



Choice 401(k) Plan Request for Installment Payments

Purpose of the Form

- Use this form to request to receive your distribution of funds in the PERSI Choice 401(k) Plan in monthly installment payments. (If you are a beneficiary of a deceased participant, use Form RS807 - *Choice 401(k) Plan Request for Death Benefit Payment.*)

Instructions

- Complete the form in blue or black ink.
- Read "About Form RS813" and "About Special Tax Notice" on page 3.
- Select a Payment Method and provide the required information for your selection.
- Sign and date page 2 of this form and Return the form to the plan's record keeper at the following address:

**ACS HR Solutions
PERSI Administration
P.O. Box 1014
Totowa, NJ 07511-1014**

- Unsigned forms will be returned to you unprocessed. Do not send the form to PERSI or processing will be delayed.

Note: Monthly installment payment option is available if you are at least age 50 and have an account balance of at least \$5,000.

Member Information			
Name – First, Middle, Last			Social Security Number
Mailing Address	Street or P.O. Box		
	City	State	Zip Code
Daytime Phone Number (include area code)	Email Address		Date of Birth – mm/dd/yyyy
Qualifying Event (choose one) <input type="checkbox"/> Termination of Employment <input type="checkbox"/> Retirement <input type="checkbox"/> Disability		Effective Date of Event - mm/dd/yyyy	Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married

Monthly Payments Information	
Select a method of determining your monthly payments and complete the information for the method you selected. To have your monthly payments deposited directly to your bank account, select the Direct Deposit payment type and complete "Direct Deposit Information" section.	
Method A. You specify the dollar amount that you will be paid each month. Payment amount must be large enough to exhaust the entire balance in 120 months or less. Payments under this method are eligible for rollover and subject to mandatory federal tax withholding at the rate of 20%.	
<input type="checkbox"/> Fixed monthly payments of this amount: \$	Payment Type <input type="checkbox"/> Direct Deposit <input type="checkbox"/> Mail Payments
Method B. We calculate the monthly payment amount projected to exhaust the funds over a designated time period. The time period is the joint life expectancy of you and your designated beneficiary, or your life expectancy if you have not designated a beneficiary. The number of years is determined using an actuarial table of life expectancies. The payment amount might fluctuate with adjustments for investment performance and economic projections. Payments under this method are not subject to mandatory federal tax withholding although the payments are taxable income. You can decline federal tax withholding or elect withholding for any marital status and number of exemptions. If you do not make a withholding election, the rate used is that for married with 3 exemptions.	
Substantially equal payments for (choose one) <input type="checkbox"/> My life expectancy <input type="checkbox"/> The joint life expectancy of me and my designated beneficiary	Payment Type <input type="checkbox"/> Direct Deposit <input type="checkbox"/> Mail Payments
Federal Tax Withholding for Method B only (this section substitutes for IRS Form W-4P)	
<input type="checkbox"/> Do not withhold federal tax	Withhold federal tax at the rate for this marital status and number of exemptions. <input type="checkbox"/> Single <input type="checkbox"/> Married Number of Exemptions: _____

Rollover Distribution Information

If you wish to roll over your installment payments, provide the retirement plan or IRA information in this section. You may need to contact the retirement plan administrator or sponsor of the IRA (usually a financial institution) to obtain this information. This pertains to monthly installment payments under Method A only.

Roth IRA (Check this box if the IRA to which you are rolling over is a Roth IRA)

Destination #1 – Retirement Plan or IRA Custodian/Trustee Information

Name - The distribution check will be payable to this name.

Percent to Rollover:

Mailing Address

Address 1

Address 2

City

State

Zip Code

Retirement Plan or IRA Account Description

Account Number

Destination #2 – Retirement Plan or IRA Custodian/Trustee Information

Name - The distribution check will be payable to this name.

Percent to Rollover:

Mailing Address

Address 1

Address 2

City

State

Zip Code

Retirement Plan or IRA Account Description

Account Number

Direct Deposit Information

Name of Financial Institution for Direct Deposit

Mailing Address of Financial Institution

Address 1

Address 2

City

State

Zip Code

Account Information (check one)

Account Type

Checking

Savings

Account Number

Bank Routing Transit Number

Participant Authorization and Acknowledgment

I have received and read *Special Tax Notice Regarding Plan Payments* within the last 180 days. I have had the opportunity to consult a professional tax advisor and have full knowledge of the tax consequences of my elections. I request distribution of my Choice 401(k) Plan account balance as directed on this form. I understand my PERSI Base Plan is not affected by distribution of my Choice 401(k) Plan account. I have terminated all employment with my PERSI employer and was not promised reemployment with the same employer. I am not now employed by a PERSI employer.

Signature

Date

About Form RS813

Additional Information

- ACS HR Solutions is the financial services company that provides record keeping services for the PERSI Choice 401(k) Plan.
- Forms received without a signature cannot be processed and distribution will be delayed until a signed form is received.
- Installment payments are generally processed in the last week of each month after the signed form is received.
- You must be completely separated from PERSI employment to be eligible for account distribution.
- If, you have terminated employment, are at least age 50, and your account balance is more than \$5,000, you have the option of taking your distribution in monthly payments. You can choose a fixed monthly amount that will exhaust your account balance in less than 120 months, or you can have ACS determine the monthly payment projected to exhaust your funds in a time period that cannot exceed the joint life expectancy of you and your designated beneficiary or, if you have not named a beneficiary, your life expectancy. ACS may adjust monthly installments from time to time, but not more than once per month, to maintain the installment schedule, as needed. Your account will be charged record keeping fees to maintain your account until the balance is exhausted.
- If your installments are paid over a period of less than 10 years, you can transfer funds directly to a: 401(a), 401(k), 403(b), or 457 retirement plan; a traditional IRA or a Roth IRA. The rollover distribution is paid directly from the Choice 401(k) Plan to your IRA or eligible retirement plan. Taxes are deferred on rollovers until the funds are withdrawn. Amounts rolled over are not subject to early withdrawal penalties.

About "Special Tax Notice"

- With this form you should have a 4-page document titled *Special Tax Notice Regarding Plan Payments* covering changes contained in the Pension Protection Act of 2006. If you do not have this notice, or you received this notice more than 180 days ago, call PERSI or ACS to have a current notice faxed or mailed to you. Those with internet access can print or download the current notice from the PERSI web site at: [http://www.persi.idaho.gov/Select_Forms - Forms for Members](http://www.persi.idaho.gov/Select_Forms_-_Forms_for_Members) - Scroll down the page to: [Special Tax Notice Regarding Plan Payments](#)
- *Special Tax Notice Regarding Plan Payments* provides a summary of federal tax rules that might apply to your distribution including changes enacted by the Pension Protection Act of 2006 that affect plan payment rules. It is important that you read and understand this information before making a decision regarding distribution of retirement plan funds. If you don't understand the information, PERSI recommends you consult a qualified tax advisor.
- Federal law requires that you receive the notice at least 30 days, but not more than 180 days, prior to a distribution. The 30-day period begins the date you receive the notice. You can elect to proceed with distribution before 30 days by waiving your right to the 30-day notice period. Signing and submitting the form before the end of the 30 day waiting period is all that is required to waive your right to the notice period.

More Information about Choice Plan Distributions

- Call ACS HR Solutions (the Choice Plan record keeper) for toll-free customer service at 1-866-437-3774.
- Call PERSI for toll-free customer service at 1-800-451-8228.

Return This Form to:

**ACS HR Solutions
PERSI Administration
P.O. Box 1014
Totowa, NJ 07511-1014**



Special Tax Notice Regarding Plan Payments

Purpose of this Notice

- This notice contains information regarding plan payments and rollover options for such payments.
- Please read this document carefully and completely.

Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the Public Employee Retirement System of Idaho (the "Plan") is eligible to be rolled over to an IRA or an employer plan.

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 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
- 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)
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment

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

General Information About Rollovers (continued)

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
- Corrective distributions of contributions that exceed tax law limitations
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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.

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 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 income tax rules (including withholding rules). Contact the Idaho State Tax Commission for state rules and regulations that may differ from the IRS regulations. Information on Idaho State income tax is available online at the Idaho State Tax Commission website: <http://tax.idaho.gov>

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 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 (in order to determine your taxable income for later payments from the IRAs).

Special Rules and Options (continued)

If your payment includes after-tax contributions (continued)

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, Individual Retirement Arrangements (IRAs).

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.

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 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 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). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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, Individual Retirement Arrangements (IRAs). You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

Special Rules and Options (continued)

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 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 (QDRO)

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 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, 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.