

Bismarck Firefighter's Relief Association

Bismarck, North Dakota

WITHDRAWAL OF MEMBER CONTRIBUTIONS

PLEASE READ BELOW FOR IMPORTANT TAX INFORMATION
Your Decision May Affect the Amount of Federal Income Tax You Owe

Refund by Direct Rollover to Institution/Trustee named below. Previously taxed contributions will be paid to me.

Refund by Direct Rollover \$_____ (must be at least \$500) to Institution/Trustee named below. Balance will be paid to me. I understand 20% of the taxable amount will be withheld for income tax.

Refund total amount of account to me. I understand 20% of the taxable amount will be withheld for income tax.

Member Information

Institution/Trustee (for Direct Rollover)

Social Security Number

Name of Financial Institution

Name

Representative

Address

Address

City, State, Zip

City, State, Zip

(_____)_____
Telephone Number

(_____)_____
Telephone Number

BOTH SIGNATURES BELOW MUST BE ACKNOWLEDGED BY A NOTARY

Member's Signature _____ Date: _____
If Member is Married, Spouse Must Sign Below

Spouse's Signature _____ Date: _____

State of North Dakota

County of Burleigh

I hereby certify that the above and foregoing application and release was executed by _____ on

this _____ day of _____, _____, Subscribed and sworn to before me _____,

My commission expires _____.

Notary Public

SPECIAL TAX NOTICE REGARDING REFUND PAYMENTS

YOUR DECISION MAY AFFECT THE AMOUNT OF FEDERAL INCOME TAX YOU OWE

The Bismarck Firefighter's Relief Association is a qualified retirement plan as defined under section 401(a) of the Internal Revenue Code. A refund is a total distribution of the member's contributions. If a refund is chosen, the matching contributions and interest are forfeited. You must report this refund to the IRS on your annual income tax form. **Your decision may affect the federal income tax you owe.**

YOU MAY CHOOSE EITHER:

A DIRECT ROLLOVER

- A rollover is a transfer of **taxable** funds to an Individual Retirement Arrangement (IRA) or another qualified employer plan.
- The taxable funds you roll over must be at least \$200.
- If you elect to have only part of your refund rolled over, the taxable funds you roll over must be at least \$500.
- Your refund will not be taxable in the current year, and the Bismarck Firefighter's Relief Association will not withhold any income tax.
- Your refund will be paid directly to your IRA or qualified employer plan.
- We must have written authorization from the new Trustee or Plan Administrator that they will accept the rollover.
- These funds will be taxable when you take them out of the IRA or qualified employer plan.
- Previously-taxed contributions will be paid directly to the member.

A REFUND PAID DIRECTLY TO YOU

- 20% of the taxable portion of your account will be withheld for income tax and paid to the IRS, as required by law.
- If you receive the refund before age 59 ½, you may also have to pay an additional 10% tax.
- Your refund will be taxed in the current year unless you roll it over.
- After receiving a refund, you have the option of rolling over the funds to an IRA or qualified employer plan within 60 days. If you want to roll over 100% of the refund, you must replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and not rolled over. The amount rolled over will not be taxed until you take it out of the IRA or qualified employer plan.
- It is the member's responsibility to pay any additional taxes that may be owed. The Bismarck Firefighter's Relief Association will not withhold taxes for refunds less than \$200.
- Previously taxed contributions will be paid directly to the member.

The rules described above are complex and may contain conditions and exceptions that are not included in this notice. Please consult with a professional tax advisor or the IRS before you take a refund from the Bismarck Firefighter's Relief Association.