

Defined Benefit Supplement Application for Retired Members—Instructions

This application is for Defined Benefit members who have retired from service and have a balance in their Defined Benefit Supplement account. Complete this application to receive your balance as a lump-sum payment, a monthly annuity, to change previous Defined Benefit Supplement payment instructions—or to change previous payment instructions you made on your *Service Retirement Application* and it has been more than 30 days since the date your first benefit payment was issued.

SECTION 1: MEMBER INFORMATION

Be sure your name on your application matches your name as it appears on your Social Security card. If you know it, include your Client ID instead of your Social Security number. Include your email address and home and alternate telephone numbers so we can contact you if we have questions.

SECTION 2: DEFINED BENEFIT SUPPLEMENT ELECTION

If you elected the **Member-Only Benefit** at retirement, elect one of the following three choices:

Defined Benefit Supplement Balance of Any Amount

1. **Lump-sum payment** is a one-time payment of the total amount in your Defined Benefit Supplement account, which can be received as either a direct payment or a rollover to a qualified plan, such as CalSTRS Pension2.

Your Choices if Your Balance is \$3,500 or More:

2. **Annuity payments**

Period-Certain Annuity provides a monthly payment for any number of whole years from three to 10 years. The monthly amount you receive is based on the number of years over which the annuity is paid—the lower the number of years, the higher the amount you receive. A period-certain annuity of three to nine years is eligible for rollover to another qualified plan; however, a period-certain annuity of 10 years is not eligible for rollover. If you die before the annuity period ends, the remaining payments will be paid to your one-time death benefit recipient.

Lifetime Monthly Annuity provides a monthly payment for your lifetime. Lifetime annuities must be paid directly to you and cannot be rolled over to a qualified plan. Because you elected the **Member-Only Benefit** for your lifetime monthly retirement benefit, if you would like to receive lifetime monthly payments from your Defined Benefit Supplement account, you must elect the **Member-Only Annuity**. Any balance remaining upon your death will be paid to your one-time death benefit recipient.

3. **Combination of lump-sum payment and annuity payment.** You can receive a portion of your balance as a lump-sum payment and the remaining amount as an annuity. To elect this choice, you must have at least \$3,500 remaining in your Defined Benefit Supplement account after your lump-sum payment is made. If you choose the combination lump-sum and annuity, indicate the amount of your lump-sum payment and one of the annuity choices.

If you elected a **Modified Benefit**—you elected an **option beneficiary at retirement** or if you elected an **option beneficiary before retirement**—elect one of the following three choices:

Defined Benefit Supplement Balance of Any Amount

4. **Lump-sum payment** is a one-time payment of the total amount in your Defined Benefit Supplement account, which can be received as either a direct payment or a rollover to a qualified plan, such as CalSTRS Pension2.

Your Choices if Your Balance is \$3,500 or More:

5. **Annuity payments**

Period-Certain Annuity provides a monthly payment for any number of whole years from three to 10 years. The monthly amount you receive is based on the number of years over which the annuity is paid—the lower the number of years, the higher the amount you receive. A period-certain annuity of three to nine years is eligible to rollover to another qualified plan; however, a period-certain annuity of 10 years is not eligible to rollover. If you die before the annuity period ends, the remaining

Defined Benefit Supplement Application for Retired Members—Instructions

payments will be paid to your one-time death benefit recipient.

Lifetime Monthly Annuity provides a monthly payment for your lifetime and the lifetime of your beneficiaries (if you elected the Modified Benefit for your Defined Benefit account). Lifetime annuities must be paid directly to you and cannot be rolled over to a qualified plan. Because you elected the Modified Benefit for your lifetime monthly retirement benefit, if you would like to receive lifetime monthly payments from your Defined Benefit Supplement account, you must elect a beneficiary annuity. The amount of your monthly annuity depends on the percentage of your payment that you choose to have paid to your beneficiaries upon your death.

- **100 % Beneficiary Annuity** provides all of your monthly annuity payment amount to your beneficiary every month upon your death.
 - **75 % Beneficiary Annuity** provides 75 percent of your monthly annuity payment amount to your beneficiary every month upon your death.
 - **50 % Beneficiary Annuity** provides 50 percent of your monthly annuity payment amount to your beneficiary every month upon your death.
6. **Combination of lump-sum payment and annuity payment.** You can receive a portion of your balance as a lump-sum payment and the remaining amount as an annuity. To elect this choice, you must have at least \$3,500 remaining in your Defined Benefit Supplement account after your lump-sum payment is made. If you choose the combination lump-sum and annuity, indicate the amount of your lump-sum payment and one of the annuity choices.

SECTION 3: DEFINED BENEFIT SUPPLEMENT PAYMENT INSTRUCTIONS

Lump-Sum Distribution

1. Direct Payment

If you elect to have your Defined Benefit Supplement lump-sum payment paid directly to you, check the “Direct Payment” box.

2. Rollover of Tax-Deferred or After-Tax Contributions and Interest

All or a portion of your CalSTRS payment may be eligible to be rolled over to a qualified IRA or an eligible employer plan. Please read the *Tax Considerations for Rollovers* brochure before making your payment distribution choice.

The amount of tax-deferred or after-tax contributions and interest in your Defined Benefit Supplement account is provided on your *Retirement Progress Report*. Your account balance must be \$200 or more to qualify for a rollover to a financial institution. You may elect to roll over a specific dollar amount or a percentage (1–100 percent) that you would like to roll over.

For example, if you expect to receive \$4,000 and choose to roll over 75 percent of it, CalSTRS will distribute \$3,000 directly to the qualified IRA or other eligible plan that you specify. The remaining balance of \$1,000 will be paid directly to you and will be subject to 20 percent federal income tax withholding.

Financial Institution Information

If you are rolling over your Defined Benefit Supplement funds to a financial institution other than CalSTRS Pension2, you must get a signature from your financial institution before submitting your application.

When providing your financial institution information, do not attach transfer documents or list “IRA” as the name of your financial institution. We will mail your funds to the financial institution address you provide. To avoid a delay in rolling over your funds, please make sure the financial institution name, address and account number are correct.

Defined Benefit Supplement Application for Retired Members—Instructions

Note: We are not able to process direct trustee-to-trustee transfers to financial institutions outside the U.S.

Monthly Annuity Payments

If you would like your payment to be paid directly to you, check the “Direct Payment” box. Your monthly annuity payment will be mailed to the same address or transferred to the same bank account as your monthly retirement benefit. If you would like to roll over your payment to a financial institution, check the “Rollover” box.

SECTION 4: DEFINED BENEFIT SUPPLEMENT TAX WITHHOLDING PREFERENCES

1. Direct Payment: Lump-sum or Period-Certain Annuity of Three to Nine Years

When completing this section, remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

Federal law requires that CalSTRS withhold 20 percent federal income tax for all lump-sum payments and period-certain annuities of three to nine years paid directly to you. As a result, CalSTRS will automatically withhold federal tax from these payments.

2. Lifetime Monthly Annuity or Period-Certain Annuity of 10 Years

If you elect to receive a lifetime annuity or a period-certain annuity of 10 years for your Defined Benefit Supplement funds, specify your tax withholding preferences. If you do not complete this section, we will withhold income tax from your monthly payments in accordance with the established rate for a married individual claiming three withholding allowances. If you do not want taxes withheld, mark the “Do Not Withhold” boxes. If you want taxes withheld, mark the appropriate boxes and specify the number of allowances.

You may specify an additional dollar amount to withhold. For California state tax, you may also elect to withhold a flat dollar amount without specifying allowances.

SECTION 5: REQUIRED SIGNATURES

Check all the boxes that apply, then sign and date your application.

If you are married or registered as a domestic partner, your spouse or partner must also sign and date your application. If your spouse or partner does not sign it, you must complete the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form and return it with your application.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefit was awarded to a former spouse or partner, check the corresponding box. You may need to refer to your settlement agreement to make this determination. In addition, if your court documents have not been reviewed by CalSTRS, you may be asked to provide them. This can delay your application processing.

SUBMITTING YOUR APPLICATION

Submit pages 1–4 of your application. Keep a copy for your records.

Hand Delivery

Hand deliver your application to a local CalSTRS office. For a current listing, go to CalSTRS.com/forms-drop.

Mailing Address

Mail your application to:

CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your application to:

CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or
916-414-5965

QUESTIONS

Email your questions using your *myCalSTRS* account or at CalSTRS.com/contactus, or call 800-228-5453.

DEFINED BENEFIT SUPPLEMENT APPLICATION FOR RETIRED MEMBERS

DBS 0890 rev 02/16

CALSTRS

California State Teachers' Retirement System
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

Complete this application to receive a lump-sum payment or a monthly annuity for the funds in your Defined Benefit Supplement account, to change payment instructions for these funds—or to change previous payment instructions you made on your *Service Retirement Application* and more than 30 days have passed from the date your first benefit payment was issued.

Section 1: Member Information

NAME (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

()

CITY

STATE

ZIP CODE

HOME TELEPHONE

()

EMAIL ADDRESS

ALTERNATE TELEPHONE

Section 2: Defined Benefit Supplement Election

I have read the attached information describing the available elections, and I elect **ONE** of the following:

Choices If You Elected a Member-Only Benefit on Your Service Retirement Application

(see page 1 of Instructions)

- Lump-sum payment**
- Annuity payment:** Choose one:
 Period-Certain Annuity of three to 10 years*
Number of years (circle one)
3 4 5 6 7 8 9 10
OR
 Lifetime Monthly Annuity*
 Member-Only Annuity
- Combination lump-sum payment and annuity:** After your lump-sum payment, at least \$3,500 must remain in your account to fund an annuity.

\$ _____ **lump-sum amount**

Annuity (choose one)
 Period-Certain Annuity of three to 10 years*
Number of years (circle one)
3 4 5 6 7 8 9 10
OR
 Lifetime Monthly Annuity*
 Member-Only Annuity

Choices If You Elected or Confirmed an Option Beneficiary on Your Service Retirement Application

(see page 1 of Instructions)

- Lump-sum payment**
- Annuity payment:** Choose one:
 Period-Certain Annuity of three to 10 years*
Number of years (circle one)
3 4 5 6 7 8 9 10
OR
 Lifetime Monthly Annuity*
 100% Beneficiary Annuity
 75% Beneficiary Annuity
 50% Beneficiary Annuity
- Combination of lump-sum payment and annuity:** After your lump-sum payment, at least \$3,500 must remain in your account to fund an annuity.

\$ _____ **lump-sum amount**

Annuity (choose one)
 Period-Certain Annuity of three to 10 years*
Number of years (circle one)
3 4 5 6 7 8 9 10
OR
 Lifetime Monthly Annuity*
 100% Beneficiary Annuity
 75% Beneficiary Annuity
 50% Beneficiary Annuity

*Lifetime Monthly annuities and Period-Certain annuities of 10 years are not eligible to rollover into a pretax account.



DBS0890

Defined Benefit Supplement Application for Retired Members continued



Name _____ Client ID or SSN _____

Section 3: Defined Benefit Supplement Payment Instructions

I have read *Tax Considerations for Rollovers* and have received the 30-day notification. The 30-day notification period has either been met or I have waived the notification period and hereby apply for a lump-sum distribution. Indicate below if you want to receive your Defined Benefit Supplement distribution as a **direct payment** or a **rollover**.

- Direct Payment:** I choose to have my Defined Benefit Supplement distribution paid directly to me.
OR
 Rollover: I choose to rollover all or part of my Defined Benefit Supplement distribution to a financial institution. Only lump-sum payments and period-certain annuities of three to nine years are eligible for a rollover. Complete the information below. If you choose a rollover to CalSTRS Pension2, CalSTRS staff will obtain the financial institution representative's signature on your behalf. *Any amount not designated for transfer will be mailed directly to me.* (See section 4 to indicate your tax withholding preferences.)

THIS SECTION REQUIRES YOUR FINANCIAL INSTITUTION'S SIGNATURE (EXCEPT FOR PENSION2 ROLLOVERS)

Rollover of Tax-Deferred Contributions and Interest. I elect to rollover my tax-deferred contributions and interest to one of the plans listed. **Select one:**

- Traditional or SEP IRA Other eligible plan (403(b), 457(b), 401(k) or 401(a)) Roth account (taxable rollover)
Select one: Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%-100%)

Financial Institution Information (All information is required.)

Account Number _____ Make Check Payable to (Full Name of Financial Institution) _____

Payment Mailing Address _____ City _____ State _____ ZIP Code _____

Name of Financial Institution Representative _____ Telephone (____) _____

 **Financial Institution Representative's Signature*** _____ Signature Date (MM/DD/YYYY) _____

Rollover of After-Tax Contributions. I elect to rollover my after-tax contributions to one of the plans listed below (not applicable for most accounts). **Select one:**

- Traditional or SEP IRA Other eligible plan (403(b), 457(b), 401(k) or 401(a)) Roth account
Select one: Amount to transfer \$ _____ **OR** Percentage to transfer _____ (indicate 1%-100%)

Financial Institution Information (All information is required.)

Account Number _____ Make Check Payable to (Full Name of Financial Institution) _____

Payment Mailing Address _____ City _____ State _____ ZIP Code _____

Name of Financial Institution Representative _____ Telephone (____) _____

 **Financial Institution Representative's Signature*** _____ Signature Date (MM/DD/YYYY) _____

***Certification:** My signature above confirms the account number for the individual named at the top of this page. As a representative of the financial institution or plan named above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from CalSTRS for deposit into a qualified IRA or other eligible plan as defined in the Internal Revenue Code. I understand that my signature above authorizes the transfer of CalSTRS funds as indicated above.

Defined Benefit Supplement Application for Retired Members continued



Name _____ Client ID or SSN _____

Section 4: Defined Benefit Supplement Tax Withholding Preferences

When completing this section, remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You may be able to avoid paying quarterly estimated taxes by having enough state and federal tax withheld from your monthly benefit payment.

Direct Payment Lump-Sum and Period-Certain Annuities of 3 to 9 years

Federal law requires that CalSTRS withhold 20 percent federal income tax for all lump-sum payments and period-certain annuities of three to nine years that are paid directly to you. CalSTRS will automatically withhold federal tax from your payment.

Under state law, you can choose not to have any state tax withholding. If you choose to have state tax withheld, CalSTRS will withhold at 2 percent.

Withhold California state income tax? Yes No

Lifetime Monthly Annuity and Period-Certain Annuities of 10 years

If you do not complete the section below, CalSTRS must withhold state and federal income tax from your payment based on rates for a married individual claiming three withholding allowances.

CALIFORNIA STATE INCOME TAX WITHHOLDING

- Do not withhold California state income tax.
OR
 Withhold California state income tax.
- Withhold only \$_____ from each benefit payment*. (Enter a flat dollar amount only. Do not enter a percentage.)

OR

Withhold California state income tax based on the tax tables for (choose one):

- Married with _____
(Enter 0 or number of allowances.)
- Single with _____
(Enter 0 or number of allowances.)
- Head of household with _____
(Enter 0 or number of allowances.)

Additional Withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

FEDERAL INCOME TAX WITHHOLDING

- Do not withhold federal income tax.
OR
 Withhold federal income tax based on the tax tables for (choose one):
- Married with _____
(Enter 0 or number of allowances.)
- Single with _____
(Enter 0 or number of allowances.)

Additional Withholding: \$ _____

from each benefit payment in addition to the amount to be withheld based on state tax tables. (You cannot enter an amount without selecting one of the above options. Enter a dollar amount only.)

*A flat amount cannot be specified for federal income tax.

Defined Benefit Supplement Application for Retired Members continued



Name _____ Client ID or SSN _____

Section 5: Required Signatures

Check all that apply to your current and previous marital status.

- I am married or registered as a domestic partner and both our signatures are below.
- I am married or registered as a domestic partner and my spouse or registered domestic partner did not sign below. I have completed, signed and attached the *Justification for Non-Signature of Spouse or Registered Domestic Partner* form.
- I have never been married or in a registered domestic partnership, or I am widowed or my registered domestic partner has died.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was awarded a portion of my CalSTRS benefits.
- I have been divorced or have terminated a registered domestic partnership and my former spouse or registered domestic partner was *not* awarded a portion of my CalSTRS benefits.

Member's Signatures

I waive my right to the 30-day notice period for a Defined Benefit Supplement distribution direct payment or rollover.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year in jail and a fine of up to \$5,000 (Education Code section 22010).



MEMBER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)



SPOUSE'S OR REGISTERED DOMESTIC PARTNER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)

Please keep a copy for your records.

Submitting Your Application

Hand Delivery

Hand deliver your application to a CalSTRS office. For a current listing, go to CalSTRS.com/forms-drop.

Mailing Address

Mail your application to:
CalSTRS
P.O. Box 15275, MS 65
Sacramento, CA 95851-0275

Overnight Delivery

If you are using a special mailing service such as UPS or FedEx, send your application to:
CalSTRS
Member Services
100 Waterfront Place
West Sacramento, CA 95605

Fax Delivery

916-414-5964 or
916-414-5965