



State of California
Savings Plus Program

Part-time, Seasonal, and Temporary Employees Retirement Program

BENEFIT PAYMENT BOOKLET

All information contained in this booklet was current as of the printing date. The Plan Administrator reserves the right to amend any of the procedures or plan provisions outlined in this booklet or the official Plan Document. Such changes may be enacted without prior announcement or the expressed consent or agreement of plan participants. The official Plan Document will govern if any contradiction arises between the terms of the official Plan Document and this booklet.

This booklet contains information and an application for your use. Use the applicable information to select the payment method that best meets your needs. Enclosed in this booklet are the following items:

- Part-time, Seasonal, and Temporary Employees Retirement Program Benefit Payment Application
- Summary 402(f)

The instructions contained in this booklet summarize the major provisions of federal and State of California tax rules that may apply to your payment. The tax rules are complex and contain in their full text many conditions and exceptions that are not included in these instructions. You can find more specific information on the tax treatment of payments drawn from retirement plans in the Internal Revenue Service (IRS) Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, the IRS Web site at www.irs.gov, or the IRS Tax Forms Distribution Center, telephone 1-800-TAX-FORM (1-800-829-3676).

Information and Instructions for Benefit Payment Application

You are eligible for a distribution after you retire or separate from all state employment. Your eligibility will be verified before payment is issued. Your payment will be mailed to the address you provide on this application. A 1099-R will be issued by January 31 of the following year for tax reporting purposes. The 1099-R will apply to both Direct Payment and Direct Rollover to Another Entity methods.

SECTION I—Participant Information

Complete the information requested. Provide either your retirement or separation date. Print clearly.

SECTION II—Main Option of Payment

Direct Payment: This payment method allows you to receive your entire account balance. This payment will be reported to the Internal Revenue Service as ordinary income. If your account balance is less than \$200, federal and state income taxes will **not** be withheld. There will be a **mandatory** 20% withholding for federal income taxes on amounts of \$200 or more. No state income taxes will be withheld unless you request otherwise by completing a California State Withholding Certificate for Pension or Annuity Payments (DE-4P).

Method of Payment: Pick one method of payment, either direct deposit or check.

If you pick direct deposit, there is no fee for this electronic transfer. You may choose only one financial institution for direct deposit. You must provide the account information. A notification of direct deposit will be mailed to you for your records.

Include the nine-digit Automated Clearing House (ACH) routing number and your account number for your financial institution. Attach a voided check for an electronic fund transfer to your checking

account. For an electronic fund transfer to your savings account, verify the ACH routing number with your financial institution.

Provide the name and mailing address of your financial institution.

SECTION III—Participant Certification

Read Summary 402(f) and sign and date the application.

SECTION IV—Secondary Option of Payment

Direct Rollover to Another Entity: This option allows you to roll over funds from your PST Program account to an Individual Retirement Account (IRA), 401(k) Plan, or 403(b) Tax Sheltered Annuity as long as the entity sponsoring the plan accepts 457 funds. A certification from the receiving entity must be attached to the PST Benefit Payment Application.

If you are age 70½ or older and elect to roll over your funds, your Required Minimum Distribution (RMD) will be processed and paid directly to you before the funds are rolled over to the provider. Refer to the enclosed Summary 402(f) for information regarding RMDs.

Contact Information

Voice Response System: (866) 566-4777, 24 hours a day,
7 days a week

Customer Service: (866) 566-4777,
8:30 a.m.—4:00 p.m. (PT),
Monday—Friday
To speak with a customer
service representative, press *0.

Office: 8:00 a.m.—5:00 p.m. (PT),
Monday—Friday

TTY: (800) 848-0833

Web site: www.sppforu.com

Savings Plus Program

Part-time, Seasonal, and Temporary Employees Retirement Program Benefit Payment Application

Please read the information and instructions in the Benefit Payment Booklet before completing the application.
Payment will be issued within 90–120 days after your last contribution posts.

SECTION I—Participant Information

| | | |
|---------------------------|------------------------------------|---|
| Last Name, First Name, MI | | Social Security Number (SSN) |
| Street Address | | Date of Birth (mm/dd/yyyy) |
| City, State, ZIP Code | Daytime Telephone Number () | Retirement/Separation Date (mm/dd/yyyy) |

Privacy Statement: The Information Practices Act of 1977 (*Civil Code* Section 1798.17) and the federal Privacy Act (Public Law 93-579) require that this notice be provided when collecting personal information from individuals. Information requested on this form is used by the Savings Plus Program for purposes of identification and account processing. You must furnish all the information requested on this form. Failure to provide the information may result in the action requested not being processed.

SECTION II—Main Option of Payment

Direct Payment: 100% of the account balance will be distributed to you. Payment will be reported to the IRS as ordinary income.
A 1099-R will be issued by January 31 of the following year for tax reporting purposes.

Method of Payment (Check **one** box only.): Direct Deposit Check

If Direct Deposit, you need to provide the account information.

Account Type (check **one** box only.): Checking (Attach a voided check.) Savings

ACH Routing Number (9 digits)

Account Number (Not to exceed 17 digits)

Name of Financial Institution

Street Address

City, State, ZIP Code

See the reverse side of this application for additional option of payment.

SECTION III—Participant Certification

I request distribution to be made in accordance with the Plan Document, *Internal Revenue Code*, and my election. I certify that I have been informed of the different payment methods and the tax implications of distributions from my account. I certify that I have read Summary 402(f) and, by signing, I waive the 30-day notice.

Signature

Date

Mail the original form (do not fax) to: Nationwide Retirement Solutions (PW-03-01), P.O. Box 182797, Columbus, OH 43218-2797

SECTION IV—Secondary Option of Payment

Direct Rollover to Another Entity

100% of the account balance will be rolled over to another entity. Check the type of plan to which your funds will be rolled over. If you are age 70½ or older and elect to roll over your funds, the annual RMD portion will be paid directly to you **before** the remaining funds are rolled over to the receiving entity.

- Direct rollover to an IRA
- Direct rollover to *Internal Revenue Code* (IRC) Section 457 Plan
- Direct rollover to IRC Section 401(k) Plan
- Direct rollover to IRC Section 403(b) Plan

The rollover check will be made payable for the benefit of your name to the trustee/custodian named below. The check will be mailed to your address of record for you to forward along to the trustee/custodian. If funds are to be distributed to more than one plan or an IRA provider, attach an additional sheet with the following information: your SSN; your signature; the name of the trustee/custodian; the percentage of your rollover or the dollar amount; and the date. If you are rolling over your plan assets to a different plan type—for example, rolling over a 457 into a 401(k)—you **must** attach a certification from the receiving entity(ies) that agrees to accept the funds before the distribution will occur.

Name of Trustee/Custodian (Please do not abbreviate.)

Summary 402(f)

This is a summary of the provisions of the model Section 402(f) notice issued by the Internal Revenue Service in Notice 2002-3 and explains how you can continue to defer federal income tax on your retirement savings in the State of California Savings Plus Program Deferred Compensation Plan (the “Plan”) and contains important information you will need before you decide how to receive your Plan benefits. A copy of the model Section 402(f) notice will be provided to you upon request without charge. If you would like a copy of the model 402(f) notice or have additional questions after reading this summary, you can contact your Plan Administrator at (866) 566-4777.

This summary is provided to you by the State of California Department of Personnel Administration, Savings Plus Program (your “Plan Administrator”) because all or 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 an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An “eligible employer plan” includes a plan qualified under Section 401(a) of the *Internal Revenue Code*, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) Tax Sheltered Annuity; and an eligible Section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer

plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

There are 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 that you establish or to an eligible employer plan that will accept it and hold it for your benefit (“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.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of 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 59^{1/2}, you may have to pay an additional 10% tax.

- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible 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 the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion 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.

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this summary. Thus, after receiving this summary, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by signing the enclosed Benefit Payment Application. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

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