

Request for Rollover Guidance

The PERA Act permits inactive members and members on leave of absence from an affiliated public employer as a consequence of the entry into active duty with the armed forces of the United States to withdraw their member contributions, subject to certain conditions. Members may request their contributions be distributed to them by a lump sum refund, which is subject to tax withholding, or members may elect to roll their contributions over into another tax-deferred retirement plan. You may also elect to rollover a portion of your contributions and to receive a lump sum distribution of the remainder. For information regarding rolling over your contributions please see the Member Request for Rollover Guidance available on the PERA website at: www.nmpera.org/for-members/refund-of-contributions/

Information to consider before you decide to rollover your contributions from PERA:

1. You can roll over the distribution to your IRA or to another qualified retirement plan that accepts your rollover. The amount rolled over will not be taxed until you take it from the IRA or qualified retirement plan.
2. If you select IRA or another qualified retirement plan:
 - Your distribution will not be taxed in the current year and no income tax will be withheld.
 - Your rollover will be taxed later when you take it out of the IRA or other qualified retirement plan that accepted your rollover.
 - In general, only the “taxable” portion of your contributions is an eligible rollover distribution. If you have made “after-tax” contributions to PERA, these contributions will be nontaxable when they are refunded to you, and they cannot be rolled over.
3. If you select a Roth IRA:
 - No federal or state tax will be withheld. Any tax liability associated with a Roth IRA will be your responsibility.
 - In general, only the “taxable” portion of your contributions is an eligible rollover distribution. If you have made “after-tax” contributions to PERA, these contributions will be nontaxable when they are refunded to you, and they cannot be rolled over.
4. If you select a partial direct rollover - partial refund:
 - If you select a partial direct rollover - partial refund: You can specify how much you want rolled over (as long as it is eligible for rollover) and how much you want refunded to you. The portion refunded is subject to a default 20% federal tax (or more if Section 4 is completed) and 8.5% State tax withholding. The portion rolled over is subject to the same conditions listed above in (1), (2) and (3).
5. For additional information regarding rollovers and lump sum distributions, refer to IRS Publication 575, "Pension and Annuity Income," and Publication 590, "Individual Retirement Arrangements (IRAs)," at www.irs.gov.

Section 1

Information About You

1. Please fill out this section completely.

Section 2

Information About PERA Member (Former Spouse)

1. Please fill out this section completely.

Section 3

Information About Your Rollover

Direct Rollover

1. Select if you are requesting a direct rollover.
2. Please include your financial institution name and address, the Federal Tax ID Number and retirement plan account number (this information can be obtained from your financial institution).
3. The rollover check will be mailed to the financial institution's address included on the form.

Partial Direct Rollover

1. Select if you are requesting a partial direct rollover.
2. Please indicate what financial institution you would like your refunded portion of your partial rollover to be direct deposited into.
3. You must attach a voided check or a completed direct deposit form from your financial institution. Please DO NOT include a copy of a direct deposit slip.

Section 4

Information About Your Federal Tax Withholding - Partial Direct Rollover/Partial Refund

1. Do not complete this section unless you selected a Partial Direct Rollover in Section 3 and you want **more** than 20% federal income tax withheld on your partial refund. PERA is a qualified retirement plan and the default federal income tax withholding on your partial refund is 20%.
2. Complete IRS form W-4R to have PERA withhold more than the default federal income tax withholding amount on your partial refund. The IRS form W-4R contains Line 1a, Line 1b, Line 2 and a dated signature. Complete all lines on the form using the General Instructions provided by the IRS to help guide you on how to complete the form. If the IRS form W-4R is incomplete, the form is not valid and the default federal withholding rate will apply to your partial refund.
3. PERA cannot withhold an amount less than 20%. Amounts entered on IRS form W-4R Line 2 must be greater than 20 and be a whole number. If an amount less than 20 is entered on IRS form W-4R Line 2, the form is not valid and the default federal withholding rate will apply to your partial refund.

Section 5

Your Certification

1. This section acknowledges your request for a direct rollover or partial direct rollover and that you understand and agree to the stated terms and conditions. You must sign this section in the presence of a Notary.
2. The Notary's stamp must be visible and all information must be accurate (dates, etc.) or your request will be rejected.
3. No correction fluid will be allowed on this section.

Co-Payee Request for Rollover

33 Plaza La Prensa
Santa Fe, NM 87507
(505) 476-9300 phone
(505) 954-0370 fax
www.nmpera.org

Instructions: Please print or type in dark ink. This form must be completed in its entirety and returned to PERA via regular mail, fax, or e-mail to noreply.records@pera.nm.gov for processing.
PLEASE ALLOW 60 BUSINESS DAYS FOR PROCESSING.

Section 1

Information About You

<input type="text"/>		<input type="text"/>	
Social Security Number or PERA ID		Name (First, Middle Initial, Last)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Date of Birth	Phone Number	E-mail Address	
<input type="text"/>		<input type="text"/>	<input type="text"/>
Mailing Address		City	State Zip Code

Section 2

Information About PERA Member (Former Spouse)

<input type="text"/>	<input type="text"/>	<input type="text"/>
Social Security Number or PERA ID	Name (First, Middle Initial, Last)	Date of Birth

Section 3

Information About Your Rollover

☐ **Direct Rollover** - Please transfer the tax-deferred balance in my PERA account to an agent or custodian of:
☐ an IRA, ☐ a Roth IRA or ☐ another qualified retirement plan.

A rollover into a savings account is not allowed by the IRS. The following must be completed if a rollover was selected:

<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Financial Institution with your IRA or qualified retirement plan	Retirement Plan Account Number	Retirement Plan Federal Tax ID Number
<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing Address	City	State Zip Code
<input type="text"/>		
Contact Person		

☐ **Partial Direct Rollover** - Please transfer this portion, \$_____, of my tax-deferred contributions to an agent or custodian of:
☐ an IRA, ☐ a Roth IRA or ☐ another qualified retirement plan.

☐ **Partial Refund** - Please complete the Financial Institution information below for Direct Deposit of the remainder of the funds **and** provide a copy of a voided check or direct deposit form:

<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Financial Institution	Account Number	Routing Number

Section 4

Information About Your Federal Tax Withholding

-Skip this section if you selected a Direct Rollover in Section 3. Section 4 only applies to individuals that selected a Partial Direct Rollover in Section 2.

-Do not complete this section unless you selected a Partial Direct Rollover in Section 3 and you want **more** than the default 20% federal income tax rate withheld from your Partial Refund.

-To have PERA withhold more than the default 20% federal income tax, complete the IRS form W-4R on the next three pages.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Section 5

Information About Your Notary & Certification

*Notary stamp must be visible

A notarized signature is required for the co-payee before PERA can process a rollover

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Co-payee's Signature

Date

State of _____)
County of _____) SS:
_____)

Signed and sworn to (or affirmed) before me by _____ on this _____ day of _____, _____.

Co-payee's Name (please print) to be completed by Notary

My Commission Expires _____

Notary Public Telephone Number _____ - _____ - _____

Signature of Notary _____