

FIREFIGHTERS' RETIREMENT SYSTEM
PO Box 94095, Capitol Station, Baton Rouge, LA 70804-9095
Phone: (225) 925-4060 Fax: (225) 925-4062

REQUEST FOR WITHDRAWAL FROM DROP/IBO ACCOUNT

MEMBER'S STATEMENT (To be completed by applicant)

LAST NAME	FIRST NAME	MIDDLE NAME	SOCIAL SECURITY NUMBER	
STREET ADDRESS OR POST OFFICE BOX NUMBER				PHONE NUMBER
CITY	STATE	ZIP CODE	Today's Date	BIRTH DATE

GENERAL INSTRUCTIONS

CAUTION: Some people have been surprised by large tax bills after rolling over funds from FRS and then taking a withdrawal or distribution. Many tax rules apply when a person takes a distribution of funds directly from FRS or rolls over funds from FRS to another qualified retirement plan or IRA. Those rules are explained in the attached brochure. Two of the many rules that might apply to you in a rollover situation are first: (1) When DROP funds are rolled over from FRS to another qualified retirement plan or IRA, the funds will probably lose the exemption from state tax and will probably be subject to both state and federal tax when withdrawals or distributions are taken from the receiving retirement plan or IRA, and (2) Any such withdrawal or distribution will probably be subject to an additional 10% penalty tax if the withdrawal or distribution is taken from the receiving plan or IRA before you attain age 59½. You must read the attached IRS brochure and you are strongly encouraged to seek advice from a tax advisor prior to making a withdrawal or rollover of DROP funds from FRS.

No withdrawal is required until you reach age 70½. Do not complete this form if you do not wish to make a withdrawal from your DROP/IBO account at this time. Amounts withdrawn from your DROP/IBO account are subject to federal income tax in the year you receive them. Under the provisions of the Federal Unemployment Compensation Act of 1992, the method of withdrawal you select will determine if the amount is eligible for rollover to an IRA or other qualified plan and subject to mandatory federal income tax withholding of 20%. You must read the "IRS Federal Tax Notice 2009-68: Special Tax Notice Regarding Plan Payments" before making your selection of the method of withdrawal. If you wish to rollover the amount to an IRA or other qualified plan, the rollover must be made directly from FRS to the other financial institution in order to avoid the mandatory withholding of 20%. Internal Revenue Service regulations require minimum distributions to begin being paid to you by April 1st of the calendar year after you reach age 70½. FRS will begin the distributions in the year after you turn age 70½ by sending you an annual check. These funds are not eligible for rollover to an IRA or other qualified plan. Withdrawals from FRS are not subject to Louisiana Income Tax.

I acknowledge that I have read these instructions and the attached IRS brochure titled "Safe Harbor Explanation" (IRS Notice 2009-68).

CERTIFICATION – WAIVER OF 30-DAY NOTICE PERIOD

I HEREBY ELECT FOR WITHDRAWALS FROM MY DROP/IBO ACCOUNT TO BE MADE IN THE MANNER SPECIFIED ON THE REVERSE OF THE "REQUEST FOR WITHDRAWAL FROM DROP/IBO ACCOUNT" FORM. I UNDERSTAND THAT ALL DISBURSEMENTS FROM THE DROP/IBO ACCOUNT ARE SUBJECT TO FEDERAL INCOME TAX IN THE YEAR THAT THEY ARE RECEIVED BY ME AND THAT FRS WILL REPORT THE DISBURSEMENTS TO THE IRS.

I HEREBY CERTIFY THAT I RECEIVED FROM THE FRS PLAN ADMINISTRATOR A COPY OF THE SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS (IRS NOTICE 2009-68). I READ AND UNDERSTAND THE NOTICE. I DO NOT WISH TO WAIT UNTIL THE 30-DAY NOTICE PERIOD ENDS BEFORE MY DROP/IBO WITHDRAWAL SELECTION IS PROCESSED. I HEREBY AFFIRMATIVELY ELECT TO WAIVE THE 30-DAY NOTICE PERIOD. (MUST CHECK BOX OR WITHDRAWAL/ROLLOVER WILL NOT BE PROCESSED FOR 30 DAYS)

Signature:

Date:

METHOD OF WITHDRAWAL

Disbursements from the DROP/IBO account will be made on the first day of each month in the same manner you receive your monthly retirement benefit (if a weekend or holiday, the disbursement will be made the following workday). Requests for changes in the type of disbursement or amount must be made in writing and must be received by FRS by the fifteenth of the preceding month. The method of disbursement you select will determine if the amount is eligible for rollover to an IRA and subject to mandatory federal income tax withholding of 20%. By completing a rollover you may lose any exemption regarding Louisiana Income Tax and you may lose your exemption regarding the additional 10% IRS penalty depending on the type of plan you rollover into. You are strongly advised to consult with a tax professional prior to completing any withdrawals or rollovers.

- A. ROLLOVER** – I elect to rollover \$ _____ of my DROP/IBO account to the financial institution named below.
An Acceptance Letter from the financial institution must be attached to this form.

Institution Name:
Account Number:
Mailing Address:
City, State, Zip Code:
Name of Contact Person:
Area Code/telephone number:

- B. LUMP SUM** – I elect to be paid the entire balance in a lump sum payment of my DROP/IBO account on the next available disbursement date. I understand that it may take between 30 to 60 days to process my payment. I understand this payment is subject to 20% federal income tax withholding and that this information will be supplied to the IRS.

- C. ONE TIME WITHDRAWAL** – I elect to be paid a one-time amount of \$ _____ I understand that this payment is subject to 20% federal income tax withholding and that his information will be supplied to the IRS.

- D. MONTHLY WITHDRAWAL** – I elect to be paid a monthly amount of \$ _____ to be paid each month until all funds in the account are disbursed or until I terminate the monthly withdrawal in writing. If the total amount will be disbursed in less than 10 years based on the amount of the monthly withdrawal, the monthly withdrawals are eligible for rollover and are subject to mandatory federal income tax withholding of 20%. If the total amount will be disbursed in more than 10 years, the monthly withdrawals are not eligible for rollover and are not subject to the mandatory 20% withholding. Instead, for payments exceeding 10 years, an IRS Form W4-P showing your withholding selection must be attached to this form. If you do not attach a Form W4-P, then your withholding will automatically be treated as married with three withholding allowances.

- E. MONTHLY ANNUITY** – I elect to be paid a monthly level amount to be paid monthly over my expected lifetime. This method is similar to an annuity payment and the amount of the monthly withdrawal will be determined by the retirement system. This type of disbursement is not eligible for rollover and is not subject to the 20% mandatory federal income tax withholding. Instead, for this payment election, an IRS Form W4-P showing your withholding selection must be attached to this form. If you do not attach a Form W4-P, then your withholding will automatically be treated as married with three withholding allowances.

- F. ANNUAL WITHDRAWAL** – I elect to be paid an annual amount of \$ _____ to be paid once a year on the disbursement date in the month of _____. If the total amount will be disbursed in less than 10 years based on the amount of the annual withdrawal, the annual withdrawals are eligible for rollover and are subject to mandatory federal income tax withholding of 20%. If the total amount will be disbursed in more than 10 years, the annual withdrawals are not eligible for rollover and are not subject to the mandatory 20% withholding. Instead, for payments exceeding 10 years, an IRS Form W4-P showing your withholding selection must be attached to this form. If you do not attach a Form W4-P, then your withholding will automatically be treated as married with three withholding allowances.

Signature:

Date: