

**RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES – APPLICATION FOR REFUND OF EMPLOYEE CONTRIBUTIONS**

I. Identifying Information – Complete All Lines Below:

Name of Employee \_\_\_\_\_  
Employee # \_\_\_\_\_ Date of Birth \_\_\_\_\_ Social Security # \_\_\_\_\_  
Date of Employment \_\_\_\_\_ Last Day Worked \_\_\_\_\_ Date of Termination \_\_\_\_\_  
Department \_\_\_\_\_ Location \_\_\_\_\_  
Mailing Address \_\_\_\_\_ Home Telephone # \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Mobile Phone Number \_\_\_\_\_  
Email Address \_\_\_\_\_

II. Check One of the Boxes Below:

- I have resigned from Chicago Transit Authority employment. (For a laid-off employee to receive a refund of contributions at any time during the first three (3) years of a lay-off, he or she must resign from CTA employment.)
- My employment was terminated by Chicago Transit Authority.
- I am the named beneficiary of a Plan participant. \_\_\_\_\_  
Name Social Security # Date of Birth
- Military Furlough (As governed by Rule 16 of the Board of Trustees).

III. Review Attached Procedures for Direct Rollover and Explanation of Tax Rules, Choose One of the Following:

- Make the entire payment directly to me.  
I understand that 20% of the taxable amount will be withheld for Federal Income taxes, unless it totals less than \$200.
- Make a direct rollover of the entire refund.
- Make payment of \$ \_\_\_\_\_ directly to me and make a direct rollover of the remainder. Each of the payments will include an allocable portion of after-tax contributions.

IV. Complete all lines below ONLY if you are choosing a direct rollover of all or part of the payment to you.

Name of IRA or Employer Retirement Plan: \_\_\_\_\_  
Name, Federal Employer Identification No. and Address of Trustee of IRA Account or Employer Retirement Plan:  
Name \_\_\_\_\_ EIN # \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ If IRA, Number of Account \_\_\_\_\_

Mail Check for Direct Rollover (select one):

- Applicant – to forward to IRA or Employer Plan
- Trustee of IRA or Employer Plan

V. Complete form 8918 ONLY if employee has completed ten (10) or more years of continuous service under the Plan, is not eligible for any type of retirement allowance under the Plan, and desires a refund of contributions and interest in lieu of a deferred vested old age pension.

VI. Complete form 8942 ONLY if employee is eligible for retirement allowance under the Plan but desires a refund of contributions in lieu of such benefits and waives all rights to such retirement allowance.

I understand that the Retirement Plan may delay making the refund for a period not to exceed one hundred twenty (120) days from the date of this application. I further understand that if I am discharged and I receive a refund of my contributions and am later reinstated at the CTA, it is MY responsibility to notify the Pension Plan of my reinstatement and that I must pay back the entire amount of my refund within thirty-six (36) months of the date of my reinstatement. If I fail to repay the entire amount, my continuous service date will become the date of my reinstatement.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Signature of Applicant

**NOTARIZATION (Notarization needed if application is submitted by Email or US Mail. An original form must be mailed to the office. Faxes NOT accepted.)**

State of \_\_\_\_\_  
County of \_\_\_\_\_  
Signed (or subscribed or attested) before me on \_\_\_\_\_ (date)  
by \_\_\_\_\_ (name of person)  
(seal)

\_\_\_\_\_  
Signature of notary public

(4) FOR PENSION OFFICE USE ONLY –

**Refund Made In Accordance With Above Application**

Amount under Retirement Plan for CTA Employees		to _____	_____
Post-Tax Contributions	\$ _____	_____ to _____	_____
Pre-Tax Contributions	\$ _____	_____ to _____	_____
Partial Year Contributions	\$ _____	_____ to _____	_____
Interest	\$ _____	_____ to _____	_____
Total	\$ _____		Total \$ _____

Refund No. \_\_\_\_\_ Service Credit Years: \_\_\_\_\_ Months: \_\_\_\_\_

Distribution: (1) Pension File

1. Is Waiver Form required?  Yes  No

2. Was this employee ever on Disability Retirement?  Yes  No

**PROCEDURES FOR DIRECT ROLLOVER**

- (1) A Direct Rollover will be made by the mailing of a check, made payable to the trustee of the IRA or employer retirement plan designated by the refund applicant.
- (2) The election made on the refund application, to receive payment subject to withholding, or to have a direct rollover made to an IRA or employer retirement plan, may not later be changed by the refund applicant.
- (3) Only one IRA or employer retirement plan may be designated to receive a Direct Rollover.
- (4) All, or only part, of the refund may be designated for a Direct Rollover.

**EXPLANATION OF TAX RULES CONCERNING REFUND OF EMPLOYEE CONTRIBUTIONS AND INTEREST EARNED**

You are applying for a refund from the Retirement Plan for Chicago Transit Authority Employees (the "Plan"), as is provided under Section 15.2 of the Plan, of amounts contributed by you plus interest credited to your contributions.

This Explanation provides general information concerning the Federal Income tax rules.

This explanation is intended only to generally describe applicable tax rules. It is suggested that you consult with your personal tax advisor regarding the Federal income tax treatment of your refund and as to the course of action which is the most advantageous for you based on your personal tax situation.

## YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of the refund you are receiving from the Retirement Plan for Chicago Transit Authority Employees (the "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.

Rules that apply to most payments from a 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 the refund from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (of if an exception applies).

### Where may I roll over the payment?

You may roll over the refund to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) 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 from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). 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*, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

*If you do not do a direct rollover*, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. 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 the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

### How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the refund.

### 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 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (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 the Plan:

- Refunds made after you separate from service if you will be at least age 55 in the year of the separation.
- Refunds made due to disability.
- Refunds made after your death.
- Refunds made directly to the government to satisfy a federal tax levy.
- Refunds made under a qualified domestic relations order (QDRO).

**Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

**SPECIAL RULES AND OPTIONS****If your payment includes after-tax contributions.**

After-tax contributions included in a payment are not taxed.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

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 roll-over 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 roll over your payment to a Roth IRA.**

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

**If you are not a plan participant.**

*Payments after death of the participant.* If you receive a distribution after the participant'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 does not apply.

**If you are a surviving spouse.**

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant 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 59½ 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.

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. Required minimum distributions will not have to start from the inherited IRA until the year the participant would have been age 70½.

**If you are a surviving beneficiary other than a spouse.**

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do 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 participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

**If you are a nonresident alien.**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Other special rules.**

If your refund is less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

**FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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