



Louisiana Clerks of Court Retirement and Relief Fund

10202 Jefferson Highway • Building A • Baton Rouge, Louisiana 70809
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DEFERRED RETIREMENT OPTION PLAN (DROP) REQUEST FOR LUMP SUM DISTRIBUTION

****Before completing this form, please read the Special Tax Notice Regarding Plan Payment which is attached to this form.****

Name:	
Address:	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male
City:	Social Security #:
State:	Zip Code: Employer Parish:
Home Number:	Date of Birth:
Work Number:	Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Never Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed
Phone Number:	Email Address:

In accordance with the provisions of the Louisiana Clerks' of Court Retirement and Relief Fund, request is hereby made for lump sum distribution of deferred retirement option plan (DROP) Funds

A. Date of Participation in DROP ends: _____
(Note: Must be last day of the month and may not be later than the term for which participation was elected.)

B. Date of Retirement: _____

C. Federal Law permits a rollover of the lump sum DROP payment to an IRA or to another qualified retirement plan. If payment of this lump sum is not made directly to an IRA or to another qualified retirement plan, the Clerks of Court Retirement and Relief Fund is required by Federal Law to withhold twenty (20%) percent of this payment to be credited against your taxes. **IF YOU ELECT TO ROLLOVER THIS LUMP SUM, PLEASE HAVE YOUR FINANCIAL INSTITUTION OF CHOICE SUBMIT A "REQUEST TO TRANSFER" FORM WITH PAYMENT INSTRUCTIONS.**

PLEASE CHECK ONE

I ELECT to have my lump sum DROP payment made directly to me less the twenty (20%) percent withholding.

I ELECT TO ROLLOVER my lump sum DROP payment. (If this box is checked, please provide the name and address of the financial institution that will be accepting the rollover and attach their "Request to Transfer" form to this application.)

Name of Financial Institute Accepting Rollover: _____

Address of Financial Institute: _____

I ELECT THE TRUE ANNUITY based upon my DROP account as computed by the System's Actuary. A thirty (30) days notice is required for processing annuity withdrawals.

Witness

Witness

Signature of DROP Participant

Date

CERTIFICATION OF CLERK

Having read the above request for lump sum distribution of deferred retirement option plan (DROP) funds, I hereby certify that the applicant has notified me of his/her desire to be relieved from active duty as a Clerk of Court, Deputy Clerk of Court, or other employee of my office, and that he/she will or did terminate on the _____ day of _____, 20 _____, at which time his/her salary and or earnings will or did cease.

I, further certify that if the retiree is re-employed in any capacity in my office, I will immediately notify the Board of the dates of re-employment.

_____ Date

_____ Signature of the Clerk of Court

Parish of : _____



PLEASE KEEP FOR YOUR RECORDS!

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice contains important information you will need before you decide how to receive your benefits. This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described below are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with your professional tax advisor **before** you take a payment of your benefits from the plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, "Pension and Annuity Income," and IRS Publication 590, "Individual Retirement Arrangements." These publications are available from your local IRS office or by calling (800) TAX-FORMS.

A payment from the Plan that is eligible for "rollover" may be taken in one or two ways:

1. PAID IN A "Direct Rollover" or
2. PAID TO YOU.

A Rollover is a payment of your plan benefits to your individual retirement account (IRA) or to another qualified employer plan. This choice will affect the tax you owe.

If you choose a **DIRECT ROLLOVER**:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment will be made directly to your IRA or, if you choose, to another employer plans that accepts your rollover.
- Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your plan benefits **PAID TO YOU**:

- You will receive only eighty (80%) percent of the payment because the plan administrator is required to withhold twenty (20%) percent of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you also may have to pay an additional ten (10%) percent tax.
- You can rollover the payment to your IRA or to another employer plan that accepts your rollover within sixty (60) days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to rollover one hundred (100%) percent of the payment to an IRA or an employer plan, you must find other money to replace the twenty (20%) percent that was withheld. If you rollover only eighty (80%) percent that you receive, you will be taxed on the twenty (20%) percent that was withheld and that is not rolled over.

1. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the plan may be “eligible rollover distributions.” This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. The plan administrator should be able to tell you what portion of your payment is an “eligible rollover distribution.” The following types of payment **cannot** be rolled over:

Non-Taxable Payments

In general, only the “taxable portion” of your payment is an eligible rollover distribution. If you have made “after-tax” employee contributions to the plan (contributions before January 1, 2000), these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay that were already tax.)

Payments Spread Over Long Periods

You cannot rollover a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or your life expectancy):
- Your lifetime and your beneficiary’s lifetime (or life expectancies); or
- A period of ten (10) years or more.

Required Minimum Payments

Beginning in the year you reach age seventy and one-half (70½), a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you.

2. DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an “eligible rollover distribution,” (described above). In a direct rollover, the eligible rollover distribution is paid directly from the plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the employer plan.

Direct Rollover to an IRA

You can open an IRA to receive the direct rollover. (The term “IRA”, as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or a part of your payments to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, “Individual Retirement Arrangements,” for more information on IRA’s.

Direct Rollover to a Plan

If you are employed by a new employer that has a plan, and you want to make a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. If your new employer’s plan does not accept a rollover, you can choose a direct rollover to an IRA.

3. PAYMENT PAID TO YOU

If you have the payment made to you, it is subject automatically to a twenty (20% percent income tax withholding. The payment is taxed in the year you receive it unless, within sixty (60) days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Mandatory Withholding

If any portion of the payment to you is an eligible rollover distribution, the Plan is required by law to withhold twenty (20%) percent of that amount. This amount is sent to the IRS as income tax withholding.

For Example: If your eligible rollover distribution is \$10,000 only \$8,000 will be paid to you because the plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as a payment from the plan. You will report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Sixty-Day (60) Rollover Option

If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, you must make this rollover within sixty (60) days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can roll over up to one hundred (100%) percent of the eligible rollover distribution, including an amount equal to the twenty (20%) percent that was withheld. If you choose to roll over one hundred (100%) percent, you must find other money within sixty (60%) days to contribute to the IRA (or the employer plan) to replace the twenty (20%) percent that was withheld. On the other hand, if you roll over only the eighty (80%) percent that you received, you will be taxed on the twenty (20%) percent that was withheld.

For Example: Your eligible rollover distribution is \$10,000, and you choose to have it paid to you. You will receive \$8,000 and \$2,000 will be sent to the IRS as income tax withholding. Within sixty (60) days after receive the \$8,000, you may roll over the entire \$10,000 to an IRA or employer plan. To do this, you roll over the \$8,000 you received from the plan, and you will have to find \$2,000 for other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire \$10,000, when you file your income tax return, you may get a refund of the \$2,000 withheld. If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return you may get a refund of part of the \$2,000 withheld.

Additional Ten (10%) Percent Tax If You Are Under Age 59 ½

If you receive a payment before you reach age 59 ½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to ten (10%) percent of the taxable portion of the payment. The additional ten (10%) percent tax does not apply to your payment if it is:

1. paid to you because you separate from service with your employer during or after the year you reach age 55,
2. paid because you retired due to disability,
3. paid to you as equal (or almost equal payment over your life or life expectancy (or you and your beneficiary's lives or life expectancies), or
4. used to pay certain medical expenses. (See IRS Form 5329 for more information on the additional ten (10%) percent tax.)