

REFUND REQUEST
State Budget and Control Board
South Carolina Retirement Systems
Customer Service Refund Claims
Box 11960, Columbia, SC 29211-1960

CHECK ONE:
 South Carolina Retirement System
 Police Officers Retirement System
 General Assembly Retirement System
 Judges and Solicitors Retirement System

PRINT OR TYPE IN INK

Last Name & Suffix		First/Middle Name		Date of Birth	Social Security Number
Mailing Address				Former/Maiden Name (if applicable)	
City	State	ZIP+4	Telephone Number		

Check here if you are the alternate payee under a Qualified Domestic Relations Order (Member SSN _____)

I do hereby apply for a refund of the total amount of contributions plus interest credited to me in the above-checked Retirement System. I understand that upon payment of such amount I do hereby waive for myself, my heirs, and assigns all my rights, title, and interest in any fund under the care and control of this Retirement System. I also understand that by receiving a refund that I am forfeiting my service credit and giving up all rights to any future service retirement or disability retirement benefits. I further understand that my refund request will be canceled if I return to employment covered by the Retirement Systems prior to payment of my refund. This includes any employment for which I am eligible to join the SC Retirement System, the Police Officers Retirement System, or the State Optional Retirement Program.

Section I For your refund payout, please select ONE of the payment methods below. (See page 2 for detailed explanation.)

<input type="checkbox"/> Single-Sum Payment Pay the total Single Sum Payment directly to you (less required federal tax withholding). Payment may be directly deposited -- see page 2.	<input type="checkbox"/> Direct Rollover Choose <u>ONE</u> of the following: <input type="checkbox"/> Rollover Pre-Tax Funds Only <input type="checkbox"/> Rollover Total Balance	<input type="checkbox"/> Partial Rollover Rollover the Partial Amount of \$ _____ The remaining balance will be paid directly to you in a single sum payment, less federal tax withholding. For direct deposit, see page 2.
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Section II Tax Withholding Information (Applicable for any taxable portion paid directly to you.)

Please withhold \$ _____ in addition to the required 20 percent federal tax calculation.
Please withhold \$ _____ or _____ % for South Carolina state income tax.

Section III Complete this section if you selected a direct or partial rollover above.

Account Number With Trustee/Plan (Limit to 25 characters) _____ Name of Trustee/Plan _____ _____ P.O. Box or Street Address _____ _____ City _____ State _____ Zip + 4 _____	Account Types Available (Check only ONE Box) Consult trustee to determine plan type as necessary. <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Federal Tax- Withhold 20% <input type="checkbox"/> Federal Tax- Do Not Withhold <input type="checkbox"/> 401(a) or 401(k) Defined Contribution Qualified Plan <input type="checkbox"/> 401(a) Defined Benefit Qualified Plan <input type="checkbox"/> 403(a) Annuity Plan <input type="checkbox"/> 403(b) Annuity Plan <input type="checkbox"/> Other-see instructions on page 2 Specify Plan Name _____
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You must attach a legible copy of your current driver's license or special identification card issued by your State Department of Motor Vehicles.

Section IV Signature and Notary Statement -- Form must be notarized to be accepted.

Please read all information on page 2 before signing this form IN BLUE INK.

I hereby certify I have read and understand the information on this form, including the tax rules, and I agree to the terms stated.

MEMBER'S OR ALTERNATE PAYEE'S SIGNATURE _____ DATE _____
(Certified copy of legal authorization required with signature other than applicant's)

WITNESS _____ DATE _____
(Required only when signed by a mark)

STATE OF _____ COUNTY OF _____

ACKNOWLEDGED BEFORE ME THIS DATE _____ NOTARY NAME _____
(Please print)

MY COMMISSION EXPIRES _____ NOTARY SIGNATURE _____

NOTARY BUSINESS PHONE _____

Please call SC Retirement Systems Customer Service with any questions: (800) 868-9002 (in state) or (803) 737-6800

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND THE SOUTH CAROLINA RETIREMENT SYSTEMS. THE SOUTH CAROLINA RETIREMENT SYSTEMS RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT.

Direct Deposit

Please complete and return a Form 7204 if you wish to have any portion paid to you by the electronic transfer into your bank account. See Form 7204 for instructions.

When you receive a refund you forfeit your retirement service credit and give up rights to any future service retirement or disability retirement benefits. Should you choose a refund, there are some important tax requirements (see below and IRS Publication 575, available at www.irs.gov).

SPECIAL TAX RULES

This payment from the South Carolina Retirement Systems is classified as a Qualified Total Distribution under Internal Revenue Code Section 401(a) and will be reported to the Internal Revenue Service on Form 1099R. This distribution may consist of both taxable and nontaxable income.

Required Minimum Distribution (RMD)

Section 401(a)(9) of the Internal Revenue Code requires that a participant must take an RMD no later than April 1 of the year after the participant reaches age 70 1/2 or April 1 of the year after the participant retires, whichever is later. Failure to take the RMD may result in an excise tax equal to 50% of the amount the participant should have withdrawn. If you are age 70 1/2 or older, you must take the RMD; however, you may elect to roll over the portion of your account balance not subject to the RMD. **SCRS will withhold 20% federal tax on any portion of the RMD that represents pre-tax funds.**

Rollover

A rollover is a tax-free transfer from one retirement plan to another. If you are the retirement plan participant, or if you are the former spouse of the participant and an acceptable Qualified Domestic Relations Order (QDRO) exists, the taxable portion of the refund is eligible for rollover to an IRA, 403(b) plan, 457 plan, 401(k) plan, or other 401(a) plan (an "eligible" plan). You may elect to roll over all or any part of the taxable portion of your refund. The portion rolled over will not be taxed until you take it out of the eligible plan.

A rollover may be accomplished by: 1) a direct transfer by the South Carolina Retirement Systems on your behalf to an eligible plan; or 2) a rollover by you to an eligible plan within sixty (60) days of receipt of the distribution. **ANY AMOUNT ELIGIBLE FOR ROLLOVER NOT DIRECTLY TRANSFERRED BY THE SOUTH CAROLINA RETIREMENT SYSTEMS TO AN ELIGIBLE PLAN MUST HAVE FEDERAL TAXES WITHHELD AT A RATE OF TWENTY PERCENT (20%).** If you do not choose a direct transfer, you can still decide to roll over all or part of the taxable portion of your refund not subject to RMD guidelines within 60 days of receipt of the distribution. However, you must find other money to replace the 20% withheld if you want to roll over 100% of the taxable portion of your refund.

A rollover from the Retirement Systems 401(a) plan is not allowed into the South Carolina 457 Deferred Compensation Plan. If you intend to roll over funds from the Retirement Systems 401(a) plan into a governmental 457 plan other than the South Carolina 457 Deferred Compensation Plan, verify with that Plan Administrator that the 457 plan accepts rollovers. If it does accept rollovers from the Retirement Systems 401(a) plan, check the "Other" box and provide the plan name.

Under Age 59 1/2 and Do Not Elect Rollover

If you do not take advantage of a rollover as indicated above and are under the age of 59 1/2 at the time of distribution, your distribution will be subject to regular income tax in the year you receive the payment, plus **THERE WILL BE A 10% PENALTY TAX ON THE TAXABLE PORTION OF YOUR DISTRIBUTION.** The 10% penalty tax will be due when your income tax return is filed. This tax penalty does not apply to distributions due to death, disability, separation from service in or after the year in which you reach age 55, or distribution pursuant to a QDRO--see Special Tax Rules in IRS Publication 575 and IRS Form 5329 for more information on this tax penalty.

The Pension Protection Act of 2006 provides for the waiver of the 10 percent early withdrawal penalty tax if a qualified public safety employee, **as defined by the Pension Protection Act**, receives a distribution from a qualified retirement plan after separation from service in or after the year in which the employee reaches age 50. **Note:** A Qualified Public Safety Employee Certification (Form 7507) must be completed by your current employer.

Born Before 1936 and Do Not Elect Rollover

If you were born before 1936, the ordinary income portion of your distribution may be eligible for 10-year averaging based on the tax rates in effect in the year of distribution, and the capital gains portion may be taxed as a long-term capital gain at a rate of 20%. Averaging often reduces the tax you owe because it treats the payment as if it were paid out over 10 years.

This special tax treatment discussed above requires that your refund must be a lump-sum distribution. A distribution cannot be treated as a lump-sum distribution unless you have been a plan participant for at least 5 years preceding the tax year in which the distribution was received. The 5-year participation requirement does not apply if this refund is made to the beneficiary or estate on account of the participant's death. You may elect to use the special tax treatment for income averaging and capital gains only once per employee, and the election applies to all lump-sum distributions you received in that year. This election is made by completing Form 4972 with your annual income tax return.

Withholding

A taxable distribution eligible for rollover but paid directly to you will generally be subject to an automatic federal withholding rate of 20%.

South Carolina Income Taxes

The taxable portion of this refund will be subject to South Carolina income taxes in the year in which you receive your refund. The above federal provisions (except for the additional 10% penalty tax and the mandatory 20% withholding) also apply in computing South Carolina income taxes.

The tax laws are complex and always changing. You should consult your personal tax advisor with regard to the application of all federal and state taxes on benefits received from the South Carolina Retirement Systems.