spouse or former spouse of the member who receives a payment from STRS Ohio under a DOPO, you generally have the same tax options the member would have. You may choose to have the payment paid in a direct rollover to an IRA or an eligible employer plan that will accept it. You may also choose to have the payment paid to you. If the payment is made directly to you, you can keep it or you may roll over the payment to an IRA. Payments under a DOPO 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 choose a direct rollover to a U.S. IRA or U.S. eligible employer plan, instead of withholding 20%, STRS Ohio 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***

A direct rollover will not be processed by STRS Ohio if the payment is payable to a trust, an estate or for amounts totaling less than \$200. There will also be no federal income tax withheld from amounts less than \$200. In addition, eligible rollover distributions less than \$500 cannot be split between a direct rollover and a payment made payable to you. 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.

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## **For More Information**

This notice summarizes only the federal (not state or local) tax rules that may apply to your payment. The rules described in this notice are complex. You may wish to consult with a professional tax advisor before taking a payment from STRS Ohio. You can also find more detailed information on the federal tax treatment of payments from eligible 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, online at [www.irs.gov](http://www.irs.gov) or by calling toll-free 800-829-3676.