



# DISTRIBUTION/ROLLOVER CERTIFICATION INSTRUCTIONS FOR NON-SPOUSE BENEFICIARIES

IMRF Form BW-6B (Rev. 07/2010)

**Institutions note:**  
Institutions are not eligible for rollover provisions.

## INSTRUCTIONS FOR COMPLETING THIS FORM

### Section 1 — Member information

Enter the requested information

### Section 2 — Certification

#### Payments directly to you

If you are having your entire distribution (lump sum payment) paid directly to you, the IRS withholding default is 20%. IMRF will deduct any withholding from the taxable portion of the payment and make the balance of the entire payment payable to you.

#### Transfers (rollovers)

If you are having all of your distribution directly rolled over into an Inherited IRA, check the box provided. If you are having **part** of of your distribution rolled over, indicate **EITHER** a percentage **OR** a dollar amount in the space provided. The distribution will be mailed to you but the check will be made payable to the custodian of your account. If you indicate anything less than the full amount of your distribution, the balance—less any withholding on the taxable portion—will be distributed directly to you. (See information below)

### Section 3 — Account information *(This section required for rollovers only.)*

Take this form to your financial institution or the custodian of your account or plan and have its representative complete Section 3. If you wish, you may instead attach a completed transfer form from your financial institution. (Form must show the account type is an Inherited IRA, see below.)

### **IMPORTANT: Please read this before completing the enclosed form**

The Pension Protection Act of 2006 allows a beneficiary who is not a spouse to roll over lump sum payments from IMRF into an Inherited IRA. An Inherited IRA is the only type of IRA you can roll this distribution into. You cannot roll this distribution into any other type of IRA account, including any existing IRA you may have opened for yourself. The rollover allows you to defer federal income taxes on the taxable portion of the lump sum payment until it is paid to you.

If you rollover the distribution into an Inherited IRA, you must follow certain rollover and distribution rules:

- You must keep the Inherited IRA separate from your other IRA accounts. If at a later date you rollover the Inherited IRA into your own existing IRA, the rollover will be treated as a distribution (taxable income) to you.
- You must start receiving required minimum distributions from the Inherited IRA immediately, regardless of your age.
- You must open the Inherited IRA “in the name of the decedent (deceased member) for the benefit of (your name).” In addition, the account should reflect the decedent’s date of death and your Social Security Number. If the account title is modified to reflect only your name, this modification is treated as an immediate distribution of the account and the entire amount in the account will be included in your income.

To help you decide whether you should roll over your lump sum payment into an Inherited IRA, you should consider the following resources:

- IRS Publication 590, Individual Retirement Arrangements (IRAs) (Including Roth IRAs and Education IRAs)
- Your financial advisor or a representative/adviser at your financial institution who is familiar with Inherited IRAs.



# DISTRIBUTION/ROLLOVER CERTIFICATION FOR NON-SPOUSE BENEFICIARIES

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**PLEASE PRINT OR TYPE - USE BLACK INK**

## SECTION 1 – MEMBER INFORMATION

MEMBER'S FIRST NAME	MIDDLE INITIAL	LAST	JR., SR., II, ETC.	SOCIAL SECURITY NUMBER
				_____ - _____ - _____
<b>YOUR INFORMATION</b>				
FIRST NAME	MIDDLE INITIAL	LAST	JR., SR., II, ETC.	SOCIAL SECURITY NUMBER
				_____ - _____ - _____

## SECTION 2 - CERTIFICATION

For IMRF to process your death benefit payment, you must choose one. I direct IMRF to:

- Withhold 20% of the taxable portion, and make the balance of the entire distribution payable to me.
- Withhold nothing and make the entire distribution payable to the Inherited IRA as named below (roll over).
- Roll over \_\_\_\_\_% OR \$\_\_\_\_\_ and make payable to the Inherited IRA as named below.  
Enter **EITHER** a percentage **OR** a dollar amount. The percentage **OR** dollar amount indicated will be rolled over to the Inherited IRA named below. The balance will be made payable to you, minus federal withholding.

**I certify that this account is an individual retirement plan and is eligible to receive this rollover distribution. I hereby waive my right to 30 days prior notice of the tax consequences of this distribution and demand immediate payment.**

SIGNATURE (WRITE - DO NOT PRINT OR TYPE)	DATE
X	

## SECTION 3 - ACCOUNT INFORMATION (REQUIRED FOR DIRECT ROLLOVERS ONLY)

**Financial organization: These funds are currently in a qualified retirement plan (QRP) under section 401(a) of the IRC. IMRF will mail the member a check made payable to the financial institution named below.**

***(The rollover is for an inherited [not personal] IRA account.)***

NAME OF FINANCIAL ORGANIZATION CHECK IS TO BE MADE PAYABLE TO	
PERSON TO CONTACT AT FINANCIAL ORGANIZATION	TELEPHONE NUMBER (include area code)

**Illinois Municipal Retirement Fund**  
2211 York Road Suite 500 Oak Brook IL 60523-2337  
Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)

## SPECIAL TAX NOTICE REGARDING IMRF PAYMENTS

You are receiving this notice because all or a portion of a payment you are receiving from IMRF (the “Plan”) is eligible to be rolled over to an Inherited IRA. This notice is intended to help you decide whether to do such a rollover. Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section.

### SUMMARY

There are two ways you may be able to receive an IMRF death benefit that is eligible for rollover:

- (1) Certain payments can be made directly to an “Inherited IRA” (“Direct Rollover”); or
- (2) The payment can be paid to you.

Before you decide to roll over your payment to an Inherited IRA, you should be familiar with the differences between an “Inherited IRA” and a “Traditional IRA.” You should also find out about any documents that are required to be completed before the receiving financial institution will accept a rollover. Even if a financial institution accepts rollovers, it might not accept rollovers of certain types of distributions.

Payments from IMRF **cannot** be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

If you have additional questions after reading this notice, you can contact an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673), Monday through Friday, from 7:30 a.m. to 5:30 p.m.

### GENERAL INFORMATION ABOUT ROLLOVERS

#### How can a rollover affect my taxes?

You will be taxed on a payment from IMRF if you do not roll it over.

If you do a rollover to an Inherited IRA, you will not have to pay tax until you receive payments later from the IRA.

#### Where may I roll over the payment?

You may roll over the payment to an Inherited IRA (an individual retirement account) that will accept the rollover. The rules of the Inherited IRA that holds the rollover will determine your investment options, fees, and rights to payment of the rolled over amount in the future. Further, the amount rolled over will become subject to the tax rules that apply to the Inherited IRA.

#### How do I do a rollover?

A direct rollover; IMRF will make the payment directly to your Inherited IRA. You should contact the Inherited IRA sponsor for information on how to do a direct rollover.

#### 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 payment from IMRF is eligible for rollover, except:

- Certain 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 70-1/2 (or after death).

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

#### Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

### SPECIAL RULES AND OPTIONS

#### If your payment includes after-tax contributions

If the death benefit includes after-tax (also known as “previously taxed”) contributions to IMRF, these contributions will be paid directly to you.

#### If the member was born on or before January 1, 1936

If the member was born on or before January 1, 1936, special rules for calculating the amount of the tax on the payment might apply. (This special tax treatment does not apply to the \$3,000 employer paid burial benefit or the one year salary portion of a lump sum death benefit.) For more information, see IRS Publication 575, *Pension and Annuity Income*.

### NOTICE PERIOD

Generally, payment cannot be made from IMRF until at least 30 days after you receive this notice. Thus, you have at least 30 days to consider whether or not to have your payment rolled over. If you do wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your payment will then be processed in accordance with your election as soon as practical after it is received by IMRF.

### FOR YOUR INFORMATION

You may wish to consult with IMRF, or a professional tax advisor, before taking a payment from IMRF. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590, *Individual Retirement Arrangements (IRAs)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.