



PO Box 50434  
Indianapolis, Indiana 46250  
800.595.4131  
317.774.3955 FAX

### LUMP SUM DISTRIBUTION FORM

You have indicated you wish to receive your retirement benefits under The Wesleyan Church Pension Plan in a lump sum payment. Please review the *Special Tax Notice Regarding Pension Plan Payments* for information regarding the tax consequences regarding your receipt of a lump sum payment. If you wish to receive a lump sum distribution of your account balance, you must complete this form and return it to Wesleyan Pension Fund.

---

**PERSONAL INFORMATION**

Participant's Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone: \_\_\_\_\_ Date of Birth \_\_\_\_\_

Email Address \_\_\_\_\_

Marital Status:  Married  Single/Divorced/Widow(er)  separated

---

**WITHDRAWAL INFORMATION**

I hereby elect to receive my benefits from my account in the Wesleyan Church Pension Plan in the form of a lump sum, payable as follows:

**Lump sum payment of my entire Plan account paid directly to me**

I wish to receive these funds by:  Check

*(Check all that apply)*

Direct Deposit – *Completed Direct Deposit form attached*

Direct Deposit form is already on file

W-4P (No Taxes for Ministers) – *Completed W-4P attached*

W-4P form is already on file

Deposit to my WIF Account # \_\_\_\_\_

**Direct rollover of my entire Plan account per instructions**

*(Please attach your rollover instructions)*

Date of Employment Termination: \_\_\_\_\_ Date of Retirement \_\_\_\_\_

---

**I understand that, by receiving this lump sum payment, that I am waiving my rights to receive my benefits as an annuity or in installments, and that my rights to benefits from the Wesleyan Church Pension Plan are extinguished.**

**DATE AND SIGNATURE** *(If married, both must sign - \*Note: Spouse's signature must be witnessed & accompanied by ID)*  
*(It is not necessary to date your signatures – the WPF Rep will date the form.)*

\_\_\_\_\_  
Participant Signature

\_\_\_\_\_  
Spouse Signature ***(Required: Copy of valid ID)***

\_\_\_\_\_  
WPF Representative Date

\_\_\_\_\_  
Witnessed by  
***(Required for spouse signature—doesn't have to be Notary)***

## SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

---

This notice contains important information you will need before you decide how to receive your benefits from the WESLEYAN CHURCH PENSION PLAN (the “Plan”).

This is provided to you by the Wesleyan Pension Fund (your “Plan Administrator”) because all or a part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or another tax-sheltered annuity plan which qualified under Section 403(b) of the Internal Revenue Code (referred to in this notice as an “employer plan”). A “traditional IRA” does not include a Roth IRA, SIMPLE IRA, or education IRA.

If you have additional questions after reading this notice, you can contact the Wesleyan Pension Fund at (800) 595.4131 or, if you are local, (317) 774.3954.

### **TWO WAYS YOU MAY BE ABLE TO RECEIVE A PLAN PAYMENT THAT IS ELIGIBLE FOR ROLLOVER:**

- 1) Certain payments can be made directly to a traditional IRA or to another employer plan that will accept it (“DIRECT ROLLOVER”); or
- 2) The payment can be PAID TO YOU.

### **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 traditional IRA or to another employer plan that accepts your rollover. Your Plan payment cannot be rolled over to a Roth IRA, a SIMPLE IRA or an education IRA because these are not traditional IRAs.
- ✓ Your payment will be taxed when you take it out of the traditional IRA or the employer plan.

### **If you choose to have your Plan benefits PAID TO YOU:**

- ✓ You will receive only 80% of the taxable portion of the distribution because the Plan Administrator is required to withhold 20% of this 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. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you also may have to pay an additional 10% tax.
- ✓ You can roll over the payment by paying it to your traditional IRA or to another employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or employer plan.
- ✓ If you want to roll over 100% of the payment to a traditional IRA or another 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 was withheld and that is not rolled over.

### **I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER**

Payments from the Plan may be “eligible rollover distributions.” This means they can be rolled over to a traditional IRA or to another employer plan that accepts rollovers. Payments from the Plan cannot be rolled over to a Roth IRA, a SIMPLE IRA or an education IRA. The Wesleyan Pension Fund will be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payments CANNOT be rolled over:

**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 paid to you and cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay that were already taxed.) The Wesleyan Pension Fund will be able to tell you how much of your payment is the taxable portion and how much is the after-tax employee contribution portion.

**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 life expectancy),

§ Your lifetime and your beneficiary’s lifetime (or life expectancy); or

§ A period of ten years or more.

**Required Minimum Payments.** Beginning in the year you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum distribution” that must be paid to you.

## II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or another employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or a portion of your payment that is an eligible rollover distribution as described in Part I above. You are not taxed on a payment until you later take it out of the traditional IRA or other employer plan. In addition, no income tax withholding is required for any portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

**DIRECT ROLLOVER to a Traditional IRA.** You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA contact an IRA sponsor, usually a financial institution, to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to consider whether the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date without penalties or other limitations. (See IRS Publication 590, *Individual Retirement Arrangements*, for more information on traditional 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 maintains another employer plan, and you want to make 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 a traditional IRA.

**DIRECT ROLLOVER of a Series of Payments.** If you receive a payment that can be rolled over to a traditional IRA or another employer plan that will accept it and it is paid in a series for less than ten years, your choice to make or not to make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

## III. PAYMENT PAID TO YOU

If your payment can be rolled over under Part I above and the payment is made to you in cash, it is subject to income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or another employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

**Mandatory Withholding.** If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, 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 Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part I above, 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 receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or another employer plan that accepts rollovers. If you decide to roll over, YOU MUST CONTRIBUTE THE AMOUNT OF THE PAYMENT YOU RECEIVED TO A TRADITIONAL IRA OR ANOTHER EMPLOYER PLAN 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 traditional IRA or the employer plan.

You can roll over up to 100% of the payment that can be rolled over under Part I above, 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 traditional IRA or the 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:** The portion of your payment that can be rolled over under Part I above 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 a traditional IRA or employer plan. To do this, you roll over the \$8,000 you received 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 traditional 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 59½.** If you receive a payment before you reach age 59½ 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 the payment. The additional 10% tax does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or you and the lives or life expectancies of your beneficiaries), or (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. (See IRS Form 5329 for more information on this additional 10% tax.)

#### **IV. 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 a 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 payments to surviving spouses, alternate payees and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA but you cannot roll it over to another 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 a traditional 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 III above, even if you are younger than age 59½.