



Plan 1 or Plan 2 Contribution Withdrawal

Plan 1 or Plan 2 members use this form to request a refund of retirement contributions.

Send completed form to:
Department of Retirement Systems
PO Box 48380 • Olympia, WA 98504-8380
Phone 800.547.6657 • TTY: 711
Fax 360.664.7975 • www.drs.wa.gov

Read This

- ✓ **This is not a retirement application for a pension benefit.** This form allows Plan 1 and Plan 2 members to withdraw their own contributions. If you are retiring or a member of Plan 3, see the web resources on the back of this form.
- ✓ **You must meet two requirements to withdraw your contributions:**
 - You are separated from service
 - This form is complete and notarized
- ✓ If you have 5 or more years of service credit in your plan, you qualify for a lifetime monthly pension benefit when you retire. **Withdrawing your contributions will forfeit this benefit.**
- ✓ **DRS will apply withholding to your withdrawal as the IRS requires.**
Your actual taxes owed could vary.

See the back of this form for more information about your withdrawal, including how long it takes.

Member Information

Name (Last, First, Middle)		Social Security Number	
Mailing Address		City	State ZIP
Phone Number	Date Employment Ended (mm/dd/yyyy)	Employer	
Email Address			
Retirement System (check all that apply)			
<input type="checkbox"/> Public Employees' Retirement System (PERS)	<input type="checkbox"/> Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)		
<input type="checkbox"/> School Employees' Retirement System (SERS)	<input type="checkbox"/> Public Safety Employees' Retirement System (PSERS)		
<input type="checkbox"/> Teachers' Retirement System (TRS)	<input type="checkbox"/> Washington State Patrol Retirement System (WSPRS)		

Withdrawal Option 1

<input type="checkbox"/> Option 1 – Direct Payment: Pay my contributions and interest directly to me, minus the 20% IRS tax withholding for tax-deferred contributions. If you choose not to use direct deposit, we'll mail payment to the address you provide.
If you chose the Option 1: Direct Payment, skip withdrawal options 2 and 3 and complete the Applicant Signature section with a notary before submitting this form.

Direct Deposit Authorization (optional - complete for direct payments only)

Name of Financial Institution	Routing Number (bottom left number on checks)
Account Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings	Account Number (after the routing number on checks)

Please complete the other side of this form as well.



Rollover options: You are responsible for making sure the rollover institution you name will accept the funds. If your rollover institution rejects the funds, DRS will issue your withdrawal as a direct payment (Option 1). If you rollover a specific amount, any remaining balance will be paid directly to you. Direct payments are subject to 20% IRS tax withholding. If a minimum distribution is required for your age, DRS will issue this to you as a direct payment.

Withdrawal Option 2			
<input type="checkbox"/> Option 2 – Tax-Deferred Rollover: You can choose to roll over all or a portion of your tax-deferred contributions plus interest. Any remaining balance will be issued to you as a direct payment.			
Account Type (select one)		Rollover Amount	
<input type="checkbox"/> Traditional IRA <input type="checkbox"/> Inherited IRA <input type="checkbox"/> Eligible Retirement Plan		<input type="checkbox"/> 100% or <input type="checkbox"/> Specific Amount \$ _____	
Name of Rollover Institution	Account Number	Phone Number	
Financial Institution Branch Mailing Address	City	State	ZIP

Withdrawal Option 3			
<input type="checkbox"/> Option 3 – After-Tax Rollover: Not common - Verify you have after-tax funds in your online account. You can choose to roll over all or a portion of your after-tax contributions. Any remaining balance will be issued to you as a direct payment.			
Account Type (select one)		Rollover Amount	
<input type="checkbox"/> Nonspouse Roth IRA <input type="checkbox"/> Nonspouse Inherited Roth IRA		<input type="checkbox"/> 100% or <input type="checkbox"/> Specific Amount \$ _____	
Name of Rollover Institution	Account Number	Phone Number	
Financial Institution Branch Mailing Address	City	State	ZIP

Applicant Signature (notarization required for all withdrawal types)			
I am requesting a withdrawal of my Plan 1 or Plan 2 retirement contributions. My signing in the presence of a notary means I understand and agree to the following: <ul style="list-style-type: none"> • All information on this form, including my full name, address and Social Security number, is correct. • This withdrawal will set my retirement service (time worked) to zero. If I am vested (5 or more years of service credit), this withdrawal forfeits my right to a pension benefit. If I return to DRS-covered membership, I will have the option to repurchase and restore this service credit. • Any non-taxed or after-taxes funds not specified in options 1-3 will be paid directly to me. Waiver of 30 Day Notice Period: The IRS requires that you be given 30 days to review your options for withdrawal. Your signature here indicates you have reviewed your options and waive this 30 day hold.			
Applicant Signature		Social Security Number	Date (mm/dd/yyyy)
State of	County of	Seal or Stamp	
Date Signed or Attested Before Me	Date My Appointment Expires		
Notary Signature			
Notary Name			
Notary Title			

How to Complete this Form

Withdrawal options: With Direct Payment Option 1, DRS issues the payment to you. The next two withdrawal options are rollovers and both allow you a partial direct payment if you specify the amount to rollover. If you use option 2 or 3 with a specific amount, you can complete the direct deposit section on page one.

Option 1 – Direct Payment: If you withdraw tax-deferred contributions and interest and do not roll the funds into a qualified pension plan, DRS withholds 20% for income tax. If you are younger than 59½ when you cash out tax-deferred contributions, the IRS could require you to pay an additional 10% for withdrawing early. Consult a tax advisor for more information.

Direct Deposit Authorization: Complete this optional section if you selected withdrawal option 1 or if you are only rolling over a portion of your account balance. Direct deposit allows DRS to deposit your funds electronically, which can be faster and simpler than a mailed payment. Do not complete this section if you selected the 100% Rollover option.

By completing the direct deposit section, you authorize that: DRS will transfer the full amount of your withdrawal, after required IRS withholding, to the designated financial institution for deposit. Additionally, you authorize the designated financial institution to refund DRS any payments made in error. Due to federal restrictions, we cannot transfer funds electronically if the funds will be immediately credited to an account outside the United States.

Rollover options: You are responsible for making sure the rollover institution you name will accept the funds. Your account is a 401(a). If your rollover institution rejects the funds, your distribution payment will be issued to you by direct payment that deducts any required tax withholding. Most rollovers fall under Option 2.

Option 2 – Tax-Deferred Rollover: If you enter a specific amount for the roll over, any additional funds will be treated as a direct payment to you. DRS would pay the remaining balance, minus 20% IRS tax withholding (if applicable), directly to you. The amount sent to you will also include any required minimum distribution amount.

Option 3 – After-Tax Rollover: If you rolled funds in, or your contributions were already taxed (not common) your rollover out would use the same tax status the funds originally had. If you are unsure, your online account will indicate which type of funds you have.

Applicant Signature: This withdrawal request must be signed in the presence of a notary. Wait until you are with the notary to sign the form.

Read this section carefully. We want you to be fully aware of any pension rights you could be losing by completing this withdrawal. This is especially important if you have five or more years of service credit. See the back of this form for answers to additional questions you might have.

What is service credit? Service is one factor used in calculating retirement benefits. The total amount of service credits you have earned may be the same or less than the months you have worked in your retirement eligible position as it depends on the number of hours you work each month. Withdrawing your pension contributions prior to retirement sets your service credit amount to zero. Check your service credit at drs.wa.gov/oaa.

Common Questions

- ? You've mentioned pension forfeits a few times in this form. What does that actually mean?** Do you have five years of service credit in your plan? If so, you're vested! That means you have earned a lifetime monthly benefit at retirement age — unless you withdraw your contributions. Withdrawing your contributions using this form will take your service time down to zero and forfeit any right to a pension benefit. Check your service credit or estimate your benefit at drs.wa.gov/oaa.
- ? If I withdraw my contributions and later return to state service, can I buy back my service credit?** Yes, but payment deadlines do apply and the cost can be significant depending on how long you wait. If you return to membership, you have the right to repurchase and recover your previously withdrawn service credit. See your plan information for more.
- ? Do I need to withdraw my contributions if I separate employment before retirement?** It depends. If you separate from employment, you can either withdraw your funds, retire if you meet eligibility requirements or leave your funds in the plan if you are vested for a future retirement. You can also leave your funds in the account if you have a balance of more than \$1,000.
- ? When will my withdrawal be processed?** This step can take up to 90 days from the date your employment ended. Your payment cannot be sent to you until your employer sends DRS your separation information.
- ? Can I also withdraw my employer's contributions?** No. Employer and state contributions are not eligible for this withdrawal. These monies remain in the pension trust fund.
- ? How will I report this income to the IRS?** DRS will send you a 1099-R IRS tax form in January of the following year. It's important to keep your mailing address updated with us.

If you are inactive with a balance of less than \$1,000, DRS is required to close your account and return the funds to you.

Web resources

Looking to retire? drs.wa.gov/life/retire

Plan 3 withdrawals drs.wa.gov/login

Plan information drs.wa.gov/plans

Important Considerations:

Taxes: The law requires DRS withhold 20% federal income tax on all tax-deferred contributions and interest paid directly to you. If you are younger than age 59½, you might also have to pay an additional 10% for withdrawing early when you file your taxes. The IRS can tell you whether this would apply to you. Taxes aren't withheld on qualified rollovers.

Employer notification: Before DRS can release your funds, your employer must report your separation date to us.

Disability: If you ended employment because of an illness or disability, contact DRS before withdrawing. You might be eligible for a disability retirement.