



1000 Red River Street
Austin, TX 78701-2698
(800) 223-8778
www.trs.texas.gov

Name _____ Social Security Number _____

Section 4 - Waiver of Benefits and Member Certification

I understand that receipt of this refund will terminate my TRS membership, cancel my TRS service credit and release TRS from any claim for other benefits potentially payable on my behalf including: Service retirement benefits payable as a monthly annuity for life, if I have at least five years of service credit; disability retirement benefits; active member death benefits to beneficiary payable upon my death; TRS-Care paid basic health insurance benefits available upon my retirement; transfer of service credit from/to the Employees Retirement System of Texas (ERS) if I have service credit in both TRS and ERS; and proportionate retirement benefits with certain other Texas public retirement systems.

I understand that if I have at least five years of service credit and I take a refund, I am forfeiting the right to receive a lifetime annuity that is computed based on my highest three or five annual salaries (depending on which membership tier I am currently in) and the number of years of service credit that I have.

Note: If you have at least five years of service credit and do not terminate your TRS membership, you can obtain information regarding the estimated service retirement benefits that you are eligible to receive when you reach retirement eligibility, by creating a retirement estimate through MyTRS, reviewing the retirement estimate included on your most recent annual statement, or by contacting TRS to request a retirement estimate.

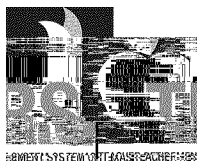
In addition, I affirm the following:

- I have permanently terminated all employment with any TRS-covered employer(s), except for employment as a substitute,
- I do not have a contract or promise of employment nor have I applied for employment with any employer covered by TRS,
- I understand that if I return to TRS membership at a later date, I may be subject to different retirement eligibility criteria and early-age retirement reductions,
- I understand if TRS has not received notice of my termination from my TRS covered employer, TRS will contact my previous employer to confirm my date of termination,
- I received a copy of the Requesting a Refund Instructions (TRS6IN) and the Special Tax Notice Regarding Rollover Options Under the TRS (TRS6PG1) and understand that I have 30 days from receipt of the notice to consider my decision of whether to elect a direct rollover of my distribution of accumulated contributions, and
- I understand that if I elect to roll over all or a portion of my refund and TRS has issued the rollover distribution, my rollover election is irrevocable and cannot be changed.

Signature

STATE OF _____ COUNTY OF _____

On _____, D (w _____) acknowledged this document before me
(date)



Requesting a Refund

Instructions

TRS6IN (09-17)

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Eligibility for a Refund

If you permanently terminate employment with your TRS-covered employer(s) and have neither applied for nor received a promise of employment with a TRS-covered employer, you may terminate membership in TRS and withdraw all of the accumulated contributions in your member account. Terminating your TRS account also terminates all service credit with TRS.

Exception : If you are serving as a substitute and are not employed in any other capacity with a TRS-covered employer, you may withdraw your accumulated contributions.

Options to Consider Before Requesting a Refund

The decision to seek a refund of your member contributions is an important one. If you resume TRS membership at a later date, you may be subject to new retirement eligibility criteria. It is advisable to consider all options available to you before making a decision. These options include the following:

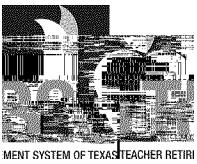
- If you have less than five years of TRS service credit, you may leave your accumulated contributions with TRS, receive interest for up to five years while absent from TRS-covered employment and then later apply for a refund if you do not return to employment in a TRS-covered position.
Note: If you have less than five years of service credit, after five consecutive years without earning TRS service credit, your membership is terminated unless you qualify for an exception or return to work in a TRS-covered position. Refer to the TRS Benefits Handbook for additional information.
- If you have at least five years of TRS service credit, you may leave your accumulated contributions with TRS and earn interest as long as these funds remain with TRS. If you do not take a refund, then when you meet applicable retirement eligibility requirements, you may apply for a lifetime retirement annuity based upon your service and salary history on file with TRS.
- You may terminate your membership in TRS by applying for a refund and withdrawing your accumulated contributions. See the Federal Income Tax Implications section below for more information. If you terminate TRS membership and receive a refund of your accumulated contributions, you will terminate all service credit with TRS and forfeit valuable future benefits associated with the service credit such as eligibility for a retirement annuity, death benefits, and retiree health insurance.
- You may terminate TRS membership by applying for a refund and withdrawing your accumulated contributions, but defer receipt of taxable income by rolling your funds over to another eligible retirement plan. For more information regarding the types of eligible retirement plans that may receive a rollover of your withdrawn funds, see Section 4 of the Refund Rollover Election form (TRS6A).

Forms Used to Request a Refund

Application for Refund form (TRS6) - required

Refund Rollover Election form (TRS6A) - optional; only required if you are requesting a rollover to another eligible retirement plan

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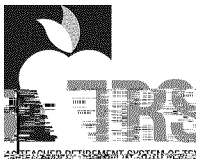
Tax Statements Sent by TRS

Tax statements (Form 1099-R) are required to be mailed to your address on record no later than January 31 of the year following a refund. Form 1099-R includes the total amount of the lump sum distribution, any portion that is taxable income for the year paid, and the amount of income tax withheld. This information is also provided to the IRS as required



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How to Apply for a Refund



Special Tax Notice Regarding

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You are receiving this notice because all or a portion of a payment you are receiving from the Teacher Retirement System of Texas ("TRS"), a governmental 401(a) pension plan, is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover. **IF YOU RECEIVE OR ACCESS THIS NOTICE ELECTRONICALLY, YOU MAY REQUEST A PAPER COPY OF THIS NOTICE FROM TRS AT NO CHARGE TO YOU.**

Rules that apply to most payments from a retirement plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from TRS if you do not roll it over. If you are under age 59 1/2 and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies, as determined under federal tax laws by the IRS).

If you do a rollover to a traditional IRA or an eligible employer plan, you will not have to pay tax until you receive payments later from the IRA or plan, and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

If you do a rollover to a Roth IRA, you will be taxed on the amount rolled over (reduced by any after-tax amount). However, if you are under age 59 1/2 at the time of the rollover, the 10% additional income tax will not apply. See the section below titled "If you roll over your payment to a Roth IRA" for more details.

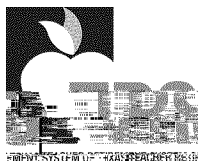
Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified section 401(a) plan, section 403(b) plan, or governmental section 457(b) deferred compensation plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment of the rolled over amount in the future. Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, TRS will make the check payable directly to your IRA or an employer plan. TRS then will mail the check to you for you to deposit it with your IRA or employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.



Special Tax Notice Regarding Rollover Options under TRS

TRS6PG1 (03-20)

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it. You will have 60 days after you receive the payment to make the deposit. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies, as determined under federal tax laws by the IRS).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from TRS is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary) (This means that your lifetime monthly benefits are not eligible for rollover.)
- Required minimum distributions
- Corrective distributions of contributions that exceed tax law limitations

TRS can tell you what portion of a payment is eligible for rollover.

If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask TRS for the election form and related information.

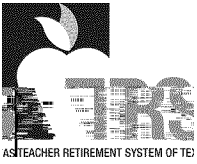
If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions for any payment from TRS (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

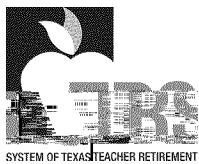
The 10% additional income tax does not apply to the following payments from TRS:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from TRS made after you separate from service if you are a public safety employee and you are at least age 50 in the year of separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?



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TRS6PG1 (03-20)

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You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information see IRS Publication 575, Pension and Annuity Income.

If you roll over your payment to a Roth IRA

If you roll over a payment from TRS to a Roth IRA, a special rule applies under which the amount of the payment rolled



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TRS6PG1 (03-20)

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you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For the purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

The Form 1099-R that you receive from TRS will report the deducted insurance premium as taxable. If you want to take advantage of this \$3,000 exclusion, you must report the amount claimed on Form 1040. The instructions to Form 1040 explain that the taxable amount received from the retirement plan, reduced by the amount of qualified premiums deducted and paid by the retirement plan (not to exceed \$3,000), must be entered on line 16b of the Form 1040. Next to the entry, in the margin, you must write the letters "PSO." This is an annual election- you will need to report the exclusion for each year in which you want to claim the exclusion.

If you are not a TRS member, or if you are a member but are receiving a TRS payment as a beneficiary or alternate payee of another member

Payments after death of the member. If you receive a distribution after the member's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the member was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from TRS as the surviving spouse of a deceased member, you have the same rollover options that the member would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to members who obtain age 70½ after December 31, 2019).

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the member had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the member had not started taking required minimum distributions from TRS, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 70½ (age 72 for distributions required to be made after December 31, 2019, with respect to members who obtain age 70½ after December 31, 2019).

If you are a surviving beneficiary other than a spouse. If you receive a payment from TRS because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the member who

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