



DROP DISTRIBUTION ELECTION FORM BENEFICIARY

BENEFICIARY INFORMATION

LAST NAME FIRST NAME MIDDLE NAME

ADDRESS

PHONE NUMBER DATE OF BIRTH EMAIL ADDRESS

TAX INFORMATION

All distributions from a DROP account (that have not been previously taxed) are subject to a mandatory minimum twenty percent (20%) withholding for federal income tax unless the withdrawal is transferred directly by the Fund to an Individual Retirement Account (IRA).

To the extent permissible under federal tax laws, payment of a DROP benefit can be made to the beneficiary of a DROP participant in the following forms:

- a single-payment distribution made at a time selected by the beneficiary within one year after the member's date of death; or
- in not more than **four (4) equal installments** with at least one payment occurring each year, which must begin no later than one year after the member's date of death and all of which must occur no later than 37 months from the date of the member's death.

Notwithstanding the above, all distributions must comply with distribution provisions of the Fund's governing statute and rules and the required minimum distribution rules under Section 401(a)(9) of the Internal Revenue Code and the regulations promulgated thereunder.

ADDITIONAL DISTRIBUTIONS

To request additional distributions from your DROP Account (up to a **maximum of four (4) total distributions**), you must submit a new DROP Distribution Election Form (Beneficiary) to the Pension Office. The remainder of your DROP Account must be withdrawn in its entirety no later than 37 months from the member's date of death.

DISTRIBUTION OPTIONS

Please indicate your distribution election below:

_____ **FULL ROLLOVER.** I choose to have my entire DROP account balance rolled over into an IRA. No federal income tax will be withheld. *(You must also complete the Lump Sum Distribution Rollover Form.)*

_____ **PARTIAL ROLLOVER.** I choose to have a partial payment of \$ _____ of my DROP Account balance rolled over into an IRA. No federal income tax will be withheld from this portion. Except as otherwise elected on this form, any remaining balance of my DROP account will remain in the Fund until further instructions are given or such funds must be distributed in accordance with the terms of the Fund or applicable law. *(You must also complete the Lump Sum Distribution Rollover Form.)*

_____ **FULL DIRECT DISTRIBUTION TO PARTICIPANT.** I choose to have my entire DROP Account balance (less required withholding) made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. *(You must also complete the Direct Deposit Form.)*

_____ **PARTIAL DISTRIBUTION TO PARTICIPANT.** I choose to have a partial payment of \$ _____ of my DROP Account balance made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. Except as otherwise elected on this form, any remaining balance of my DROP account will remain in the Fund until further instructions are given or such funds must be distributed in accordance with the terms of the Fund or applicable law. *(You must also complete the Direct Deposit Form.)*

_____ **PARTIAL ROLLOVER AND PARTIAL DISTRIBUTION.** I choose to have a partial payment of \$ _____ of my DROP Account balance rolled over into an IRA. No federal income tax will be withheld from this portion. The remaining balance of my DROP Account (less required withholding) will be made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. *(You must also complete the Lump Sum Distribution Rollover Form and Direct Deposit Form.)*

ACKNOWLEDGEMENT AND SIGNATURE

By signing below, I certify to the Austin Firefighters Retirement Fund (the "Fund") that the information above is true and correct. I authorize and direct the Fund to make a distribution from my DROP Account in accordance with the election(s) above, if applicable. I acknowledge that I have received the AFRF Special Tax Notice prior to signing this form and waive the requirement of 30 days' notice. I understand that it is my responsibility to pay any taxes or penalties as a result of this distribution in accordance with current tax law and guidance.

Beneficiary's Signature

Date

Beneficiary's Printed Name

Please send completed form to:

Austin Firefighters Retirement Fund
4101 Parkstone Heights Drive, Suite 270, Austin TX 78746
Or email staff@AFRFund.org to request a secure digital submission link.