



New Mexico Educational Retirement Board
P.O. Box 26129
Santa Fe, New Mexico 87502
505-827-8030

Request for Refund and/or Rollover

(See page 2 for Instructions)

DO NOT FAX APPLICATION

Section A: Member Information

Form for member information including Name (Last, First, Initial), Social Security #, Mailing Address (Number, Street, apt. #), City, State, Zip code, Telephone Number (daytime), Birthdate (MM/DD/YYYY), and GENDER (Male/Female).

Section B: Distribution Options (Direct Deposits not allowed)

- Options for distribution: mailed directly, direct rollover (IRA or Eligible Qualified Plan), or partial rollover with percentage to transfer.

Financial Institution Information: (provide only when requesting a Rollover)

Form for financial institution information including Name of Institution, Account Number, and Institution Mailing Address.

I understand that federal income tax will not be withheld from the portion of the Distribution that is transferred. I understand that the balance I receive directly is Subject to 20% federal withholding.

- Waiver of the Federal 30 day waiting period and request payment as soon as administratively possible.

Applicant Signature: _____ Date: _____

Notary Public section: NOTARY PUBLIC: The above subscribed and sworn to before me at _____ this _____ day of _____, 20____. My commission expires: _____ Notary Public: _____

Section C: Employer Certification: Mandatory if you terminated in the last 90 days.

Employer Certification form: This is to certify that the above employee terminated employment with _____ on _____ and that final earnings will be reported on the monthly report ending _____. (Should not extend beyond one (1) month following termination date.)

EMPLOYER SIGNATURE: _____ Title _____ DATE _____

How to Request a Refund of your Contributions

If you wish to withdraw your member contributions plus accrued interest, you must terminate your employment and submit a Refund Application (Form R3A) to each of your current employer(s). If you terminated employment more than three months ago, you may submit the application directly to NMERB.

Refunds are processed in two phases: 1) the initial check will be for contributions and interest posted to your account as of the date the refund is processed. This check will generally be processed within three weeks from the date we receive a valid and completed refund application; 2) a second check will be issued in approximately four months for additional contributions reported after the refund date. ***These dates are subject to change and delays based on employer report of final earnings and administrative processing.***

Please check your application for completion. You must check one of the options: Direct Refund, Direct Rollover or Direct Partial Rollover. If you elect a rollover to another qualified plan you must include an account number. If you wish to have your refunds processed as soon as administratively possible and waive the federal 30 day waiting period, please check the appropriate box. Your refund application must be notarized.

Summary of IRS Regulations on Periodic Distributions

Contributions made before July 1, 1983 and payments made to purchase service have already been taxed and are therefore ***non-taxable*** when distributed from your account. These contributions are not eligible for a Direct Roll-Over. Contributions since July 1, 1983 and total interest earned have been tax deferred and ***are taxable*** when distributed. The taxable balance is eligible for a “roll-over” and all or any portion of your account balance can be taken as a “Direct Refund” or as a “Direct Roll-Over”. A rollover is a tax free transfer of an eligible distribution from one qualified employer retirement plan directly to another qualified plan or to an Individual Retirement Arrangement (IRA)

If you choose a Direct Refund:

Tax-deferred contributions and accumulated interest credited to your account are taxed upon withdrawal. The Internal Revenue Service (IRS) requires NMERB withhold 20% from your refund if you do not roll over the funds to a qualified retirement plan or IRA. In addition, the IRS imposes a special penalty tax on early distributions, such as a lump sum distribution, received before the plan participant reaches age 59½. This special penalty tax of 10% of the taxable portion of the distribution is applied in ***addition*** to the regular income tax.

If you choose a “Direct Roll-Over:

The taxable balance of your contributions and interest are not taxed in the current year and no income tax is withheld. Your refund will be made directly to the IRA or qualified plan you identify on your refund application. Your refund will be taxable when you take it out of the IRA or qualified plan. You may select to rollover any portion (percentage) of your taxable balance. The portion of the taxable balance you receive as direct refund will be taxed in the year in which you receive payment.

The federal income tax withholding rate of 20% applies to eligible distributions made from a qualified retirement plan, such as ERB. This tax shall be withheld on any eligible distribution made to a member, the member’s surviving spouse or to an alternate payee if it is not rolled over directly into another qualified or IRA.

This message summarizes Internal Revenue Code (IRC) rollover rules and is not intended as tax advice. To determine how IRC rollover rules apply to your situation, we suggest that you consult with a qualified tax professional for advice. Please note the 20% mandatory federal tax withholding is the responsibility of the NMERB. Any further tax liability is the sole responsibility of the member.