

PART B. PAYOUT OPTION SELECTION**17. Retirement Payout Option (Choose only one)**

- Basic Benefit
 Survivor Option with _____ % payable to survivor
 Basic Benefit with a Partial Lump-Sum Option Payment (PLOP)
 Survivor Option with _____ % payable to survivor and a Partial Lump-Sum Option Payment (PLOP)
 Advance Pension Option w/ _____ as the age at which my benefit should decrease

18. If you selected an option including a PLOP payment, choose the number of months to be represented by the payment:

- 12 months 24 months 36 months

Do you intend to roll the funds into an IRA or other qualified plan? Yes No

(Review the IRS 402(f) – Special Tax Notice at www.varetire.org/forms to learn about rollovers and direct payments)

PART C. SURVIVOR INFORMATION (Complete if payout option in Part B is a Survivor Option.)

Your survivor is the person to whom your monthly retirement benefit will continue upon your death. (This is different than naming a beneficiary on the VRS-2.)

19. Survivor's Name (First, Middle Initial, Last)**20. Relationship**

- Spouse Other

21. Survivor's Birth Date (mm/dd/yy)**22. Survivor's SSN****23. Survivor's Gender**

- Male Female

24. Survivor's U.S. Citizenship

- U.S. Citizen Resident Alien Non-resident Alien (Marking this box certifies your status as non-resident alien and that you are not a U.S. citizen or resident alien)

PART D. CERTIFICATION**Member Certification**

I hereby certify: 1) All information I provide in this document is true and I understand that any willful falsification of facts presented may result in prosecution as provided by law, 2) I have read and understand the service retirement information in the *Handbook for Members*, 3) I will terminate all full-time positions with VRS employers prior to my retirement and 4) I will not return to work in a part-time position with my current employer following my retirement date for at least one full calendar month during which I would normally work. Additionally, I agree that, in the event that VRS pays retirement benefits in excess of those to which I am entitled, I or my estate will repay the excess to VRS. By signing this form, I hereby assign to VRS any VRS group life insurance benefits that may be payable as a result of my death to secure repayment of any such retirement benefit overpayment.

If I selected a monthly benefit with a PLOP payment, my signature also certifies that: 1) I have reviewed and understand the IRS 402(f) Special Tax Notice; 2) I understand a mandatory 20 percent federal tax is withheld from the taxable portion of the payment made to me and, if I am a resident of Virginia, an additional four percent state tax is withheld; 3) I may be subject to an additional 10 percent federal tax penalty on the taxable portion of the payment and 4) I confirm the payment(s) and/or rollover(s) as shown above.

I hereby authorize VRS to deposit my monthly retirement benefit payment directly to my account at the financial institution shown in Part F. I agree to provide written notification to VRS within 30 days of any changes to this information so that my monthly benefit may be properly distributed. I also authorize VRS to make adjustments to my account to correct any credit entries made in error.

Member Signature

Date

Spouse Certification (Required if married or separated)

I have read and understand the retirement payout options available under VRS. I am aware of and understand the retirement payout option selected by my spouse and if my spouse chose a Survivor Option, the survivor benefits will be provided to the person named in Part C. Further, I am aware that counseling regarding the payout options is available.

Spouse's Signature

Date

PART E. PLOP PAYMENT SELECTIONS

You may choose to have your PLOP payment paid to you or rolled over, or you may choose a combination of both. Funds being paid directly to you will be deposited into the account you enter in Part F for your monthly benefit.

Make your selections below indicating the percentage of funds paid directly to you and the percentage to be rolled over. If your rollover is being split between institutions, copy this page as needed to provide information for all accounts.

- Check this box if you do not have an account where we can deposit the portion of your PLOP payment being rolled over, or if you are unsure how you want the funds paid.

(VRS will send you a letter by U.S. postal mail requesting this information when we are processing your retirement. Please note, this may delay processing of your retirement and receipt of your PLOP payment.)

<p><u>Non-taxable</u> funds to be paid to you and/or rolled over:</p> <p>_____ % paid directly to me</p> <p>+ _____ % paid to the institution accepting non-taxable funds as a rollover</p> <p>= <u>100</u> % Total non-taxable funds</p> <p>If you elect to roll a portion of the non-taxable funds, provide financial institution information below:</p> <p>_____</p> <p>IRA Custodian/Employer Plan Trustee</p> <p>_____</p> <p>Plan Name (State Employees Only)</p> <p>_____</p> <p>Address</p> <p>_____</p> <p>City/State/Zip</p> <p>_____</p> <p>Account Number _____ Phone Number _____</p> <p>Type of Account (One Choice Required):</p> <p><input type="checkbox"/> IRA <input type="checkbox"/> Other Qualified Plan</p> <p><input type="checkbox"/> 401(a) <input type="checkbox"/> 401(k) <input type="checkbox"/> 403(b)</p> <p>Rollover Payment Delivery Options:</p> <p><input type="checkbox"/> Mail the check to me.</p> <p><input type="checkbox"/> Mail the check to my financial institution.</p> <p>To the attention of: _____</p>	<p><u>Taxable</u> funds to be paid to you and/or rolled over:</p> <p>_____ % paid directly to me</p> <p>+ _____ % paid to the institution accepting taxable funds as a rollover</p> <p>= <u>100</u> % Total taxable funds</p> <p>If you elect to roll a portion of the taxable funds, provide financial institution information below:</p> <p>_____</p> <p>IRA Custodian/Employer Plan Trustee</p> <p>_____</p> <p>Plan Name (State Employees Only)</p> <p>_____</p> <p>Address</p> <p>_____</p> <p>City/State/Zip</p> <p>_____</p> <p>Account Number _____ Phone Number _____</p> <p>Type of Account (One Choice Required):</p> <p><input type="checkbox"/> IRA <input type="checkbox"/> Other Qualified Plan</p> <p><input type="checkbox"/> 401(a) <input type="checkbox"/> 401(k) <input type="checkbox"/> 403(b) <input type="checkbox"/> 457</p> <p>Rollover Payment Delivery Options:</p> <p><input type="checkbox"/> Mail the check to me.</p> <p><input type="checkbox"/> Mail the check to my financial institution.</p> <p>To the attention of: _____</p>
<p>Federal Taxation: VRS must withhold federal taxes of 20% on any taxable funds paid directly to you. To have more than 20% withheld, enter the desired whole percentage (optional entry of 21% to 100%): _____%</p> <p>(View the IRS Form W-4R instructions at irs.gov/pub/irs-pdf/fw4r.pdf for information and guidance about your options.)</p>	

26. SSN

PART F. ACCOUNT FOR DIRECT DEPOSIT OF MONTHLY BENEFIT

Your monthly benefit is deposited into the account you identify below. **Note:** If you selected a payout option that includes a PLOP payment, any PLOP funds being paid directly to you also are deposited in the account below.

27. Financial Institution Name

28. Account Type (Choose one)

Checking Savings

29. Financial Institution Account Information

Provide a voided check with the correct routing information and account number. To ensure the information you provide is accurate, you may wish to contact your financial institution.

TAPE VOIDED CHECK WITHIN THE LINES OF THIS BOX

PART G. STATE TAX WITHHOLDING FROM MONTHLY BENEFIT

Choose one option below. You are not required to have Virginia state income tax withheld from your benefit if you do not reside in Virginia.

- Do not withhold state income tax from my monthly benefit. I understand I am liable for paying state income tax on the taxable portion of my benefit and I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate.
- Calculate my state income tax withholding (if any) in accordance with the tax formula as published in the Virginia Income Tax publication based on the following selections:

Exemptions: Personal: _____ Age and Blindness: _____ Total: _____

To withhold an amount in addition to the calculated tax, enter the amount per month: \$ _____

PART H. FEDERAL TAX WITHHOLDING FROM MONTHLY BENEFIT**Federal Filing Status**

- Single or Married filing separately Married filing jointly or Qualifying widow(er)
- Head of household (Check only if you are unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Choose one option below. If you choose to have income tax withheld, complete all three sections for withholding if they apply to you.

- Do not withhold federal income tax from my monthly benefit. I understand I am liable for paying federal income tax on the taxable portion of my benefit and I may be subject to tax penalties under the estimated tax payment rules if my payment(s) of estimated tax and withholding are not adequate. (If I am a U.S. Citizen or resident alien whose benefit payments are delivered outside the U.S. or its possessions, I *must* have federal income tax withheld.)
- Calculate my federal income tax withholding (if any) in accordance with the tax formula as published in IRS Publication 15 based on the following selections:

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.

Complete the items below:

- a) 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 in Other Adjustments item a) for the jobs, less the deductions entered in Other Adjustments item b) for the jobs. Otherwise, enter \$0. a) \$ _____
- b) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise enter \$0. b) \$ _____

Total of amounts from items a) and b): \$ _____

TIP: To be accurate, submit an IRS Form W-4P for all other pensions/annuities. Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. If you have self-employment income, see Form W-4P instructions at [irs.gov/pub/irs-pdf/fw4p.pdf](https://www.irs.gov/pub/irs-pdf/fw4p.pdf).

If you do not enter a value in a) above and this pension/annuity pays the most annually, complete the Claim Dependent and Other Credits section and Other Adjustments a) and b) below. Otherwise, do not complete these items:

Claim Dependent and Other Credits

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 \$ _____

Total of amounts for qualifying children, other dependents, and other credits: \$ _____

Other Adjustments (Optional)

- a) **Other income (not from jobs or pension/annuity payments).** 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. a) \$ _____
- b) **Deductions.** If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on the last page of this application. Enter the result here. b) \$ _____
- c) **Extra withholding.** Enter any additional tax you want withheld from **each** payment. c) \$ _____

INSTRUCTIONS FOR COMPLETING THE APPLICATION FOR SERVICE RETIREMENT

IMPORTANT: VRS will notify your employer when your application is received. Your employer will certify your separation from employment online.

Please read the service retirement information in your *Handbook for Members* before completing your application. You may obtain this handbook from your benefits administrator or visit varetire.org/publications. Visit your online account at myVRS.varetire.org for helpful retirement counseling resources including the Benefit Estimator and Retirement Planner. View the Apply for Retirement page to determine if you can retire online rather than completing this form.

Submit your application to the Virginia Retirement System (VRS) at least 60 days, but not more than four months, prior to your effective date of retirement. This ensures you will receive your first benefit payment the first of the month following your retirement date.

When submitting your application:

- If you intend to purchase service credit with your sick leave payment or convert disability credit to service credit, request your benefits administrator complete the necessary online certification. These options are irrevocable and cannot be reversed.
- If you are on VSDP long-term disability, send the application directly to VRS for certification.

If all required documents are not received by VRS within 60 days of your anticipated retirement date, processing of your application will be delayed. This will affect when your first benefit payment is made. VRS will process your application within 60 days of the date all documents are received.

Considerations:

To receive a monthly benefit, you must terminate all full-time positions and any part-time positions that are covered by VRS. This includes positions that provide retirement benefits in any VRS-administered Optional Retirement Plan or a public college or university Optional Retirement Plan authorized by the *Code of Virginia*. At the time of retirement, you must also terminate work in any part-time positions not covered under VRS for the employer from which you are retiring. If you chose to defer retirement and returned to work in a non-covered part-time position with the same employer and have not incurred a calendar month break in service, you are required to terminate that part-time position before receiving a retirement benefit payment. If the non-covered position was not with the same employer, you are not required to terminate that part-time position before receiving a retirement benefit payment.

If you return to work in a full-time or part-time position covered by VRS for retirement purposes, a VRS-administered Optional Retirement Plan or a public college or university Optional Retirement Plan authorized by the *Code of Virginia*, your monthly retirement benefit must cease.

If you plan to return to work in a part-time position with a VRS-participating employer, your employer must comply with Internal Revenue Service (IRS) rules about in-service distributions. For your employer to be in compliance, you must:

- Terminate all full-time and part-time employment with your current employer before you receive your benefit payment.
- Incur a break in service of at least one full calendar month before returning to part-time employment with your current employer in a position not covered by VRS. This break must occur during a normal work period.

Note: State agencies are considered one employer. Retired state employees may return to work in part-time positions with other state agencies after a full calendar month break in service during a normal work period.

Part A. Your Information

- Box 1-11: Enter your personal information. In Box 2, indicate your retirement date by entering the month and year.
- Box 12: If you check yes, the purchase must be completed while actively employed and no later than your date of termination. Your benefit cannot be calculated until payment for the purchase is submitted to VRS.
- Box 13: If you check yes, be sure your employer has completed the on-line certification for your accumulated sick leave using myVRS Navigator.
- Box 14: If you check yes, be sure your employer has completed the on-line certification for your conversion of disability credits using myVRS Navigator.
- Box 15: You must terminate all full-time and part-time positions that are covered by VRS, including positions covered by an optional retirement plan, to receive a monthly retirement benefit. At the time of retirement, you must also terminate work in any part-time positions not covered under VRS for the employer from which you are retiring. Choose yes or no as appropriate.

Part B. Your Payout Option Selection

- Box 17: Choose only one payout option. Refer to your *Handbook for Members* to determine which option will meet your retirement goal. If you are considering the PLOP, refer to the IRS 402(f) Special Tax Notice on the VRS website to learn more about the tax implications of a lump-sum payment.
- If you select the Advance Pension Option, enter the age at which you want your temporarily increased VRS benefit to be reduced. You must choose an age of at least 62 years, but no later than your normal retirement age as defined by the Social Security Act. **Note:** You must include an estimate from the online Social Security Administration benefit estimator following the instructions on the VRS website at www.varetire.org/apo. This estimate must be less than 12 months old, for the age at which you choose for your VRS benefit to decrease and it should assume no future earnings after leaving your covered position. Additional information about this option will be sent when your application is processed.
- Box 18: If your payout option includes a PLOP payment, indicate number of months on which the amount is to be based. For a 12-month payment, you must work at least one year beyond the date you are first eligible for an unreduced retirement benefit; for a 24-month payment, at least two years; and for a 36-month payment, at least three years. Also indicate whether you intend to roll the PLOP funds into an IRA or other qualified plan.

Part C. Your Survivor's Information (Only if you chose a payout option including a survivor)

Enter your survivor's information as identified on the form. **(Do not complete this section if you chose the Basic Benefit as your payout option.)**

Part D. Your Certification

Carefully read the certification statement. Sign and date the application. Your signature certifies that you will repay benefits in excess of those to which you are entitled. It also certifies that you understand that you cannot return to work in a part-time position working for the employer from which you retired without first incurring the required break in service.

If you are unable to complete the application and you select a payout option other than the Basic Benefit, an individual authorized to make testamentary changes on your behalf may complete your application. Authorized individuals include: a court-appointed Guardian or Committee; an Attorney-in-Fact named in a Durable Power of Attorney; or an individual specifically authorized by a court order to do so. A copy of the document providing such authorization must be presented to VRS for review before the application can be processed. If the application is not signed and dated, it is not valid and a new one must be completed. This may delay your first payment.

If you checked Married or Separated in Part A, your spouse must complete the Spouse Certification section, signing and dating the application on or after the date you sign; otherwise, a new application must be completed. If you are unable to obtain your spouse's signature, contact VRS for additional information.

Part E. Your Direct Deposit of PLOP Payment (Only if you chose a payout including a PLOP payment)

Of the total PLOP payment, you must select the percentage of any non-taxable and taxable funds to be paid to you or rolled directly into another qualified plan. If you select to rollover any/all of your PLOP payment, complete all information about the financial institution and your account. You may have the check sent directly to your financial institution, and you may enter the name of the person who should receive the check, if it is required.

If you want all or a portion of the PLOP rolled over into a qualifying account, but you do not have the account information when completing this application, check the box in Part E to indicate this. VRS will process your retirement and send you another form to obtain the PLOP information.

Note: Your PLOP payment may be: 1) paid directly to you by direct deposit into the account where your monthly benefit will be deposited or 2) paid in a rollover to a traditional individual retirement account (IRA) or another eligible plan that accepts rollovers. A rollover into another eligible plan or IRA allows you to continue to postpone taxation of the funds until they are paid to you. To learn more about the tax implications of your selection, read the IRS 402(f) – Special Tax Notice – Defined Benefit Plans at www.varetire.org/forms.

Part F. Your Direct Deposit Selections

Provide all information about the financial institution to which your monthly benefit will be paid.

Part G. State Tax Withholding Selections

Select how to have state income taxes withheld from your monthly benefit. You also may enter an additional amount to be withheld each month in addition to the calculated taxes.

Part H. Federal Tax Withholding Selections

Select one federal filing status. Complete this section to determine the income taxes withheld from your monthly benefit. For detailed information about federal income tax withholding, view the IRS Form W-4P instructions at irs.gov/pub/irs-pdf/fw4p.pdf. Use the Deductions Worksheet below to determine the amount to be entered into Other Adjustments item b.

- 1 Enter an estimate of your 2022 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 one of:
 - \$25,900 if you're married filing jointly or qualifying widow(er)
 - \$19,400 if you're head of household
 - \$12,950 if you're single or married filing separately2 \$ _____
- 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:
 - \$1,750 if you're single or head of household
 - \$1,400 if you're a qualifying widow(er) or married and one of you is under age 65
 - \$2,800 if you're married and both of you are age 65 or olderOtherwise, enter \$0. See IRS 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 IRS Pub. 505 for more information. 5 \$ _____
- 6 Add lines 3 through 5. Enter the result as Other Adjustments item b 6 \$ _____