



# APPLICATION FOR REFUND OF PLAN CONTRIBUTIONS – TEACHERS



## (Refund Request Important Information for Members)

Please use this Application for Refund of Plan Contributions if you are a former member of the District of Columbia Teachers' Retirement Plan and have been separated from employment for at least 31 days.

If you have less than 5 years of eligible teaching service, you are required to be refunded your Plan contributions. You are not eligible for a deferred retirement annuity. If you have 5 years or more of eligible teaching service, you are vested in a deferred retirement annuity and you may leave your contributions in the Plan and elect to receive a deferred retirement annuity beginning at age 62 instead of taking a refund. Regardless of whether you are vested when you separate from service, if you are reappointed to DCPS to a position covered under the Plan, you may buy back your prior refunded service credit by re-depositing the amount of your refund (plus any required interest).

**Election of Refund Payment:** You must decide how your refund should be paid: (i) directly to you or (ii) a direct rollover to an IRA or another employer plan. Depending on your date of hire, your refund may consist of post-tax and/or pre-tax contributions. Although a refund of post-tax contributions is not taxable, you still may be interested in rolling over your post-tax contributions so future investment earnings on your post-tax contributions grow tax-free. If your Plan contributions include pre-tax contributions, you may be interested in doing a rollover to defer taxation. Any voluntary purchase of service contributions you may have made to the Plan may consist of pre-tax and/or post-tax payments. *Before requesting a rollover to an IRA or another employer's plan, you must make sure that IRA or plan will accept your rollover from this Plan (a governmental defined benefit plan).*

To request a balance of your Plan contributions and their tax treatment, you may need to submit to DCRB the Contribution Balance Request Form, which is available on DCRB's website. If you are an active member and have not separated, contact the District of Columbia's Office of Pay and Retirement Services ((202) 741-8660) for your contribution balance.

### Completing the Application

**Section I: Member Information:** Enter your personal information as requested.

**Section II: Notice to Member:** Please read the Special Tax Notice Regarding Rollovers before electing your distribution option and/or consult with a tax advisor if necessary. DCRB does not provide tax advice or recommendations regarding which distribution option may be appropriate for you.

**Section III: Distribution Options:** Post-tax contributions are those contributions on which taxes have already been paid whereas pre-tax contributions have not been taxed and are taxed when you receive them. Your contributions may be a combination of post-tax and pre-tax.

If you want to receive your total refund amount in a check made out to you, elect the first option. DCRB will withhold the 20% mandatory federal tax from any taxable portion (if you are a District of Columbia resident DCRB will also withhold the mandatory District tax). You will have 60 days to decide if want to rollover your payment yourself.

If you want DCRB to rollover the total amount of your refund in a direct rollover, elect the second option. Any taxes that would have been owed if you received the payment will not apply at this time. You will have to provide the financial institution's Letter of Acceptance of the rollover in addition to this Application.

If you want DCRB to rollover only a portion of your refund in a direct rollover and issue you a check for the remaining portion, elect the third option. Designate the percentage you want rolled over by DCRB. DCRB will withhold the 20% mandatory federal tax from any taxable portion (if you are a District of Columbia resident DCRB will also withhold the mandatory District tax) you elect to have paid to you rather than rolled over. Provide the name of the financial accepting the rollover and include their Letter of Acceptance of the rollover to this Application.

**Section IV: Member Authorization:** Sign and date the Application in front of a Notary Public and return the original notarized Application and required documents to DCRB. Make a copy for your records.

Revised 10/2016

## To Rollover or Not to Rollover?

### 100% Pre-Tax Employee Contributions

If your refund consists of pre-tax contributions, you may want to consider rolling over your refund into an IRA or your new employer plan to defer immediate taxation.

If you choose to receive your refund payment directly:

- DCRB will issue your refund check payable to you;
- DCRB will be required to withhold 20% for federal tax withholding (if you are a District resident DCRB will also be required to withhold District taxes at the highest tax rate);
- If you are not age 55 at the time of your separation or will not turn age 55 in the year you separated, you will be subject to a 10% early distribution tax. You are responsible for reporting this information when you file your tax return.
- You may also have to pay applicable state and local taxes on your payment when you file your tax return.

**Example:** Refund amount is \$12,000 and all pre-tax contributions. DCRB will withhold \$2,400 for Federal taxes. If you are not age 50 [55] in the year you left your job, you will also pay \$1,200 to the IRS when you file your tax return.

To defer immediate taxation on your taxable refund payment, you may directly rollover your refund into a traditional IRA (§ 408 of the tax code) or eligible employer plan (§ 401(a) defined contribution plan or defined benefit plan, § 401(k) plan, § 403(b) plan, § 457(b) governmental plan) only if the IRA or employer plan will accept your payment.

For a direct roll over, DCRB will send you a check that is payable to the financial institution accepting your payment for you to transmit to the financial institution.

### 100% Post-Tax Employee Contributions

If your refund is 100% post-tax contributions, direct payment of your refund to you will not be taxable. However, you will have up to 60 days after receipt of your payment to deposit your refund amount into a Roth IRA (§ 408A of the tax code) or your new employer plan as an indirect rollover (this is separate from the annual individual contributions you are allowed to make to an IRA). You may request a direct rollover of your refund payment from DCRB into a Roth IRA only if DCRB receives a Letter of Acceptance from the financial institution that it is a Roth IRA that will accept your payment. If a Letter of Acceptance is not provided or is insufficient, DCRB will pay you directly.

### Mix of Post-Tax and Pre-Tax Employee Contributions

If your refund consists of both pre-tax and post-tax contributions, you may want to consider rolling over only the pre-tax portion to defer taxation and receiving the post-tax portion directly or rolling over the post-tax portion into a Roth IRA.

**Example #1:** Refund amount is \$12,000 of which \$10,000 is pre-tax contributions and \$2,000 is post-tax contributions. You may rollover over the \$10,000 pre-tax portion into a traditional IRA and receive directly the \$2,000 post-tax portion. You will incur no taxes.

**Example #2:** You may rollover over the \$10,000 pre-tax portion into a traditional IRA and the \$2,000 post-tax portion into a Roth IRA.

**It is your responsibility to make sure the IRA or employer plan will accept your direct rollover payment from DCRB.** - You must provide a Letter of Acceptance to DCRB from the financial institution which will accept your payment stating that it is an IRA or other eligible plan that will accept your refund payment. If a Letter of Acceptance is not provided or is insufficient, DCRB will pay you directly and you will be taxed accordingly.



District of Columbia Retirement Board (DCRB)
Benefits Department

900 7th Street, NW, 2nd Floor • Washington, DC 20001
Telephone: (202) 343-3272 • Toll Free: (866) 456-3272 • Fax: (202) 566-5001

Application for Refund of Plan Contributions
District of Columbia Teachers' Retirement Plan

Teachers who separate from service prior to retirement may receive a refund of their Plan contributions (D.C. Code § 38-2021.09(a)). By receiving a refund of your Plan contributions, you forfeit all credited service and any rights you may have had to a deferred retirement annuity. Plan contributions include mandatory employee contributions and any voluntary purchase of service contributions. Plan contributions do not include employer contributions or earnings.

This Application is to be used to request a refund of Plan contributions by members who have been separated from employment and off the payroll of the District of Columbia Public Schools (DCPS) for at least thirty-one (31) days. DO NOT SUBMIT THIS APPLICATION UNTIL YOU HAVE BEEN SEPARATED FOR AT LEAST 31 DAYS.

Before completing this Application carefully read and follow the instructions. To avoid delay in processing your refund, complete the Application in full and return the original notarized Application and all required documents to DCRB. Processing will take approximately sixty (60) to ninety (90) days from the date this Application and all other required documents are received by DCRB.

Section I: Member Information (Please Print)

Name: \_\_\_\_\_
First Middle Last

Separated: [ ] DCPS Teacher [ ] Charter School Teacher Date of Separation: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of Birth: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Street Address: \_\_\_\_\_
(Required - physical location of your home) Street City State Zip Code

Mailing Address for Refund Check if Different from Street Address:
\_\_\_\_\_
Street City State Zip Code

Phone Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Email Address: \_\_\_\_\_

Did you Previously Receive a Refund of your Plan Contributions? [ ] Yes [ ] No
If YES, state the Date of Refund: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Amount of Refund: \$ \_\_\_\_\_

Did you Purchase Service Time? [ ] Yes [ ] No
If YES, state the Type and Time Purchased \_\_\_\_\_
If YES, Please include any supporting documentation with this application.

If you Are or Have Been Divorced at Any Time, Are you a Party to a Qualified Domestic Relations Order (QDRO)?
[ ] Yes [ ] No
If YES, include a copy of any QDRO (your court order may prohibit your refund of contributions).



## Section II: Notice to Member

Please read the attached **Special Tax Notice Regarding Rollovers** before electing your distribution option.

**By receiving a refund, you are forfeiting all service credit including any rights to any future retirement annuity attributable to that service credit.**

Once you receive a refund or make a rollover from this Plan, you are not entitled to any future retirement annuity based on your forfeited service credit unless you are reappointed to DCPS and buy back your prior service credit by making a redeposit of your refunded/rolled over amount, plus any required interest. You should contact DCRB immediately if you are reappointed and need to make a redeposit.

## Section III: Distribution Options

I have read the **Special Tax Notice Regarding Rollovers** and elect one of the following :

**I elect the Plan to pay 100% of my refund to me.** I understand that a 20% federal income tax will be withheld by DCRB from any taxable portion of my distribution that is greater than \$200. I may also be subject to an additional 10% early distribution income tax if I am under age 59 ½ and an exception does not apply. Additionally, if I am a District of Columbia resident, I am subject to mandatory tax withholding at the highest District tax rate on any taxable portion of my distribution. After a refund check is issued, any adjustments to federal and state or local income taxes paid are my responsibilities.

**I elect a direct rollover of 100% of my refund from the Plan to an Individual Retirement Account (IRA) or to an eligible Employer Plan listed below.** No federal income tax is required to be withheld on any taxable portion of the distribution.

**I elect a partial direct rollover of my refund from the Plan to an Individual Retirement Account (IRA) or to an eligible Employer Plan listed below.** I understand that a 20% federal income tax will be withheld by DCRB on the taxable portion of my distribution paid to me, and that I may be subject to an additional 10% early distribution income tax if I am under age 59 ½ and an exception does not apply. Additionally, if I am a District of Columbia resident, I am subject to mandatory tax withholding at the highest District tax rate on any taxable portion of the distribution paid to me. After a refund check is issued, any adjustments to federal and state or local income taxes are my responsibilities.

Portion to be rolled over: \_\_\_\_\_% of pre-tax contributions\*  
\_\_\_\_\_ % of post-tax contributions

\*If no percentage is indicated, DCRB will automatically include 100% of your pre-tax contributions in your partial direct rollover and will make any after-tax monies payable to you.

*Your full or partial direct rollover will be made via a check made payable to the applicable financial institution or employer plan and sent to you for transmittal.*

*Financial Institution Information (IRA/Plan): (provide only when electing a full or partial direct rollover and include the Financial Institution's Letter of Acceptance of the rollover)*

Financial Institution: \_\_\_\_\_

## Section IV: Member Authorization

I elect to receive a distribution of my Plan contributions as indicated above and understand that I am forfeiting any rights that I may have to a future retirement annuity. I have read the Special Tax Notice Regarding Rollovers and the other information provided above. I further understand that my election for this refund/rollover is irrevocable once this signed Application is received by DCRB. I certify, under penalty of perjury, that the information herein is true and accurate to the best of my knowledge.

Member Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Section V: Certificate of Acknowledgment (Notary Public Verification)

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

Before me, a Notary Public, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that s/he executed the same purposes and consideration therein expressed.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Commission Expires

(SEAL)

**Return your Original Signed Notarized Application with Required Documents to:**

District of Columbia Retirement Board  
Member Services Center  
900 7th Street, NW, 2nd Floor  
Washington, DC 20001

**For DCRB Use Only:**

Date Received: _____	Name of Analyst: _____		
Termination Date: _____	Documents Received: _____		
Processed Date: _____	Vested: _____	Rollover: _____	Pre-Tax: _____
Mandatory Withholding: _____	10% Penalty Tax Exception: _____		