



# RSA-1 and PEIRAF Participant Distribution Packet

## Periodic Payments

This Participant packet contains information and forms to complete the periodic distribution process. Once RSA-1 receives all of the required forms, RSA-1 will process your request in the next available payroll. Please submit your original notarized documents to the RSA-1 office.



### START TODAY

This document includes the following forms:

- » **RSA-1 REQUEST FOR PERIODIC PAYMENTS**
- » **FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS**
- » **RSA DIRECT DEPOSIT AUTHORIZATION**
- » **SPECIAL TAX NOTICE REGARDING YOUR ROLLOVER OPTIONS**
- » **RSA-1 SPECIAL TAX NOTICE REGARDING YOUR DISTRIBUTION**



### CONTACT US

Please contact RSA-1 at 877.517.0020 if you have any questions.

- Make sure RSA-1 has your current home mailing address. Members may change their mailing address online at <https://mso.rsa-al.gov> or by completing the ADDRESS CHANGE NOTIFICATION form found on our website or requested from Member Services.



### IMPORTANT INFORMATION

- » Payments are issued the last business day of the month.



## FORM INSTRUCTIONS

1. Complete the REQUEST FOR PERIODIC PAYMENTS form.
2. Please refer to FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS for tax withholding requirements.
3. There are three distribution options for withdrawing funds based on a monthly or annual basis for RSA-1/PEIRAF accounts. Please see further information below.
4. Complete FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS.
5. Complete the RSA DIRECT DEPOSIT AUTHORIZATION form.
6. Read the SPECIAL TAX NOTICE REGARDING YOUR ROLLOVER OPTIONS.
7. Read the RSA-1 SPECIAL TAX NOTICE REGARDING YOUR DISTRIBUTION.

## OPTIONS

- A. Fixed Dollar Amount:** This option provides monthly or annual payments of a specified dollar amount. If you have separated from employment within the last six months, your **employer** must complete the Employer Certification Section.
- B. Fixed Time Period:** This option provides monthly or annual payments for the number of years the participant chooses. If you have separated from employment within the last six months, your **employer** must complete the Employer Certification Section.
- C. Required Minimum Distribution (RMD):** A participant who is 73 or older, who is no longer employed, must start an RMD in compliance with Section 457 of the Internal Revenue Code.

## FREQUENTLY ASKED QUESTIONS

### Q. Are my investment earnings taxed?

- A.** You do not pay income taxes on your investment earnings until they are withdrawn from RSA-1.

### Q. When I withdraw my funds, how are they taxed?

- A.** Distributions are subject to the withholding rules applicable to qualified plans. Deferred income and investment earnings distributed from RSA-1 will be taxed to the employee or beneficiary as ordinary income in the year of distribution and are reported on a FORM 1099-R in the year of distribution.

### Q. Can I view my earnings online?

- A.** Yes, visit our website for monthly and historical returns or contact RSA-1.

## ELIGIBILITY

### RSA-1 Accounts:

- » You must be separated from service to receive a distribution payment from RSA-1 accounts. All RSA-1 distributions are subject to federal income tax. A portion may be subject to Alabama income tax.
- » Persons who are 73 or older who are no longer employed must start a Required Minimum Distribution (RMD) in compliance with Section 457 of the Internal Revenue Code.
- » Current IRS regulations require that the first RMD payment begin no later than April 1 of the calendar year following the calendar year in which the employee attains the minimum required age or separates from service, whichever is later.

### Return to Work:

- » If you return to work on a full-time basis with your employer or another employer eligible to participate in RSA-1, all distributions must cease except for Financial Hardship, Small Balance, and age 70 ½ Voluntary Distributions.
- » If you return to work on a part-time basis with your employer or another employer eligible to participate in RSA-1, you may continue to receive distributions under the fixed dollar amount or fixed time period options provided the election was made prior to returning to work, but no lump-sum or partial lump-sum distributions will be permitted while you are employed.

### PEIRAF Accounts:

- » To avoid a tax penalty, you must be at least 59 ½ to receive a distribution payment from PEIRAF accounts.
- » All PEIRAF distributions are subject to federal income tax and Alabama income tax.
- » There is no RMD at age 73 for PEIRAF accounts.

### Questions?

- » Visit RSA's website at [www.rsa-al.gov](http://www.rsa-al.gov)
- » Email RSA-1 through the RSA website; click on the "Contact" link at the top of the page
- » Call RSA-1 at 877.517.0020



## RSA-1 Request for Periodic Payments

Retirement Systems of Alabama  
PO Box 302150, Montgomery, Alabama 36130-2150  
877.517.0020 • 334.517.7000 • www.rsa-al.gov



### Your SSN

\_\_\_\_\_

Type of Account: ☐ PEIRAF ☐ RSA-1

### Your Information

Name \_\_\_\_\_  
First Middle/Maiden Last  
Address \_\_\_\_\_  
Street or P.O. Box City State ZIP Code  
Telephone Number \_\_\_\_\_ Email Address \_\_\_\_\_  
Date of Birth \_\_\_\_\_ PID (optional) \_\_\_\_\_

### Distribution Eligibility

#### Check one:

- ☐ I have separated from service as of \_\_\_\_\_ (Month/Year).  
Your employer must complete the Employer Certification section on page 2 if you have separated within the last six months.
- ☐ I am 70 ½ or older and wish to receive a distribution from my RSA-1 account.
- ☐ I am 59 ½ or older and wish to receive a distribution from my PEIRAF account.

### Periodic Payments

To begin periodic payments

Periodic payments are issued the last business day of the month.

1. Frequency of Payments (check one) ☐ Monthly ☐ Annually
2. Type of Periodic Payment (check one)
- ☐ Payment of a Fixed Dollar Amount: Payments in the amount of \$ \_\_\_\_\_ starting \_\_\_\_\_ (Month/Year).
- ☐ Payment of a Fixed Time Period: Payments paid out over \_\_\_\_\_ years, starting \_\_\_\_\_ (Month/Year).
- ☐ Start an Automatic Distribution: To satisfy my RMD for each year, starting \_\_\_\_\_ (Month/Year).
- Do you wish to set up your RMD based on Joint Life Expectancy? ☐ Yes ☐ No  
This only applies to someone taking a RMD whose spousal beneficiary is more than 10 years younger than you.  
Spousal Beneficiary Date of Birth \_\_\_\_\_

To change periodic payments

- Do you wish to **change** your current periodic payment? ☐ Yes ☐ No
- ☐ Please change my periodic payment for \_\_\_\_\_ (Month/Year) to \$ \_\_\_\_\_.  
Frequency of Payments (check one) ☐ Monthly ☐ Annually
- Do you wish to **stop** your current periodic payment? ☐ Yes ☐ No Effective date \_\_\_\_\_ (Month/Year)

### Fund Allocation

Select the account(s) from which you wish to receive payments. Please specify either dollar amount or percentage.

Regular RSA-1	Transfer	RSA-1 DROP/PLOP/ERIP/TSP Please circle: DROP/PLOP/ERIP/TSP	PEIRAF
Fixed Income	Fixed Income	Fixed Income	
Equity	Equity	Equity	
STIF	STIF	STIF	

### Signature Certification

I have read and understand the RSA-1 SPECIAL TAX NOTICE REGARDING YOUR DISTRIBUTION regarding the distribution of my plan benefits. I attest that the information I provided on this form is true. I understand that I may be subject to civil and criminal liability for any false statement on this form or my claim under the Plan. By my signature below, I agree to notify RSA-1 should I become reemployed by my employer or any entity covered by the RSA.

**Sign Here →**

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

State of \_\_\_\_\_, County of \_\_\_\_\_ Seal

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, personally appeared before me, the above named individual and acknowledged under oath that the statements made are true.

Signature of Notary Public \_\_\_\_\_ My Commission Expires \_\_\_\_\_

Please have your signature  
acknowledged before a  
Notary Public.



Name \_\_\_\_\_ SSN \_\_\_\_\_

**Employer  
Certification**

*If this is a state agency reporting unit, do not submit this form to the RSA until all warrant cancellations for this individual have been processed by the state comptroller.*

The Employer Certification section is **ONLY** for participants who have separated from employment within the last six months.

Employing Agency \_\_\_\_\_

Last retirement contribution was included in the \_\_\_\_\_ report.  
Month or if state employee, last payroll check issue dateLast RSA-1 deferral was included in the \_\_\_\_\_ report.  
Month or if state employee, last payroll check which included an RSA-1 deferral

Last day for which employee is paid \_\_\_\_\_

Will unused sick or annual leave be deferred to RSA-1? ☐ Yes ☐ No

If Yes, date unused leave will be paid \_\_\_\_\_

If a participant has a bona fide Severance from Employment with no prearranged re-employment and returns to part-time employment with an employer after a break in service of at least three months, the eligible employee may continue to receive withdrawals under a fixed time period or a fixed dollar amount.

I hereby certify that the final salary payment has been made to the above named participant and that this person has no further contract, written or oral, to return to employment with this agency.

Name and Title \_\_\_\_\_  
Please Print

Telephone Number \_\_\_\_\_ Email Address \_\_\_\_\_

**Sign Here →**  
Payroll Officer

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

**Withholding Certificate  
for Periodic Pension or Annuity Payments**

OMB No. 1545-0074

**2024**

**Give Form W-4P to the payer of your pension or annuity payments.**

**Step 1:  
Enter  
Personal  
Information**

(a) First name and middle initial	Last name	(b) Social security number
Address		
City or town, state, and ZIP code		
(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

**Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5.** See pages 2 and 3 for more information on each step, when to use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App), and how to elect to have no federal income tax withheld (if permitted).

**Step 2:  
Income  
From a Job  
and/or  
Multiple  
Pensions/  
Annuities  
(Including a  
Spouse's  
Job/  
Pension/  
Annuity)**

Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. **See page 2 for examples on how to complete Step 2.**

Do **only one** of the following.

(a) Use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) for most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Complete the items below.

(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter “-0-” . . . \$

(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter “-0-” . . . \$

(iii) Add the amounts from items (i) and (ii) and enter the **total** here . . . \$

**TIP:** To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019.

**Complete Steps 3–4(b)** on this form only if (b)(i) is blank **and** this pension/annuity pays the most annually. Otherwise, do not complete Steps 3–4(b) on this form.

<b>Step 3: Claim Dependent and Other Credits</b>	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 \$ Multiply the number of other dependents by \$500 . . . \$ Add other credits, such as foreign tax credit and education tax credits \$ Add the amounts for qualifying children, other dependents, and other credits and enter the total here . . .	<b>3</b>	\$
<b>Step 4 (optional): Other Adjustments</b>	(a) <b>Other income (not from jobs or pension/annuity payments).</b> If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends .	<b>4(a)</b>	\$
	(b) <b>Deductions.</b> If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . .	<b>4(b)</b>	\$
	(c) <b>Extra withholding.</b> Enter any additional tax you want withheld from <b>each payment</b> .	<b>4(c)</b>	\$

**Step 5:  
Sign  
Here**

**Your signature** (This form is not valid unless you sign it.)

**Date**

## General Instructions

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to [www.irs.gov/FormW4P](http://www.irs.gov/FormW4P).

**Purpose of form.** Complete Form W-4P to have payers withhold the correct amount of federal income tax from your periodic pension, annuity (including commercial annuities), profit-sharing and stock bonus plan, or IRA payments. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (for example, annually, quarterly, or monthly) over a period of more than 1 year. Don't use Form W-4P for a nonperiodic payment (note that distributions from an IRA that are payable on demand are treated as nonperiodic payments) or an eligible rollover distribution (including a lump-sum pension payment). Instead, use Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, for these payments/distributions. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Choosing not to have income tax withheld.** You can choose not to have federal income tax withheld from your payments by writing "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5. Generally, if you are a U.S. citizen or a resident alien, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its territories.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. If your tax situation changes, or you chose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

**When to use the estimator.** Consider using the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) if you:

1. Have social security, dividend, capital gain, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or
2. Receive these payments or pension and annuity payments for only part of the year.

**Self-employment.** Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, use the estimator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to figure the amount to have withheld.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4P. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, write "No Withholding" in the space below Step 4(c). See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

**Step 1(c).** Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

**Step 2.** Use this step if you have at least one of the following: income from a job, income from more than one pension/annuity, and/or a spouse (if married filing jointly) that receives income from a job/pension/annuity. The following examples will assist you in completing Step 2(b).

**Example 1.** Bob, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii).

If Bob also has \$1,000 of interest income, which he entered on Form W-4, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this Form W-4P.

**Example 2.** Carol, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii).

If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this Form W-4P.

**Example 3.** Don, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this Form W-4P because he entered the \$1,000 on the Form W-4P for the higher paying \$75,000 pension.

**Example 4.** Ann, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on Form W-4, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this Form W-4P.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.



**Multiple sources of pensions/annuities or jobs.** If you (or if married filing jointly, you and/or your spouse) have a job(s), do NOT complete Steps 3 through 4(b) on Form W-4P. Instead, complete Steps 3 through 4(b) on the Form W-4 for the job. If you (or if married filing jointly, you and your spouse) do not have a job, complete Steps 3 through 4(b) on Form W-4P for **only** the pension/annuity that pays the most annually. Leave those steps blank for the other pensions/annuities.

**Step 3.** This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. Including these credits will increase your payments and reduce the amount of any refund you may receive when you file your tax return.

### Step 4 (optional).

**Step 4(a).** Enter in this step the total of your other estimated income for the year, if any. You shouldn't include amounts from any job(s) or pension/annuity payments. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than

Specific Instructions *(continued)*

having tax on other income withheld from your pension, see Form 1040-ES, Estimated Tax for Individuals.

**Step 4(b).** Enter in this step the amount from the Deductions Worksheet, line 6, if you expect to claim deductions other than the basic standard deduction on your 2024 tax return and want to reduce your withholding to account for these deductions.

This includes itemized deductions, the additional standard deduction for those 65 and over, and other deductions such as for student loan interest and IRAs.

**Step 4(c).** Enter in this step any additional tax you want withheld from **each payment**. Entering an amount here will reduce your payments and will either increase your refund or reduce any amount of tax that you owe.

**Note:** If you don't give Form W-4P to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer will withhold tax from your payments as if your filing status is single with no adjustments in Steps 2 through 4. For payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a new Form W-4P.

Step 4(b)—Deductions Worksheet *(Keep for your records.)*



1

Enter an estimate of your 2024 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income . . . . .

1

\$

2

Enter: { \$29,200 if you're married filing jointly or a qualifying surviving spouse  
\$21,900 if you're head of household  
\$14,600 if you're single or married filing separately } . . . . .

2

\$

3

If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" . . . . .

3

\$

4

If line 3 equals zero, and you (or your spouse) are 65 or older, enter:  
• \$1,950 if you're single or head of household.  
• \$1,550 if you're married filing separately.  
• \$1,550 if you're a qualifying surviving spouse or you're married filing jointly and one of you is under age 65.  
• \$3,100 if you're married filing jointly and both of you are age 65 or older.  
Otherwise, enter "-0-". See Pub. 505 for more information . . . . .

4

\$

5

Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information . . . . .

5

\$

6

**Add** lines 3 through 5. Enter the result here and in **Step 4(b)** on Form W-4P . . . . .

6

\$

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from pension or annuity payments based on your filing status and adjustments; (b) request additional federal income tax withholding from your pension or annuity payments; (c) choose not to have federal income tax withheld, when permitted; or (d) change a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may

also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.







## RSA Direct Deposit Authorization

Retirement Systems of Alabama  
PO Box 302150, Montgomery, Alabama 36130-2150  
877.517.0020 • 334.517.7000 • www.rsa-al.gov



### Your SSN

\_\_\_\_\_

**Direct Deposit from System(s):** ☐ TRS ☐ ERS ☐ JRF ☐ MRS ☐ SNU ☐ PEIRAF ☐ RSA-1 (Annual or Monthly Distribution Only)

### Your Information

No initials please

Indicate below  
**Your SSN** the  
system(s) from  
which you  
would like your  
benefit(s) direct  
deposited.

Name \_\_\_\_\_  
First Middle/Maiden Last

Mailing Address \_\_\_\_\_  
Street or P.O. Box Apt.# City State ZIP Code

Telephone Number \_\_\_\_\_ Email Address \_\_\_\_\_

Date of Birth \_\_\_\_\_ PID (optional) \_\_\_\_\_

**Check One:** ☐ Retiree ☐ Beneficiary of Deceased Retiree or Member

If you are a beneficiary, please provide the following for the deceased retiree or member.

Name \_\_\_\_\_ SSN \_\_\_\_\_

### Account Holder Certification

I agree to notify the Retirement Systems of Alabama (RSA) immediately of the death of the recipient of the retirement benefits being deposited to this joint financial institution account, and to return all payments to the RSA that are deposited to this account after said death. The RSA will determine and pay any survivor benefits. The RSA is authorized to make necessary debit entries to this joint account for any credits that were made in error.

Joint Financial Institution Account Holder(s) Name(s)

Joint Financial Institution Account Holder(s) Signature(s)

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

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

Date \_\_\_\_\_

### Signature Certification

Each benefit payment is to be credited to my account at the financial institution specified on the reverse side of this form and such payment will be in full payment, satisfaction, and discharge of the amount then falling due and payable to me on account of such payments.

If my death occurs prior to the due date of any payment made by the RSA in compliance with this request or if adjustments are required for any credit entries to my account, I authorize the RSA to make the necessary debit entries to my account. I hereby reserve the right to revoke or cancel this request, such revocation or cancellation to take effect within 30 days of receipt of written notice by the RSA.

I authorize my payment to be sent to the financial institution named on the reverse side of this form to be deposited to the designated account.

**Sign Here →**

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

The retiree or beneficiary of a deceased retiree or member must complete this page.  
Then take or mail both pages to your financial institution to verify your information.  
Your financial institution must complete the second page and agree to the Master Agreement.

# RSA Direct Deposit Authorization



*This page to be completed by a representative of the financial institution.*

Name \_\_\_\_\_ SSN \_\_\_\_\_

## Financial Institution Information

Depositor Account No \_\_\_\_\_ Bank Routing No \_\_\_\_\_

Financial Institution Name \_\_\_\_\_ Type of Account ☐ Checking ☐ Savings

Mailing Address \_\_\_\_\_  
Street or P.O. Box City State ZIP Code

Name(s) of Person(s) on this Account

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

## Financial Institution Certification

### MASTER AGREEMENT

In accordance with the provisions of Section 3.6.4 of the 2012 National Automated Clearing House Association (NACHA) Operating Rules and Guidelines, both the Retirement Systems of Alabama (RSA), as the Originator, and the above named Financial Institution consider the following to be the Master Agreement, as defined by the NACHA Operating Rules and Guidelines, and agree that it is to be applicable to all payments sent by the RSA to the Financial Institution for the benefit of all benefit recipients having accounts with the Financial Institution.

In consideration of the RSA making benefit payments in accordance with this Direct Deposit Authorization without requiring proof that the retiree/beneficiary identified on this form is alive on the date on which such benefits are paid and are credited to his or her account, the Financial Institution agrees to repay and refund to the RSA, on demand, the full amount of any payments made to and received by the Financial Institution after the date of death of the benefit recipient, regardless of whether the account listed on this Direct Deposit Authorization contains sufficient funds for the refund. The Financial Institution further agrees to accept the certification of the RSA as to the date of death of such payee as sufficient evidence in accordance with Section 2.10 of the 2012 NACHA Operating Rules and Guidelines.

I, the undersigned, confirm that the identity of the above named retiree/beneficiary, account number, and type are true and accurate. As the representative of the above named Financial Institution, I certify that the Financial Institution agrees to receive and deposit the identified payments in accordance with the Master Agreement and pursuant to Section 3.6.4 of the 2012 NACHA Operating Rules and Guidelines, and that the Master Agreement is applicable to all payments sent by the RSA to the Financial Institution for the benefit of the retiree/beneficiary.

Representative Name \_\_\_\_\_

**Sign Here →**

*Financial Institution*

**Representative Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

Telephone Number \_\_\_\_\_

**Please return completed form to:**

The Retirement Systems of Alabama  
P.O. Box 302150  
Montgomery, AL 36130-2150  
Fax: 334.517.7001

Properly completed Direct Deposit Authorization forms received by the RSA  
before the 13th of each month will be effective for the current month.



## Special Tax Notice Regarding Your Rollover Options

Retirement Systems of Alabama  
PO Box 302150, Montgomery, Alabama 36130-2150  
877.517.0020 • 334.517.7000 • [www.rsa-al.gov](http://www.rsa-al.gov)



### For Payments Not From a Designated Roth Account

You are receiving this notice because all or a portion of a payment you are receiving from the Retirement Systems of Alabama (the Plan) may be 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 for the Plan that are not from a designated Roth account (which is subject to special tax rules). 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 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 59 ½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). 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 59 ½ (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. 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. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 ½ (unless an exception applies).

### HOW MUCH MAY I ROLL OVER?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 ½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949, and before January 1, 1951), or after age 73 (if you were born after December 31, 1950), or after death
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- The Plan administrator 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 59 ½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, **unless one of the exceptions listed on page 2 applies**. This tax is in addition to the regular income tax on the payment not rolled over.



## Special Tax Notice Regarding Your Rollover Options



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
- Payments made directly to the government to satisfy a federal tax levy
- 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

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

- There is no exception for payments after separation from service that is 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).

## 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 IRA's (in order to determine your taxable income for later payments from the IRA's). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do 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.

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.



## Special Tax Notice Regarding Your Rollover Options



### **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 non-refundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

### **IF YOU WERE BORN ON OR BEFORE JANUARY 1, 1936**

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

### **IF YOUR PAYMENT IS FROM A GOVERNMENTAL SECTION 457(b) PLAN (RSA-1)**

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 59 ½ (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 59 ½ 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 "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 qualified long-term 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 or ambulance crew.

### **IF YOU ROLL OVER YOUR PAYMENT TO A ROTH IRA**

You can roll over a payment from the Plan to a Roth IRA. If you rollover 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 59 ½ (or after your death or disability, or as a qualified first-time home buyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

### **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.



## Special Tax Notice Regarding Your Rollover Options



**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 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 73 if you were born after December 31, 1950 (or age 72 if you were born after June 30, 1949, and before January 1, 1951, or age 70 ½ if you were born before July 1, 1949).

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 73 if you were born after December 31, 1950 (or age 72 if you were born after June 30, 1949, and before January 1, 1951, or age 70 ½ if you were born before July 1, 1949).

**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.

### **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 1040-NR 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 your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

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).

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

### **Notice Period**

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

### **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, 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 800.TAX.FORM.



## **RSA-1 Special Tax Notice Regarding Your Distribution**

Retirement Systems of Alabama  
PO Box 302150, Montgomery, Alabama 36130-2150  
877.517.0020 • 334.517.7000 • [www.rsa-al.gov](http://www.rsa-al.gov)



### **Distributions are subject to the Internal Revenue Service tax withholding rules applicable to qualified plans:**

#### **FOR PARTIAL OR FULL LUMP SUM DISTRIBUTIONS THAT ARE ROLLOVER ELIGIBLE**

For lump-sum distributions and partial lump-sum distributions that are eligible for rollover distribution, federal law requires a minimum of 20% tax withholding. For partial or full lump sum distributions that are not rollover eligible, the participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing this form, 10% of the distribution will be withheld for federal taxes.

#### **FOR PERIODIC DISTRIBUTIONS WHICH ARE LESS THAN TEN YEARS IN DURATION AND ARE ROLLOVER ELIGIBLE**

Federal law requires a minimum of 20% tax withholding. For periodic distributions which are less than ten years in duration and are not rollover eligible, the participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing this form, 10% of the distribution will be withheld for federal taxes.

#### **FOR PERIODIC DISTRIBUTIONS WHICH ARE TEN YEARS OR MORE IN DURATION**

The participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing this form, the distribution will subject to tax withholding calculated under federal tax law as single and no adjustments.

#### **FOR FINANCIAL HARDSHIP DISTRIBUTIONS**

The participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, 10% of the distribution will be withheld for federal taxes.

#### **FOR SMALL BALANCE DISTRIBUTIONS**

The participant may select the amount of federal tax they wish to have withheld; however, if the participant does not choose a withholding amount by completing FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS, 10% of the distribution will be withheld for federal taxes.

#### **FOR PAYMENTS TO NON-RESIDENT ALIENS**

Federal law requires a minimum of 30% tax withholding.