

# Service Retirement Application Change Request—Information and Instructions

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Use this form to change only those elections made or confirmed at retirement on the *Service Retirement Application*. We must receive all changes no later than 30 days after your first payment is issued. Failure to complete the entire form or provide the required information may delay the processing of your change request.

Complete sections 1 and 5. For sections 2 through 4, only complete the sections that apply to the change you wish to make. Refer to your previously submitted *Service Retirement Application* when completing this form.

**See *Your Retirement Guide* at [CalSTRS.com/publications](http://CalSTRS.com/publications) for more information.**

## SECTION 1: MEMBER INFORMATION

Include your mailing and email addresses, and home and alternate telephone numbers so we can contact you if we have any questions. Be sure your name on your form 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. You can find your Client ID on your *Retirement Progress Report*.

Note: The mailing address you provide will also be used for tax withholding purposes unless you provide other documentation.

## SECTION 2: RETIREMENT CHANGE OR CANCELLATION

Check the appropriate box to:

- Change the retirement date requested on your retirement application. Your new retirement date must be:
  - » On or after January 1, 2012.
  - » After your last date of paid employment or paid leave.
- Change your last day of paid employment listed on your retirement application.
- Cancel your retirement application. This will terminate your retirement benefits and restore your account to active member status.
- Change the retirement alternative you indicated on your retirement application. Continue reading for retirement alternative descriptions.

**NOTE:** If you are requesting to cancel your retirement or change your previously elected lump sum distribution to an annuity, you must return the gross amount of all payments previously distributed within 45 days of your initial benefit payment or this form will be voided and your request denied.

## Retirement Alternative Descriptions:

### Normal Retirement

If you are under the CalSTRS 2% at age 60 retirement formula, you can retire as early as age 50 with at least 30 years of service credit or at age 55 with at least five years of service credit. The basic age factor is set at 2% at age 60. If you retire before age 60, the age factor gradually decreases to 1.1% at age 50. If you retire after age 60, it increases to a maximum of 2.4% at age 63.

### Reduced Benefit Election

If you are at least age 55, but under age 60 and have at least five years of service credit, you may elect to apply for retirement under this alternative. You will receive one-half the monthly benefit amount calculated as if you were age 60. Your reduced benefit will continue for the same number of months after age 60 that you received benefits before age 60. After that, your retirement benefit will be the amount you would have received had you retired at age 60. If you elect this alternative, you must also complete and submit the *Reduced Benefit Election* form.

## SECTION 3: OPTION CANCELLATION OR CHANGE

Check the appropriate box to cancel or change the option and/or option beneficiary you elected or confirmed at retirement on your *Service Retirement Application*.

If you choose a Compound Option, you must complete and attach the *Compound Option Election* form.

If you wish to elect or change an option for the benefit of a special needs trust, please mark the box and complete the beneficiary information on this form. A completed *Certification of a Special Needs Trust* form (available at [CalSTRS.com/forms](http://CalSTRS.com/forms)), must accompany this form.

**IMPORTANT:** If you previously filed a preretirement election of an option, then confirmed that election on your *Service Retirement Application* and now wish to change or cancel the option or option beneficiary you elected:

- There will be an assessment and your future retirement benefit may be reduced for life.
- If this form is received **on or after** your retirement date, the change or cancellation will be effective as of the day before your retirement date.
- If this form is received **before** your retirement date, the change or cancellation will be effective as of your signature date.

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## SECTION 4: DEFINED BENEFIT SUPPLEMENT ELECTION CHANGE

Check the box if you want to change your election made on your *Service Retirement Application*. Then make a new election.

Be sure your new Defined Benefit Supplement election is permitted with your Defined Benefit election. If your Defined Benefit Supplement account balance is less than \$3,500, you are eligible to receive only a lump-sum payment. If your Defined Benefit Supplement account balance is greater than \$3,500, you have three payment choices: lump sum, annuity or combination lump sum and annuity.

## SECTION 4.1: DEFINED BENEFIT SUPPLEMENT TAX WITHHOLDING INSTRUCTIONS

### Lifetime Monthly Annuity or Period-Certain Annuity of 10 Years

Complete this portion of section 4.1 if you are receiving a lifetime monthly benefit or an annuity of 10 years. Indicate your federal and state tax withholding preferences. If you do not complete this section, we must withhold federal income tax from your monthly benefit payments as single with no adjustments. We must withhold state income tax as married claiming three withholding allowances (unless you are a nonresident of California, in which case we will not withhold state tax). For California state taxes, you may withhold a flat dollar amount instead.

You may elect to have CalSTRS withhold tax for income you receive elsewhere and designate an additional amount to be withheld from each benefit payment. Complete section 4.1.1.1 to enter income from a job (including a spouse's job) if you have at least one of the following:

- Income from a job.
- A spouse (if married filing jointly) who received income from a job.

Complete section 4.1.1.2 to enter on line c any additional tax you want withheld from each payment. Entering an amount on line c will reduce your payments and either increase your refund or reduce any amount of tax that you owe.

**Note:** For payments that began before 2023, your current withholding election (or your default rate) remains in effect unless you submit a new *Income Tax Withholding Preference Certificate*.

### Lump Sum or Period-Certain Annuity of 3 to 9 Years

Complete this section if you chose a lump sum or period-certain annuity of 3 to 9 years for your Defined Benefit Supplement funds. If you chose a lifetime annuity or period-certain annuity of 10 years, you do not need to complete this portion of section 4.1. If you chose a rollover, complete all the information in section 4.3 or 4.4.

CalSTRS will withhold at least 20% federal income tax on rollover eligible distributions that are not rolled over. You maybe elect a higher percentage if you choose. We will also withhold 2% California income tax from these distributions unless you are not a California resident or you elect to not withhold California state tax.

**TIP:** Submit a separate form for each benefit you receive from CalSTRS. Submit a new Form W-4P for all other pensions or annuities, and a new Form W-4 for each of your jobs if you have not updated your wage withholding since 2019. If you have self-employment income, see IRS Form W-4P instructions at [irs.gov](https://www.irs.gov)

## SECTION 4.2: DEFINED BENEFIT SUPPLEMENT ELECTION PAYMENT INSTRUCTIONS

Check the box to indicate if you want to receive your Defined Benefit Supplement as a *direct payment* or *rollover*.

If you are rolling over your Defined Benefit Supplement funds, please complete section 4.3 for rollovers to CalSTRS Pension2 or complete section 4.4 for rollovers to all other financial institutions. Please note that you will need to obtain a signature from the financial institution if you are not rolling over to Pension2.

**IMPORTANT:** If you are doing a rollover, be sure to read the *Special Tax Notice: Your Rollover Options* or see the *Tax Considerations for Rollovers* publication at [CalSTRS.com/publications](https://www.calstrs.com/publications).

## SECTION 4.3: ROLLOVERS TO PENSION2

If you select CalSTRS Pension2 for your rollover, we will obtain the required signatures on your behalf. If you already have a Pension2 account, we will roll over your Defined Benefit Supplement funds to that account. If you do not have a Pension2 account, we will open a Pension2 403 (b) account for you and your investment will be defaulted into Voya Fixed Plus III, a fixed investment that guarantees your principal and a specific interest rate. You can reallocate your investment at any time. To access your account, visit [CalSTRS.com/Pension2](https://www.calstrs.com/Pension2) or call 844-electP2 (844-353-2872).

# Service Retirement Application Change Request—Information and Instructions

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## **SECTION 4.4: ROLLOVERS TO ANOTHER QUALIFIED PLAN WITH A FINANCIAL INSTITUTION**

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 form. CalSTRS will also accept a Letter of Acceptance in lieu of

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 payment to the financial institution address you provide, so it is imperative that the financial institution name, address and account number are correct. If the information is incomplete, incorrect, not legible, or the financial institution representative’s signature is not provided, your rollover and retirement application change request will be delayed. We are not able to process direct trustee-to-trustee transfers to financial institutions outside the U.S.

## **SECTION 5: REQUIRED SIGNATURES**

Check all boxes that apply, then sign and date your *Service Retirement Application Change Request* form. Your signature date is the date you signed this form. If you are married or registered as a domestic partner, your spouse or partner must also sign and date this form.

If your spouse or registered domestic partner does not sign this form, you must include a completed and signed *Justification for Non-Signature of Spouse or Registered Domestic Partner* form.

If you divorced or terminated a registered domestic partnership and a portion of your CalSTRS benefits was awarded to a former spouse or partner, check that 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, we may ask you to provide them.

Keep a copy of your completed form for your records. If you fax this form, keep a copy of the confirmation page—we are unable to call and confirm receipt of your faxed forms.

## **SUBMITTING YOUR SERVICE RETIREMENT APPLICATION CHANGE REQUEST**

Submit pages 1–8 of your *Service Retirement Application Change Request* by one of the following methods. Keep a copy for your records.

### **Hand Delivery**

Hand deliver your form to a local CalSTRS office (see the *Your Retirement Guide* booklet or visit [CalSTRS.com/forms-drop](http://CalSTRS.com/forms-drop)).

### **Mail Your Application**

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

### **Fax Delivery**

916-414-5965

## INTRODUCTION

You are receiving this notice because all or a portion of your CalSTRS Defined Benefit Supplement, Defined Benefit refund or Cash Balance payment may be eligible for a rollover to an IRA or another eligible employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most CalSTRS payments 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.

Certain California tax information also is provided. In general, California law conforms to federal tax law. However, there are some differences between California and federal law. In addition, if you do not meet California residency criteria, your CalSTRS benefits are not subject to state income tax. For additional information, visit [ftb.ca.gov](http://ftb.ca.gov).

## 30-Day Notice Period and Your Right to Waive

Generally, CalSTRS cannot make a direct rollover or a payment to you until at least 30 days after you receive this notice. If you do not wish to wait until this 30-day notice period ends before your payment is processed, you may waive the notice period.

## GENERAL INFORMATION ABOUT ROLLOVERS

### How can a rollover affect my taxes?

You will be taxed on your CalSTRS payment if you do not roll it over. If you are under age 59½ and do not do a rollover, you also will have to pay a 10% additional federal income tax and a 2.5% additional California state income tax on early distributions, unless an exception applies.

If you do a rollover, however, you will not have to pay tax until you receive distributions later and the 10% additional federal income tax and 2.5% additional state income tax will not apply if those distributions are made after you are age 59½, or if an exception applies.

### Where may I roll over my CalSTRS payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or another eligible employer plan (a tax-qualified plan, 403(b) plan or 457(b) plan) that will accept the rollover. The rules of the IRA or 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 choose either a direct rollover or a 60-day rollover.

**Direct rollover:** If you do a direct rollover, CalSTRS

will make the payment directly to your IRA or another eligible employer plan. You should contact the IRA sponsor or the administrator of the plan for information on how to do a direct rollover.

If you do a direct rollover of only a portion of your CalSTRS payment and a portion is paid to you at the same time, the portion directly rolled over consists first of the amount that would be taxable if not rolled over.

**60-day rollover:** If you do not do a direct rollover, you still may 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 your CalSTRS payment to make the deposit.

**If you do not do a direct rollover, CalSTRS is required to withhold at least 20% of the payment for federal income taxes. You can elect a higher percentage if you choose. Unless you elect to not have state tax withheld or you are a nonresident of California, CalSTRS will withhold at 2%.**

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 for federal taxes and any state tax withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed in the year distributed and will be subject to the 10% additional federal income tax and the 2.5% additional state 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 amount eligible for rollover. Any CalSTRS payment is eligible for rollover, except:

- Benefit 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).
- Required minimum distributions after age 72 (age 70½ if you were born prior to July 1, 1949) or after death.
- Corrective distributions of contributions that exceed tax law limitations.

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

### **If I don't do a rollover, will I have to pay the 10% additional federal income tax and the 2.5% additional state income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional federal income tax and 2.5% additional state income tax on early distributions for any CalSTRS payment, 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 federal and state income taxes on the payment not rolled over.

## Special Tax Notice: Your Rollover Options

The 10% additional federal income tax and the 2.5% additional state income tax do not apply to the following CalSTRS payments:

- 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 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 federal income tax and the 2.5% additional state income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional federal income tax and 2.5% additional state income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the additional federal and state income taxes for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders does not apply. However, a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse.
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment

compensation but for self-employed status).

### **SPECIAL RULES AND OPTIONS**

#### **If Your Payment Includes After-Tax Contributions**

After-tax contributions included in your payment are not taxed upon distribution. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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 your CalSTRS payment and the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of your entire CalSTRS payment to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth 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 eligible 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 eligible employer plan of part of a CalSTRS payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

## Special Tax Notice: Your Rollover Options

### **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.

*Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification.* Otherwise, to apply for a waiver from the IR, 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-A, *Contributions to Individual Retirement Arrangements*.

### **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 your CalSTRS 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 and 2.5% additional state income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within five years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed, including earnings after the rollover. A qualified distribution from a Roth IRA is a payment made after you are age 59½—or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000—and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional federal income tax and 2.5% additional state income tax on early distributions, unless an exception applies. You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS

Publications 590-A, *Contributions to Individual Retirement Arrangements* and 590-B, *Distributions From Individual*

### *Retirement Arrangements.*

CalSTRS is not responsible for assuring your eligibility to make a rollover to a Roth IRA. Consult your tax adviser if you are interested in rolling over your payment to a Roth IRA.

### **If You Are Not a CalSTRS Member Payments after a member's death.**

If you receive a distribution after a CalSTRS 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 federal income tax and 2.5% additional state income tax on early distributions do not apply. The special rule described under the section "If you were born on or before January 1, 1936" applies only if the CalSTRS member was born on or before January 1, 1936.

### **If you are a surviving spouse.**

If you receive a CalSTRS payment 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 59½ will be subject to the 10% additional federal income tax and 2.5% additional state income tax on early distributions, unless an exception applies. In addition, required minimum distributions from your IRA do not have to start until after you are age 70½. If you were born on or after July 1, 1949, you are subject to required minimum distributions in the year you reach age 72.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional federal income tax and 2.5% additional state 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, you will not have to start receiving required minimum distributions from the inherited IRA until the year the member would have been age 72 (age 70½ if the member was born before July 1, 1949).

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

If you receive a CalSTRS payment because of the member's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you

## Special Tax Notice: Your Rollover Options

have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional federal income tax and 2.5% additional state income tax on early distributions. The entire balance of the inherited IRA must be distributed by the end of the 10th calendar year following the year of the member's death, unless you are an "eligible designated beneficiary." An eligible designated beneficiary is a beneficiary designated under the terms of CalSTRS who is any of the following:

- The surviving spouse of the member.
- A child of the member who has not reached the age of majority (18 in California and most other states).
- A chronically ill individual as defined in Internal Revenue Code Section 401(a)(9)(E)(ii)(IV).
- Any other individual who is not more than 10 years younger than the member.

Required minimum distributions to an eligible designated beneficiary may be made over a period based on the beneficiary's life expectancy, beginning no later than the year after the member's year of death. Different rules apply if the member died before January 1, 2020. Consult your tax advisor and your IRA provider about minimum required distributions.

### Payments under a qualified domestic relations order.

If you are the spouse or former spouse of a CalSTRS member who receives a payment from CalSTRS under a qualified domestic relations order (QDRO), you generally have the same options the member 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 federal income tax or 2.5% additional state 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 a U.S. eligible employer plan, CalSTRS 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 IRS Form 1040NR and attaching your IRS 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*; IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*; and FTB Publication 1100, *Taxation of*

*Nonresidents and Individuals Who Change Residency.*

### OTHER SPECIAL RULES

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series, unless you make a different choice for later payments.

If your payments for the year are less than \$200, CalSTRS 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.

When electing how to receive a CalSTRS payment that is rollover eligible, any amount not designated for rollover will be issued directly to you according to the payment preference on file for your account.

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

See the *Tax Considerations for Rollovers* booklet at CalSTRS.com. You may wish to consult a professional tax adviser before taking a payment from CalSTRS.

In addition, you will find more information on the federal tax treatment of payments from employer plans in IRS Publication 575, *Pension and Annuity Income*; Publication 590-A, *Contributions to Individual Retirement Arrangements*; Publication 590-B, *Distributions From Individual Retirement Arrangements*; and Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, at irs.gov, or by calling 800-TAX-FORM (800-829-3676).

For information on state tax, contact the California Franchise Tax Board at [ftb.ca.gov](http://ftb.ca.gov) or call 800-852-5711 (or 916-845-6500 if calling from outside the U.S.). Also see FTB Publication 1005, *Pension and Annuity Guidelines*.

### RIGHT TO RECEIVE PAPER DOCUMENT

Contact CalSTRS to receive this *Special Tax Notice: Your Rollover Options* provided as a written paper document at no charge.

### RIGHT TO WITHDRAW YOUR CONSENT

You have the right to withdraw consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options* at any time. Withdrawal of your consent may delay processing of your application. If you would like to withdraw your consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options*, contact CalSTRS and

## Special Tax Notice: Your Rollover Options

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request to receive this notice and application as a written paper document at no charge.

### **Scope of Your Consent**

Consent to receive electronic delivery of the *Special Tax Notice: Your Rollover Options* applies only to the particular transaction.

### **CalSTRS Contact Procedures**

If you have questions about the procedures for receiving a written paper document or to update your electronic information, contact CalSTRS at 800-228-5453, [CalSTRS.com/contact-us](http://CalSTRS.com/contact-us) or 916-414-5040 (fax).

### **Software Requirements**

The software requirements needed to access and retain this *Special Tax Notice: Your Rollover Options* follow:

- Internet Explorer, Version 7.0 and above
- Mozilla Firefox, Version 3.0 and above
- Apple Safari, Version 3.0 and above
- Google Chrome, Version 4.0 and above

Use Adobe® Reader® to view, print and save this notice and other CalSTRS important online documents. If you do not have Adobe Reader installed on your computer, you may download the free program from the Adobe website.

CalSTRS is not responsible for any hardware or software problems resulting from the installation of any third-party tools, including Web browsers, programs or plug-ins listed. Any third-party providers listed here are governed by their own terms of use and privacy policies.



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# Service Retirement Application Change Request

SR 1328 rev 04/23

# CALSTRS

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

[For CalSTRS' Official Use Only]

Use this form to change only those elections made or confirmed at retirement on the *Service Retirement Application*. CalSTRS must receive all changes **no later than 30 days after your first payment is issued by CalSTRS**.

Please read the instructions carefully before completing this form.

## Section 1: Member Information

Provide either your client ID or Social Security number.

CLIENT ID

SOCIAL SECURITY NUMBER

LAST NAME

FIRST NAME

MI

ADDRESS (number, street, apt or suite no.)

DATE OF BIRTH (MM/DD/YYYY)

CITY

STATE

ZIP CODE

EMAIL ADDRESS

TELEPHONE

ALTERNATE PHONE NUMBER

## Section 2: Retirement Change or Cancellation

Check the appropriate box. I previously submitted my *Service Retirement Application* and I now request to:

- Change my retirement date from \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_.
- Change my last date of paid employment from \_\_\_\_/\_\_\_\_/\_\_\_\_ to \_\_\_\_/\_\_\_\_/\_\_\_\_.
- Cancel my previously submitted *Service Retirement Application*.
- Change my retirement alternative from my current choice to:
  - Normal Retirement
  - Reduced Benefit Election (I have completed and attached the *Reduced Benefit Election* form.)

*Continued on the next page*



## Service Retirement Application Change Request continued

Name  Client ID or SSN

### Section 3: Option Cancellation or Change

If you are changing your preretirement election of an option, an assessment will apply.

- Cancel my Modified Benefit. I am now electing a Member-Only Benefit.
- Cancel my Member-Only Benefit. I am now electing a Modified Benefit with an option. Choose one of the following options and complete the beneficiary information on the next page.
  - 100% Beneficiary Option
  - 75% Beneficiary Option
  - 50% Beneficiary Option
  - Compound Option (I have completed and attached the *Compound Option Election* form.)
- Change my option from \_\_\_\_\_ to (choose one):  
(previous option election)
  - 100% Beneficiary Option
  - 75% Beneficiary Option
  - 50% Beneficiary Option
  - Compound Option (I have completed and attached the *Compound Option Election* form.)
- Change my option beneficiary.
  - For 100% Beneficiary Option, 75% Beneficiary Option or 50% Beneficiary Option, complete the information below.
  - I am changing a Compound Option beneficiary. (Do not enter beneficiary information below. You must also complete and attach the *Compound Option Election* form.)
  - I am electing a special needs trust. (Provide the beneficiary information below. The *Certification of a Special Needs Trust* form must be completed and must accompany this application.)

#### THE NEW BENEFICIARY I AM ELECTING IS:

BENEFICIARY'S NAME (LAST, FIRST, INITIAL)		BENEFICIARY'S SOCIAL SECURITY NUMBER OR TAX ID	
MAILING ADDRESS	HOME TELEPHONE	ALTERNATE TELEPHONE NUMBER	
CITY	STATE	ZIP CODE	DATE OF BIRTH(MM/DD/YYYY)
<u>CALSTRS MEMBER?</u>		<u>BIRTH DATE VERIFICATION ENCLOSED?</u>	
<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO	
<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE <input type="checkbox"/> NONBINARY			
<u>RELATIONSHIP:</u> <input type="checkbox"/> SPOUSE <input type="checkbox"/> REGISTERED DOMESTIC PARTNER (RDP) <input type="checkbox"/> OTHER			

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**Section 4: Defined Benefit Supplement Election Change**

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**Confirm previous Defined Benefit Supplement Election**

**Change** my Defined Benefit Supplement election from my current choice as elected on my *Service Retirement Application* to my new election below: (Complete the applicable portions of section 4.)

**New Defined Benefit Supplement Election**

You have **three payment choices** for your Defined Benefit Supplement account. **Choose only one.**

1.  **Lump-Sum Payment or Rollover.** You have three choices. **Choose one:**
  - Check paid to you directly. (Skip to section 4.1 and select *Direct Payment* in section 4.2.)
  - Rollover to CalSTRS Pension2. (Skip section 4.1 and select *Rollover* in section 4.2.)
  - Rollover to another qualified plan with a financial institution. (Skip section 4.1 and select *Rollover* in section 4.2.)
  
2.  **Annuity Payment** You have two choices. **Choose one:**
  - Period-Certain Monthly Annuity of 3 to 10 years\***  
 Number of years (circle one)  3  4  5  6  7  8  9  10 Then select one:
    - Check paid to you directly. (Skip to section 4.1 and select *Direct Payment* in section 4.2.)
    - Rollover to CalSTRS Pension2. (Skip section 4.1 and select *Rollover* in section 4.2.)
    - Rollover to another qualified plan with a financial institution. (Skip section 4.1 and select *Rollover* in section 4.2.)
  
  - OR**
  - Lifetime Monthly Annuity\***
    - Elected the **Member-Only Benefit** and will receive the Member-Only Annuity.
    - Elected the **Modified Benefit** and choose one of the following:
      - 100% Beneficiary Annuity
      - 75% Beneficiary Annuity
      - 50% Beneficiary Annuity
  
3.  **Combination Lump Sum and Annuity** After your lump-sum payment, at least \$3,500 must remain in your Defined Benefit Supplement account to fund an annuity. Indicate your lump-sum payment amount and select one annuity.

\$ \_\_\_\_\_ **Lump-Sum Amount**

- Check paid to you directly. (Select *Direct Payment* in section 4.2.)
- Rollover to CalSTRS Pension2. (Select *Rollover* in section 4.2.)
- Rollover to another qualified plan with a financial institution. (Select *Rollover* in section 4.2.)

**Annuity (choose one):**

- Period-Certain Monthly Annuity of 3 to 10 Years\***  
 Number of years (circle one)  3  4  5  6  7  8  9  10 Then select one:
  - Check paid to you directly. (Select *Direct Payment* in section 4.2.)
  - Rollover to CalSTRS Pension2. (Select *Rollover* in section 4.2.)
  - Rollover to another qualified plan with a financial institution. (Select *Rollover* in section 4.2.)

**OR**

- Lifetime Monthly Annuity\***
  - Elected the **Member-Only Benefit** and will receive the Member-Only Annuity.
  - Elected the **Modified Benefit** and choose one of the following:
    - 100% Beneficiary Annuity
    - 75% Beneficiary Annuity
    - 50% Beneficiary Annuity

\*Lifetime monthly annuities and period-certain annuities of 10 years are not eligible for rollover into a pretax account.

**Service Retirement Application Change Request** continued



Name

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**Section 4.1: Defined Benefit Supplement Tax Withholding Instructions**

**Lifetime Monthly Annuity or Period-Certain Annuity of 10 Years**

If you do not complete this section, we must withhold federal income tax from your monthly benefit payments as single with no adjustments. We must withhold state income tax as married claiming three withholding allowances (unless you are a nonresident of California, in which case we will not withhold state tax).

Remember, 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.

You can update your tax withholding preferences online using your *myCalSTRS* account or the *Income Tax Withholding Preference Certificate* form, available at [CalSTRS.com/forms](http://CalSTRS.com/forms).

<b>CALIFORNIA STATE INCOME TAX WITHHOLDING</b>	<b>FEDERAL INCOME TAX WITHHOLDING</b>
<p><input type="checkbox"/> <b>Do not</b> withhold California state income tax.</p> <p style="text-align: center;"><b>OR</b></p> <p><input type="checkbox"/> <b>Withhold</b> California state income tax.</p> <p><input type="checkbox"/> Withhold only \$ _____ from each benefit payment. (Enter a flat dollar amount only. Do not enter a percentage.)</p> <p style="text-align: center;"><b>OR</b></p> <p>Withhold California state income tax based on the tax tables for (choose one):</p> <p><input type="checkbox"/> Married with _____ (Enter 0 or number of allowances.)</p> <p><input type="checkbox"/> Single with _____ (Enter 0 or number of allowances.)</p> <p><input type="checkbox"/> Head of household with _____ (Enter 0 or number of allowances.)</p> <p><b>Additional withholding:</b> \$ _____ from each benefit payment in addition to the amount to be withheld based.</p>	<p><input type="checkbox"/> <b>Do not</b> withhold federal income tax.</p> <p style="text-align: center;"><b>OR</b></p> <p><input type="checkbox"/> <b>Withhold</b> federal income tax based on the tax tables for (choose one):</p> <p><input type="checkbox"/> Married filing jointly or qualifying widower</p> <p><input type="checkbox"/> Single or married filing separately</p> <p><input type="checkbox"/> Head of Household (check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual)</p> <p><b>Note:</b> A specific dollar amount cannot be withheld for federal income tax unless you also withhold according to the federal tax tables.</p>

**Service Retirement Application Change Request** continued



Name

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**Section 4.1.1 Additional Income and other adjustments**

**Complete sections 4.1.1.1 and 4.1.1.2 below only if they apply to you. See the instructions for more information.**

**Section 4.1.1.1 Income from your or a spouse's job, other pensions or annuities**

Complete this step if you have income from a job or more than one pension or annuity or are married filing jointly and your spouse receives income from a job or a pension or annuity.

a. **Job income.** If you (or your spouse) have one or more jobs, enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs, less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "0." \$

b. **Pension or annuity income.** If you (or your spouse) have any other pensions or annuities (including other CalSTRS benefits) that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions or annuities. Otherwise, enter "0". \$

c. Total. Add the amounts above. \$

**Section 4.1.1.2 Optional adjustments**

a. Extra withholding. Enter any additional tax you want withheld from each payment \$

**Lump Sum or Period-Certain Annuity of 3 to 9 Years—Distribution Instructions**

Federal law requires that CalSTRS withhold at least 20% federal income tax for all lump-sum payments and period-certain annuities of 3 to 9 years that are paid directly to you or your designated beneficiary unless the payment is less than \$200. You may elect a higher percentage if you choose.

If you choose to have California state tax withholding, CalSTRS will withhold 2% for state tax, for all lump-sum payments and period-certain annuities of 3 to 9 years.

**CALIFORNIA STATE INCOME TAX WITHHOLDING**

- Withhold** 2% California state income tax
- Do not withhold** California state income tax

**FEDERAL INCOME TAX WITHHOLDING**

CalSTRS must withhold at least 20% federal income for tax. Optional: if you would like more than 20% withheld for federal income tax, you may designate a higher percentage.

Enter a whole number (no decimals)  %

Note: See [irs.gov](https://www.irs.gov) for information and instructions on Form W-4R

**Continued on next page**

## Service Retirement Application Change Request continued

Name  Client ID or SSN

### Section 4.2: Defined Benefit Supplement Election Payment Instructions

I have received and read the *Special Tax Notice: Your Rollover Options* on pages 5-8 of the Instructions. I **understand I have at least 30 days before distribution to consider the information provided in this notice and decide whether to elect a direct rollover to another retirement plan or have the amount distributed to me.** The 30-day waiting period has been met or I waive the 30-day period. Indicate below if you want to receive your Defined Benefit Supplement distribution as a direct payment or a rollover. **Select one:**

**Direct Payment:** I choose to have my Defined Benefit Supplement distribution paid directly to me. (Skip to section 5.)

**OR**

**Rollover:** I choose to roll over all or part of my Defined Benefit Supplement distribution to a qualified plan with a financial institution. I understand that only lump-sum payments and period-certain annuities of 3 to 9 years are eligible for a rollover. Note: *Any amount not designated for rollover will be paid directly to me.*

### Section 4.3: Rollovers to Pension2 (Does Not Require a Financial Institution Signature)

**Complete this section if your rollover is to CalSTRS Pension2.**

I choose to roll over all or part of my Defined Benefit Supplement distribution to CalSTRS Pension2. Only lump-sum payments and period-certain annuities of 3 to 9 years are eligible for a rollover. Complete the information below. If you already have a Pension2 account, we will roll over your Defined Benefit Supplement funds to that account. If you do not have a Pension2 account, we will open a Pension2 403(b) account for you and your investment will be defaulted into Voya Fixed Plus III, a fixed investment that guarantees your principal and a specific interest rate. You can reallocate your investment at any time. To access your account, visit [CalSTRS.com/Pension2](http://CalSTRS.com/Pension2) or call 844-353-2872.

#### Rollover of Tax-Deferred Contributions and Interest

I elect to roll over my tax-deferred contributions and interest to CalSTRS Pension2.

**Select one:**  Amount to transfer \$  **OR**  Percentage to transfer  % (indicate 1-100%)

#### Rollover of After-Tax Contributions

I elect to roll over my after-tax contributions to CalSTRS Pension2.

**Select one:**  Amount to transfer \$  **OR**  Percentage to transfer  % (indicate 1-100%)

**Next:** If you:

- Chose to **roll over 100%** of your Defined Benefit Supplement account to CalSTRS Pension2, **skip to section 5.**
- Chose to **roll over less than 100%** of your Defined Benefit Supplement account, **go to section 4.1** to indicate your tax withholding preferences.

#### **CalSTRS Pension2 403(b) and 457(b) Plans**

Pension2, CalSTRS' voluntary defined contribution plan, offers 403(b), 457(b), Roth 403(b) and Roth 457(b) plans with flexible investment choices and low costs:

- Investments selected and monitored by CalSTRS for every type of investor—an investment with a competitive guaranteed rate of return Easy Choice Portfolios that provide ready-made diversified portfolios, Core Investment Options to build your own portfolio, including institutional class mutual funds with lower expense ratios than retail mutual funds, and a Self-Directed Brokerage Account for experienced investors.
- Simple, low-cost and transparent costs—there are no commissions, no surrender charges, no front- or back-end load fees.
- Services, planning tools and a team to help you succeed.

To learn more, go to [Pension2.com](http://Pension2.com), call toll free 888-394-2060 or email [Pension2@CalSTRS.com](mailto:Pension2@CalSTRS.com)

**Service Retirement Application Change Request** continued



Name

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**Section 4.4: Rollovers to Another Qualified Plan with a Financial Institution**

(Requires Your Financial Institution's Signature)

**Complete this section if your rollover is to another qualified plan with a financial institution.** If you roll over your Defined Benefit Supplement funds to an institution other than CalSTRS Pension2, you must obtain original signatures from your financial institution or submit a Letter of Acceptance.

**Rollover of Tax-Deferred Contributions and Interest**

I elect to roll over my tax-deferred contributions and interest to one of the plans below.

**Select one:**  Amount to transfer \$  **OR**  Percentage to transfer  % (indicate 1%–100%)

**Select one:**  Traditional, SEP or SIMPLE IRA  Other eligible plan (403(b), 457(b), 401(k) or 401(a))  Roth account

**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's Representative

Telephone

*Certification: My signature below 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 below authorizes the transfer of CalSTRS funds as indicated above.*

Financial Institution Representative's Signature

Signature Date (MM/DD/YYYY)

**Rollover of After-Tax Contributions**

I elect to roll over my tax-deferred contributions and interest to one of the plans below

**Select one:**  Amount to transfer \$  **OR**  Percentage to transfer  % (indicate 1%–100%)

**Select one:**  Traditional, SEP or SIMPLE IRA  Other eligible plan (403(b), 457(b), 401(k) or 401(a))  Roth account (taxable rollover)

**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's Representative

Telephone

*Certification: My signature below 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 below authorizes the transfer of CalSTRS funds as indicated above.*

Financial Institution Representative's Signature

Signature Date (MM/DD/YYYY)



**Service Retirement Application Change Request** continued



Name

Client ID or SSN

**Section 5: Required Signatures**

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Check all that apply to your current and previous marital status (you must check at least one).

- 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 the Justification for Non-Signature of Spouse or Registered Domestic Partner form.
- I have never been married or in a registered as a domestic partnership.
- 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 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 partner **was not** awarded a portion of my CalSTRS benefits.

**Required Signatures**

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement, including a false statement regarding my marital status, for the purpose of using it, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in penalties, including restitution, of up to one year in jail and/or a fine of up to \$5,000 (Education Code section 22010). It may also result in any document containing such false representation being voided.

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).

MEMBER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)

CURRENT SPOUSE'S OR REGISTERED DOMESTIC PARTNER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)

CURRENT SPOUSE'S OR PARTNER'S PRINTED NAME (LAST, FIRST, INITIAL)