



AFRF
AUSTIN FIREFIGHTERS
RETIREMENT FUND

REFUND OF CONTRIBUTIONS PROCESS

1. The *Termination of Employment Refund Form 35 - Refund Request* must be completed and returned to the pension office for processing.
2. The *Application for Refund of Accumulated Deposits for a Former Member* must be completed and returned to the pension office for processing.
3. The *Special Tax Notice Regarding Plan Payments* is for your records.
4. **The total amount of contributions will be available once the pension office has received the contributions included in your final paycheck issued from the City of Austin Payroll Department.**
5. Non-vested firefighter (less than 10 years of service) contributions may be left in the pension fund up to 5 years and accrue 5% interest at the end of each calendar year based on the balance as of January 1st of that year. The Fund may not pay interest on a firefighter's or former firefighter's contributions for part of a year or for any period that is more than five calendar years after the date of termination of employment.
6. Vested firefighter (over 10 years of service) contributions may be left in the pension plan until you are eligible for retirement, in order to receive the pension benefit.
7. Contributions may be refunded directly to the firefighter (less the mandatory 20% federal tax withholding). Refund will be received by the end of the month, following that in which the above forms and final paycheck information from the City of Austin Payroll Department were received.
8. The *Direct Deposit Form* must be completed and returned to the pension office if the contributions are to be refunded directly to firefighter.
9. Contributions may be rolled over to an eligible plan. Rollover will be completed by the end of the month, following that in which the above forms and final paycheck information from the City of Austin Payroll Department were received.

Forms may be returned to the pension office through any of the following methods:

Mail to 4101 Parkstone Heights Drive, Suite 270, Austin TX 78746

Email staff@AFRFund.org to request a secure digital submission link.

Call (512) 454-9567 to make an appointment to bring forms to the pension office.

Fax to (512) 453-7197

**TERMINATION OF EMPLOYMENT
FORM 35 - REFUND REQUEST**

I, _____ having been an employee of the Austin Fire Department (AFD) and having resigned on _____ from said fire department, request that the net balance of my contributions in the Austin Firefighters Retirement Fund (AFRF) be returned to me and, that such amount is due to me and unpaid. I fully understand that with 10 years of service, a firefighter is vested and may leave their contributions in the Fund in order to receive a future pension benefit; and, by receiving this refund any such future benefit is terminated. I further certify that I understand in withdrawing my contributions that if I later return to the Austin Fire Department and again become a member of the Austin Firefighters Retirement Fund that I must again become a new member without being entitled to prior service or credit. I further certify that I will make no further claim on the Austin Firefighters Retirement Fund after receipt of this refund.

\$ _____ in firefighter contributions and interest.

Signature of Firefighter

Address City State Zip

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the same person whose name is subscribed to the foregoing instrument and declared to me upon oath that the foregoing instrument is true and correct.

Given under my hand and seal of office this the day of.

Notary Public in and for _____ County, _____

I, _____ holding position of Trustee on the Board of Trustees hereby certify that _____ is known to me as having been an employee of Austin Fire Department and, that the last day (s) he was carried on the Payroll of this Department was _____. I further certify that retirement contributions in the amount of \$ _____.

AFRF Board Trustee

SWORN AND SUBSCRIBED TO BEFORE ME, this _____ day of _____.

Notary Public in and for _____ County, _____

**APPLICATION FOR REFUND OF ACCUMULATED DEPOSITS
FOR A FORMER MEMBER**

Applicant's Name: _____

Applicant's Address: _____

Application is hereby made by the above listed former member for refund of the portion of all retirement deposits, with interest if any, as due to me and which have been credited to the account of _____, a former member who was participating in the Austin Firefighters Retirement Fund (AFRF). Such member participated in the pension plan from _____ through _____.

I understand federal income tax law requires the Austin Firefighters Retirement Fund to withhold the minimum 20% income tax or _____% on that portion of the refund which is subject to federal income taxation unless I elect to have the taxable portion transferred directly to an eligible employer plan which may include an Individual Retirement Account (IRA). If I elect to have less than the entire taxable portion of the refund transferred directly to an eligible employer plan, federal income taxes will be withheld only on that portion of the taxable income that is not transferred to the eligible plan. I certify that I have received the printed explanation entitled *Special Tax Notice Regarding Plan Payments* prior to signing this application. Federal law provides that the refund cannot be paid less than 30 or more than 90 days after I received the tax notice mentioned above, unless I waive the requirement of 30 days notice by checking one of the boxes below and affirmatively elect to make or not make a direct rollover.

_____ I choose to have the entire taxable portion of my refund transferred to the eligible plan named below, and represent to AFRF that it is an eligible plan for the purpose of this transfer.

_____ I choose to have \$ of the taxable portion of my refund transferred to the eligible plan named below, and represent to AFRF that it is an eligible plan for the purpose of this transfer. The balance of the account (less withholding) is to be paid to me.

_____ I choose to have the entire refund (less 20% withholding) paid directly to me.

For transfer to IRA or employer plan:

Contact Name: _____ Phone Number: _____

Name of IRA or Plan: _____ Account Number: _____

Address (Street, City, State, Zip - **Please no PO Box Numbers**)

SWORN AND SUBSCRIBED TO BEFORE ME, this _____ day of _____.

Notary Public in and for _____ County, _____.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This Notice contains important information you will need before you decide how to receive your benefit from the Austin Firefighters Retirement Fund ("the Plan").

SUMMARY

A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your payment either: (1) paid in a **DIRECT ROLLOVER** or (2) **PAID TO YOU**. A rollover is a payment of your Plan benefit to your Individual Retirement Arrangement (IRA) or to another employer plan. This choice will affect the tax you owe.

If you choose a **DIRECT ROLLOVER**

- Your payment will not be taxed in the current year, and no income tax will be withheld.
- Your payment will be made directly to your IRA or if you choose, to another employer plan that accepts your rollover.
- Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your benefit **PAID TO YOU**

- You will receive only 80% of the payment, because the plan administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 1/2, you also may have to pay an additional 10% tax.
- You can roll over the payment by paying it to your IRA or to another employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that is not rolled over.

ADDITIONAL INFORMATION

1. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. Your plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payments CANNOT be rolled over: (1) NON-TAXABLE PAYMENTS. In general only the "taxable portion" of your payment is an eligible rollover distribution. If you have made "after-tax" employee contributions to the Plan, these contributions will be non-taxable when they are paid to you and they cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay

that were already taxed.) (2) **PAYMENTS SPREAD OVER LONG PERIODS.** You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for your lifetime, or your lifetime and your beneficiary's lifetime (or life expectancies), or a period of ten years or more. (3) **REQUIRED MINIMUM PAYMENTS.** Beginning in the year you reach age 70 1/2 a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

2. Direct Rollover

You can choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution" as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover you are not taxed on payment until you later take it out of the IRA or the employer plan.

DIRECT ROLLOVER TO AN IRA. You can open an IRA to receive the direct rollover. (The term "IRA" as used in this Notice includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA you may wish to consider whether the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements for more information on IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER TO A PLAN. If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA.

3. Payment Paid to You

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

MANDATORY INCOME TAX WITHHOLDING. If any portion of the payment to you is an eligible rollover distribution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as a payment from the Plan. You will report the \$2,000 as tax withheld and it will be credited against any income tax you owe for the year.

VOLUNTARY INCOME TAX WITHHOLDING. If any portion of your payment is not an eligible rollover distribution but is taxable, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. To elect out of withholding, ask the plan administrator for the election form and related information.

SIXTY-DAY ROLLOVER OPTION. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, you must make the rollover within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100% you must find other money within the 60-day period to contribute to the IRA or employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

EXAMPLE: Your eligible rollover distribution is \$10,000 and you choose to have it paid to you. You will receive \$8,000 and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to an IRA or employer plan. To do this, you roll over the \$8,000 you receive from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire \$10,000 when you file your income tax return, you may get a refund of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000).

ADDITIONAL 10% TAX IF YOU ARE UNDER AGE 59 1/2. If you receive a payment before you reach age 59 1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of your payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies) or (4) used to pay certain medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

SPECIAL TAX TREATMENT. If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you because you have reached age 59 1/2 or have separated from service with your employer (or, in the case of a self-employed individual, because you have reached age 59 1/2 or have become disabled). For a payment to qualify as a lump sum distribution, you must have been a participant in the Plan for at least 5 years. The special tax treatment for lump sum distributions is described below.

FIVE-YEAR AVERAGING. If you received a lump sum distribution after you are age 59 1/2, you may be able to make a one-time election to figure the tax on the payment by using "5-year averaging." Five-year averaging often reduces the tax you owe because it treats the payment much as if it were paid over 5 years.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in the same year. If you have previously rolled over a payment from the Plan (or certain other similar plans of

the employer), you cannot use this special tax treatment for later payments from the Plan. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump sum distributions and how you elect the special tax treatment.

4. Surviving Spouses, Alternate Payees and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees, and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a Qualified Domestic Relations Order which is an order issued by the court, usually in connection with a divorce or legal separation. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payment to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA but you cannot roll it over to an employer plan. If you are an alternate payee, you have the same choices as the employee. Thus you can have the payment paid as a direct rollover or paid to you. If you have it paid to you, you can keep it or roll it over yourself to an IRA or to another employer plan that accepts rollovers. If you are a beneficiary other than the surviving spouse, you CANNOT choose a direct rollover and you CANNOT roll over the payment yourself.

If you are a surviving spouse, an alternate payee or another beneficiary, your payment is not subject to the additional 10% tax described in Section 3 above even if you are younger than age 59 1/2.

If you are a surviving spouse, an alternate payee or another beneficiary, you may be able to use the special tax treatment for lump sum distributions. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This Notice summarizes only the Federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this Notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from the Plan. Also you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.



AFRF
 AUSTIN FIREFIGHTERS
 RETIREMENT FUND

DIRECT DEPOSIT FORM

NAME	
BANK / CREDIT UNION NAME	
ACCOUNT NUMBER	
TYPE OF ACCOUNT	
ROUTING NUMBER	
DATE	
SIGNATURE	

Please attach a voided blank check for verification, if available.

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.