MSRS Minnesota State Retirement System

Application for Correctional Retirement Plan Benefit

Congratulations on your upcoming retirement!

We realize that retiring is a significant life event and want to make the process to apply for your MSRS retirement benefit as easy as possible.

Forms you need to complete and documents to provide:

- ☐ Application for Retirement Benefit (required)

  The application must be signed by you and your spouse (if married) in the presence of a notary.

- ☐ Direct Deposit Agreement (optional, but recommended)

  Complete this form to have monthly payments deposited into your bank account. Generally, payments are deposited the first business day of each month.

- ☐ Tax Withholding Certificates (default will apply if you do not complete a *Form W-4P* and *W-4MNP*)

  See page 6 of this form for more details about income tax withholding.

- ☐ Photocopy of Birth Records (required)

  Payment cannot begin until you provide a photocopy of your birth record. In addition, if you select a survivor option, you must provide a photocopy of your survivor's birth record.

- ☐ Photocopy of Marriage Certificate (if applicable)

- ☐ Certified Copy of Divorce Decree(s) and Domestic Relations Order(s) (If applicable)

  If you are currently divorced or have ever been divorced, you must provide these documents, even if the MSRS retirement benefit will not be divided between the parties.

- ☐ Authorization for Insurance Premium Deductions Form (optional, but must meet eligibility requirements)

  For more information about this program and eligibility requirements, see www.mnretire.gov/insurance-prem-withholding.

For more information

- Refer to the **Your Guide to Retirement** brochure
- See the **Guide to Apply for a Monthly Benefit** on pages 6 & 7
- Call MSRS at 651.284.7730 or 1.800.657.5757; or
- Visit our website at www.mnretire.gov

Timeline to receive payment

You will receive your first payment **about 6 weeks** after the retirement benefit start date indicated in Section 2 of this application. Please plan accordingly. The first payment may be higher because it includes retroactive payments back to your benefit start date. After that, monthly payments will be deposited into your bank account the first business day of each month. If payment is made by check, assume additional time for mailing.

Things to know

1. Generally, you must end all State of Minnesota employment before receiving a retirement benefit. If you are covered by multiple Minnesota public pension plans, contact MSRS to discuss your individual circumstances.
2. The completed forms and required documents must be mailed to MSRS (we cannot accept a fax or email).
3. MSRS is unable to accept your application more than 60 days prior to the retirement benefit start date you indicate in Section 2 of this application.
4. If you previously separated from service, but delayed collecting your benefit, there may be a limit on retroactive payments. See page 6 for more details.

Please complete pages 2 - 5 and mail the original application to MSRS. Refer to the ***Guide to Apply for a Monthly Retirement Benefit*** beginning on page 6 of this application for information on how to complete this form.

1. Information about you (please type or print)

Last name	First name	MI	MSRS ID or SSN
Mailing address		Date of birth	
City		State	Zip code
Daytime phone	Alternate phone		
Current marital status ❒ Married ❒ Unmarried (single, divorced, or widowed)			
Spouse's name	Spouse's date of birth		

Check appropriate box(es) below to indicate if you were previously:

❒ Divorced. You must provide MSRS with a certified copy of your divorce decree(s) and domestic relations order (DRO), if applicable, even if the benefit will not be divided between the parties.

❒ Widowed.

2. Your retirement

It is important that you understand your options. Please review the "Your Retirement" section on page 6 of this application.

Last day on payroll: ________/________/________ (Month Day Year)

Retirement benefit start date: ________/________/________ (Month Day Year)

3. Income tax withholding

Some or all of your pension benefit is taxable income. You have the option to provide instructions to MSRS for federal and state tax withholding. If no instructions are provided, the default withholding will apply.

Choose your tax withholding option

❒ **Option 1 - Default tax withholding / no tax forms**

- Federal: Single, no adjustment (regardless of your marital status)
- State (MN residents only): 6.25%. MSRS cannot withhold state taxes for states other than Minnesota.

❒ **Option 2 - Complete tax form to elect withholding**

To withhold an amount other than the default or no withholding, you must submit to MSRS a signed/completed federal and/or Minnesota Withholding Certificates with your application for retirement. Incomplete/incorrect tax forms will default to Option 1.

- Federal: *W-4P*. For more information, see www.irs.gov
- State (MN residents only): *W-4MNP*. For more information, see www.revenue.state.mn.us/withholding-annuities-and-pensions.

4. Accelerated benefit option

You can choose an accelerated benefit, which temporarily increases your monthly benefit payment until age 62 or 65. Once you reach the age you chose, your benefit is recomputed to a lower, permanent amount that covers the remaining years of your retirement.

Choose one option:

- ☐ I elect an accelerated benefit to age 62
- ☐ I elect an accelerated benefit to age 65
- ☐ I do not want an accelerated benefit

5. Retirement benefit option

See page 7 for a comparison of retirement benefit options

Your retirement benefit is for your lifetime regardless of the option you select. If you choose a Survivor Benefit Option, you will receive a lower monthly benefit to provide this additional coverage.

Choose one option

Single-Life Benefit

- ☐ Benefit is for your life only and ends upon your death.

OR

Survivor Benefit Option

Instead of a Single-Life benefit, you may choose a survivor option and provide information about your survivor(s). The survivor's monthly benefit will begin after your death. Your survivor's age may limit the survivor options available to you. Contact MSRS for details.

- ☐ 100% Joint-and-Survivor Benefit
- ☐ 75% Joint-and-Survivor Benefit
- ☐ 50% Joint-and-Survivor Benefit
- ☐ Life Income, 15-Year Certain

Survivor's Name	SSN	Relationship to you

You must provide a photocopy of your survivor's birth record if you selected a survivor benefit option.

6. Spouse's notarized signature

TO BE COMPLETED BY YOUR SPOUSE (IF MARRIED). Your spouse must sign the application in the presence of a notary. The application will be delayed without the spouse's notarized signature.

I am the spouse of the applicant. I am aware that this retirement plan provides survivor benefit options available to protect me upon my spouse's death. I have read, understand, and agree to the survivor benefit option selected by my spouse on this application. If I am not the survivor named on this application, my notarized signature below acknowledges that I agree to waive survivor coverage.

Signature of Applicant's Spouse ______________________ Date(Required) ____/____/________
Month Day Year

Statement of Notary

State of ______________)
)ss.
County of ______________)

This request was subscribed and sworn (or affirmed) to before me on this ________ day of __________ , 20 ________ , by name of spouse ______________________ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Seal

Notary public's signature ______________________ My commission expires ____________

OR

Signature of MSRS Representative ______________________ Date(Required) ____/____/________
Month Day Year

7. Notarized signature of applicant

I have read the information on this application and understand that my selection is for an MSRS retirement benefit. I further understand that the retirement benefit option selected on this application can be changed up to 30 days after the date of the MSRS benefit authorization letter. I verify that all statements made on this application are true and complete.

☐ We provide Minnesota Retired State Employees Association (MRSEA) with new retiree's contact information. If you do not want us to share your information with MRSEA, please check the box. To learn more, visit www.mrsea.org

Signature of Applicant ______________________ Date(Required) ____/____/________
Month Day Year

Statement of Notary

State of ______________)
)ss.
County of ______________)

This request was subscribed and sworn (or affirmed) to before me on this ________ day of __________ , 20 ________ , by name of applicant ______________________ proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Seal

Notary public's signature ______________________ My commission expires ____________

OR

Signature of MSRS Representative ______________________ Date(Required) ____/____/________
Month Day Year

You will receive your first benefit payment about 6 weeks after the retirement benefit start date you indicated in Section 2 of this application. This timeline assumes:

- your application for retirement is in good order;
- you have provided MSRS with all required documents; and
- your employer has remitted all contributions to your retirement plan.

Failure to meet these requirements could delay your benefit payment.

MSRS is unable to accept your retirement application **more than 60 days in advance** of the retirement date you indicated on this application.

Mail completed forms and documents to:

Minnesota State Retirement System
60 Empire Drive, Suite 300
St. Paul, MN 55103-3000

Guide to Apply for a Monthly Retirement Benefit

Information About You

Enter your basic information - legal name, MSRS account ID or Social Security number, contact information, marital status, and your spouse's information.

Private data requested on this form will be used by MSRS to process your request. You are not legally required to provide the data requested. However, we may not be able to process your request without sufficient information. Your private data will not be shared with an unauthorized person without written consent except as authorized by federal or state law or a court order.

Your Retirement

Indicate the last day you worked for the employer who sponsored your Minnesota public retirement plan and the date you want your retirement benefit to begin. You must be terminated prior to the benefit start date. The retirement benefit start date must be after your last day on payroll.

EXAMPLE:

Your last day worked is January 20 + 2 days of vacation pay to keep you on the payroll.

Last day on payroll = January 22

Retirement benefit start date = January 23 or after

Your retirement benefit start date

Use this table as a guide to determine your benefit start date options.

I currently work for the employer that sponsored my MSRS retirement plan	• Retirement benefit start date can be anytime after your last day on payroll. • If benefit start date is left blank, your benefit will begin the day after your last day on payroll.
I no longer work for the employer that sponsored my MSRS retirement plan and left that employment no more than 180 days* ago.	• Retirement benefit start date can be anytime between your last day on payroll and up to 60 days after the date we receive this application. • If benefit start date is left blank, we will start the benefit on the date that will provide the highest overall benefit to you.
I no longer work for the employer that sponsored my MSRS retirement plan and left that employment more than 180 days* ago.	• Retirement benefit start date can be up to 60 days prior to the date we receive this application. • If benefit start date is left blank, we will start the benefit on the date that will provide the highest overall benefit to you.

*180-day window is based on receipt of application by MSRS, not date of signatures.

Income Tax Withholding

Pension benefit payments are taxable income. You have the option to provide instructions to MSRS for federal and Minnesota state tax withholding. If no instructions are provided, the default withholding will apply.

MSRS staff members are unable to provide advice regarding tax withholding. You are encouraged to consult a tax advisor to determine your appropriate income tax withholding.

Federal Taxes

Complete a *Form W-4P Withholding Certificate* to provide MSRS with instructions for federal tax withholding. If you do not submit a *Form W-4P* to MSRS, federal law requires that we withhold taxes from your monthly pension benefit assuming your filing status is **single and no adjustments** (regardless of your actual marital status).

You can elect not to have federal taxes withheld from your payments. See the *Form W-4P Withholding Certificate* instructions.

Caution: If you have too little tax withheld, you will generally owe the IRS when you file your tax return and may owe a penalty. If too much tax is withheld, you will generally be due a refund when you file your tax return.

For more detail, go to www.irs.gov for *Form W-4P Withholding Certificate for Pension or Annuity Payments*.

Minnesota State Taxes

The Minnesota Department of Revenue requires that we withhold state taxes from your monthly pension benefit (Minnesota residents only. We cannot withhold taxes for other states).

Complete a *Form W-4MNP*, *Minnesota Withholding Certificate* to request the default rate of 6.25%, no withholding or a specified percentage or dollar amount. Submit the form to MSRS with your application for a retirement benefit. If you do not submit a *Form W-4MNP* to MSRS, a flat 6.25% withholding rate will apply.

For more detail, see www.revenue.state.mn.us/withholding-annuities-and-pensions.

Notarized Signature(s)

The application must be signed by you and your spouse in the presence of a notary. Only the original application with signature and notary will be processed. A fax or emailed copy is not acceptable. The date this form is signed must match the date your signature is notarized.

Spouse's notarized signature

If you are married, your spouse must agree with the retirement option you elected and the named survivor. Minnesota law requires that you provide at least a 50% Joint-and-Survivor benefit option for your spouse unless they waive survivor coverage in Section 6.

Your notarized signature

Your signature acknowledges that you have read and agree to the terms of all elections.

Minnesota Retired State Employees Association (MRSEA)

We provide MRSEA with new retiree's name and address. You can request that we not share your information. To learn more about his non-profit organization, visit www.mrsea.org.

Teletypewriter users and telecommunications-device-for-the-deaf (TDD) users call the Minnesota Relay Service at 1.800.627.3529 and ask to be connected to MSRS at 651.284.7730.

Retirement Benefit Options

Your retirement benefit is for your lifetime regardless of the option you select. If you choose joint-and-survivor coverage or the life income option, you will receive a lower monthly benefit to provide this additional coverage.

This chart is a comparison of the retirement benefit options. Please review your options carefully before completing Section 5 of this application.

	Single-Life	100% Joint-and-Survivor	75% Joint-and-Survivor	50% Joint-and-Survivor	Life Income 15-Year Certain
Why choose this option	Provides you the highest monthly benefit compared to other options.	Provides maximum survivor coverage, but reduces your monthly payment.	Provides some survivor coverage but reduces your monthly payment.	Provides some survivor coverage, but reduces your monthly payment.	Typically used to preserve assets for your children or other family members. **Important!** You cannot elect this option if you choose an accelerated benefit.
Benefit paid for your lifetime	Yes	Yes	Yes	Yes	Yes
Who can you name as a survivor	N/A	Anyone, but typically a spouse. Your monthly benefit is reduced in order to provide coverage to a survivor upon your death. The reduction is based on the age difference between you and your survivor. The younger the survivor, the greater your monthly benefit is reduced. Your survivor's age may limit the options available to you. Contact MSRS for details. State law requires that you provide at least a 50% Joint-and-Survivor option for your spouse unless they waive survivor coverage.			Anyone.
What happens to benefit upon your death	Monthly payments end. Any remaining account balance is paid to your beneficiary.	Survivor will receive monthly payment equal to your payments for their lifetime.	Survivor will receive monthly payment that is 75% of your payments for their lifetime.	Survivor will receive monthly payment that is 50% of your payments for their lifetime.	If you received payments for: • 15 years or more, payments will end. • Less than 15 years, your survivor will receive payments for balance of 15-year term. **Note**: If both you and your survivor die before the 15-year term, any remaining balance is paid to your estate.
What happens if named survivor predeceases you	N/A	Monthly benefit will increase ("bounce back") to the benefit amount after MSRS has been notified and receives the death certificate.			Has no impact on your benefit payment. You can name another survivor.