



RSA-1 Special Tax Notice Regarding Your Distribution

Retirement Systems of Alabama
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Distributions are subject to the Internal Revenue Service tax withholding rules applicable to qualified plans:

FOR PARTIAL OR FULL LUMP SUM DISTRIBUTIONS

For lump-sum distributions and partial lump-sum distributions that are eligible for rollover distribution, federal law requires a minimum tax withholding of 20%. 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 FORM W-4R, WITHHOLDING CERTIFICATE FOR NONPERIODIC PAYMENTS AND ELIGIBLE ROLLOVER DISTRIBUTIONS, 10% of the distribution will be withheld for federal taxes.

FOR PERIODIC DISTRIBUTIONS WHICH ARE LESS THAN TEN YEARS IN DURATION

For periodic distributions which are less than ten years in duration and are rollover eligible, federal law requires a minimum tax withholding of 20%. 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 FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, 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 the federal tax withholding; however, if the participant does not choose a withholding amount by completing FORM W-4P, WITHHOLDING CERTIFICATE FOR PERIODIC PENSION OR ANNUITY PAYMENTS, the distribution will be subject to tax withholding calculated under federal tax law as single with no adjustments.

FOR FINANCIAL HARDSHIP DISTRIBUTIONS

The participant may select the amount of the federal tax withholding; 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 the federal tax withholding; 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 tax withholding of 30%.