

**IMPORTANT NOTICE
REQUIRED MINIMUM DISTRIBUTION**

Dear Member,

Section 403(b) Plans such as the BERS Tax-Deferred Annuity (TDA) Program provide participants with the opportunity to build retirement income during their careers with pretax contributions. All taxes on contributions and subsequent earnings are deferred until participants receive the funds. However, Internal Revenue Service (IRS) regulations dictate how long participants may defer receipt of tax-deferred funds and establish the minimum amount that participants eventually must receive each year. This amount is generally known as the Required Minimum Distribution (RMD).

Our records show that you attained the age 72 in this calendar year or earlier. You are therefore required to begin taking distributions from your TDA Account. Distributions are required to begin, at the latest, by April 1st of the year following the calendar year in which you attained age 72. There are certain exceptions to this rule, which are explained in the attached Required Minimum Distribution Summary.

Please complete and return the enclosed Required Minimum Distribution election form. If you have any questions or require any additional information, please contact the TDA Unit at (929) 305-3800.

Sincerely,



Josaias Rodriguez
Director of Operations



REQUIRED MINIMUM DISTRIBUTION SUMMARY

In general, Tax-Deferred Annuity (TDA) distributions are required for members who have left service (having elected TDA Deferral status) and who have reached age 72 by December 31 of a given year. In most cases, you will have to meet minimum distribution requirements for every year that you maintain a TDA balance.

Failure to comply with the Required Minimum Distribution rules may result in a **50% excise tax charged to the member** by the IRS on the difference between the required distribution amount and the actual amount distributed.

Your account is divided into two portions for Required Minimum Distribution (RMD) purposes:

Pre-1987 balance: The IRS allows your Pre-1987 balance to be exempt from the required distributions that begin at age 72. Your Pre-1987 balance is made up of your contributions and earnings as of December 31, 1986 and is adjusted each year for any withdrawals made that are not RMDs. You may defer distribution of this balance, regardless of your employment status, until April 1st of the year following the year in which you reach age 75.

Post-1986 balance: Your Post-1986 balance consists of all contributions and earnings credited to your account since December 31, 1986. If you retire or otherwise leave employment before age 75, then you must begin to receive distributions from your Post-1986 prior to April 1st of the year following the year in which you reach age 72, or the year you leave employment, whichever is later.

Calculating the Required Minimum Distribution:

When you are between the ages of 72 and 75, and not in active service, your annual Required Minimum Distribution (RMD) amount is determined by applying an IRS factor to your account balance as of the end of the previous year less any withdrawals within that year (minus your Pre-1987 balance).

Once you attain age 75, your RMD is calculated using your *entire* account balance at the end of the previous year less any withdrawals within that year.

A uniform distribution table is generally used to determine the factor to apply to your account balance. If your spouse is more than 10 years younger and your spouse is the sole beneficiary of your TDA account, you can use a factor from the IRS joint life expectancy table as an alternative to calculate your annual RMD amount. BERS will assist members in deciding which option is best by calculating members' RMDs using both tables.

What you need to do:

There are several distribution options available to you. You may choose the option that best suits your financial needs while complying with the minimum distribution requirements. The following is a brief description of the choices available:

- You may make annual withdrawals from your BERS or other TDA account in amounts at least as much as your RMD amounts.
- You may elect an annuity settlement of your entire account balance.
- You may elect a single lump sum distribution of your entire account balance.
- If you are no longer in active service and you turned age **72 in calendar year 2022**, you have until **April 1, 2023** to receive your first distribution and your next distribution must be taken by **December 31, 2023**.
- If you are no longer in active service and you turned **72 prior to 2022**, your next distribution must be taken by **December 31, 2022**.

The information contained in this Notice is general and should not be considered legal or tax advice. For advice on how these rules apply to your specific situation, we suggest you contact your own legal or tax counsel.



E _____

G _____
Last 4 Digits of SSN Employee Identification Number

REQUIRED MINIMUM DISTRIBUTION

You may submit this form via email to brespon@bers.nyc.gov.
You may also submit this form via fax to (718) 935-4124 or (718) 935-3830.

Name	M.I.	Last Name

OFFICIAL DATE OF RECEIPT

Distribution options

To enable BERS to calculate the Required Minimum Distribution (RMD), you must elect one of the two calculation methods described below. BERS can provide an estimate of the required distribution amounts under each of the options to assist you with your decision.

You may not change the election method selected below after payments have been made. This selection is irrevocable.

CHOOSE ONE

- 1. Recalculated Single Life Expectancy Method – This method recalculates your life expectancy each year so that your account will not be exhausted before your death. Required distribution amounts will be the lowest under this section.
- 2. Recalculated Joint Life Expectancy Method (spousal beneficiary only) – This method recalculates the life expectancy of you and your spouse each year so that your account cannot be exhausted before the death of you and your spouse. Your spouse must be your primary beneficiary under this option for both TDA account and Required Minimum Distribution selection.

If your spouse is not designated as the sole primary beneficiary on your TDA account, then you may not elect the Joint Life Expectancy Method (Sole Beneficiary Only) option. If you wish to elect the Joint Life Expectancy Method (Sole Beneficiary Only), you must also complete and submit a TDA Beneficiary Designation form, making your spouse the sole primary beneficiary of your TDA account. Please contact BERS or visit www.nycbers.org/UI/OnlineForms.aspx and download the form. If you elect the Joint Life Expectancy Method (Sole Beneficiary Only), you must also submit proof of marriage and proof of age for your spouse.

ELECTION TO WITHHOLD FEDERAL INCOME TAX

The Required Minimum Distribution (RMD) amounts are federally taxable in the year in which they are distributed and may be subject to state and local taxes.

Note to foreign persons: If you are a "foreign person" within the meaning of the Internal Revenue Code, the Plan is required by law to withhold 30% of your payment, unless an applicable treaty between the U.S. and your country of residence permits a lower rate. For more information on who qualifies as a "foreign person," you may consult the IRS' website at: <https://www.irs.gov/individuals/international-taxpayers/foreign-persons>.



REQUIRED MINIMUM DISTRIBUTION

E _____

G _____
Last 4 Digits of SSN Employee Identification Number

BERS | Board of Education
Retirement System

65 COURT STREET
BROOKLYN, NEW YORK 11201-4965

CHOOSE ONE

Election 1 – I do not want to have federal income tax withheld from my distribution. Note: Even if you elect not to have Federal income tax withheld, you are liable for payment of any Federal income tax that may be due on your distribution.

Initials _____

Election 2 – Please withhold federal income tax from my distribution. I wish to have _____% Federal income tax withheld from my annuity distributions. Note: Even if you elect to have federal income tax withheld, you are liable for payment of any Federal income tax that may be due on your distribution.

Initials _____

If you have made your annual withdrawal from another Tax Deferred Annuity 403(b) account in an amount at least as much as all your RMD amounts, please check the following option. **Note: Failure to withdraw all your Required Minimum Distributions may result in 50% excise tax charged to your account.**

I elect to withdraw an amount at least as much as my Required Minimum Distribution from another Tax Deferred Annuity 403(b) account in lieu of taking the Required Minimum Distribution from my BERS Tax Deferred Annuity Account 403(b).

Initials _____

COMPLETE THIS SECTION FOR ELECTRONIC FUNDS TRANSFER

My TDA refund should be deposited via EFT to the same account as my payroll check. YES NO

If you checked YES, do not fill in your banking information below. You may submit this form via email to brespon@bers.nyc.gov

If you checked NO, please enter your banking information below. You must submit your form via fax to (718) 935-4124 or (718) 935-3830

Exact Name of Financial Institution

Type of Account

	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
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Name of Account Holder

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Transit Routing/ABA Number

Account Number

<small>Must be 9 Numbers</small>	
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I hereby authorize the Board of Education Retirement System to electronically transfer these funds to my account.

I understand that any incorrect information provided will affect the transfer of my funds.



E _____

G _____
Last 4 Digits of SSN Employee Identification Number

ACKNOWLEDGEMENT

I acknowledge receipt of your letter informing me of the Internal Revenue Service (IRS) established rules regarding Required Minimum Distribution. I hereby apply to receive the Required Minimum Distribution based on the election I have chosen.

DO NOT SIGN OR DATE UNLESS IN FRONT OF A NOTARY

Signature
REQUIRED _____

Date _____

State of _____ County of _____

On this _____ day of _____ in the year 20 _____

personally appeared before me the said _____

to me known to be the individual described in and who executed the foregoing document, and he (she) duly acknowledged to me that he (she) executed the same, and the statements contained therein are true.

Affix official seal in the box below



Signature of Notary Public or Commissioner of Deeds

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