



**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 express 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 a payment application. Use the information to select the payment method that best meets your needs. Enclosed are the following items:

- Part-time, Seasonal, and Temporary Employees Retirement Program Benefit Payment Application
- Summary 402(f) Special Tax Notice Regarding Plan Payments
- Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income
- Uniform Lifetime Table

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 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

You're 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.

SECTION I—Participant Information

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

SECTION II—Payment Options

Direct Payment

This payment method allows you to receive your entire account balance. This payment will be reported to the IRS as ordinary income. If your account balance is less than \$200, federal and California 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 California state income taxes will be withheld unless you request otherwise by completing a California State Withholding Certificate for Pension or Annuity Payments (DE-4P).

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

If you pick direct deposit, there's no fee for this electronic transfer. You may choose only one financial institution for direct deposit. You must provide the nine-digit Automated Clearing House (ACH) routing number, your account number, and the name and mailing address for your financial institution. For an electronic fund transfer to your checking account attach a voided check. For an electronic fund transfer to your savings account, verify the ACH routing number with your financial institution.

Rollover Option

Direct Rollover

Rollover checks will be made payable to the Trustee/Custodian (IRA provider or other entity) for the benefit of you. The rollover check will be mailed directly to your address indicated on the benefit payment application. You must mail or deliver the check to the Trustee/Custodian.

If you're age 70 1/2 or older and elect to roll over your funds, your Required Minimum Distribution will be processed and paid directly to you before the remaining funds are rolled over to the receiving entity. Refer to the Required Minimum Distribution section of this page.

- **Traditional Individual Retirement Account (IRA):** This payment method allows you to roll over your assets to a Traditional IRA or Annuity. If you roll over your PST plan assets to a Traditional IRA or Annuity, the assets become subject to the rules that apply to the IRA. Consult your IRA or Annuity provider for other restrictions or penalties. A direct rollover to a Traditional IRA will be reported to the IRS as a nontaxable event. Please consult IRS Publication 590, *Individual Retirement Arrangements (IRA)*.
- **Roth IRA:** This payment method allows you to rollover your assets into a Roth IRA. A **direct rollover to a Roth**

IRA will be reported to the IRS as a taxable event. No taxes will be withheld from your distribution.

- **Eligible Retirement Plan:** This payment method allows you to roll over your assets to another eligible retirement plan. When you do so, your assets become subject to the rules that apply to that plan. A direct rollover to an eligible retirement plan will be reported to the IRS as a nontaxable event.

Required Minimum Distribution (RMD)

IRS regulations require that you receive an RMD in the year you turn age 70 1/2 or the year in which you retire, whichever is **later**. If you return to employment, contact Savings Plus.

Your RMD is calculated by dividing your balance on December 31 of the preceding year by your life expectancy. The Uniform Lifetime Table located at the end of this booklet will be used to determine life expectancy unless your spouse is your sole primary beneficiary **and** is more than 10 years younger than you.

If your spouse is your sole primary beneficiary and is more than 10 years younger than you, the Joint Life and Last Survivor Expectancy Table will be used. You can obtain the Joint Life and Last Survivor Expectancy Table from IRS Publication 590 by checking the IRS Web site at www.irs.gov. Your payment is subject to change, on the basis of revised tables, when applicable. You must provide proof of your spouse's date of birth. If you originally named a spouse who is more than 10 years younger than you are, and a beneficiary change occurred that affects the life expectancy table used, the payment amount will be adjusted at the beginning of the following calendar year.

Delay Initial RMD Payment

You may select this payment method if you wish to delay your initial RMD payment until March of the year following the year you turn age 70 1/2. If you delay your initial payment, you will receive two RMD payments in the same calendar year (March and November). All subsequent annual payments will be issued in November unless you subsequently change your method of payment. Because these payments are taxed as ordinary income, the delay may result in a higher tax liability.

SECTION III—Participant Certification

Read Summary 402(f) Special Tax Notice Regarding Plan Payments and sign and date the application.

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.—4:30 p.m. (PT),
Monday–Friday

TTY: (800) 848-0833

Web site: www.sppforu.com, *pst program*

Savings Plus Program

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

Please read the information and instructions in this booklet before completing the application. Payment will be issued between 90-120 days after the last contribution activity posts into or out of your account. If any contribution activity posts while we are pending your application, we will reject the application and return it to you requesting that you submit a new application after all contribution activity has posted.

SECTION I-Participant Information

Form with fields: Last Name, First Name, MI; Social Security Number (SSN); Mailing 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.

SECTION II-Payment Options

Direct Payment: 100% of the account balance will be distributed to you.

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

If any of the required information below is incomplete, invalid, or not provided, you'll be mailed a check.

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

Mailing Address

City, State, ZIP Code

See the next page of this application for additional payment options.

SECTION II—continued

Direct Rollover 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 70 1/2 or older 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 Traditional IRA or Annuity
- Direct rollover to a Roth IRA
- Direct rollover to IRC Section 457 Plan
- Direct rollover to IRC Section 401(k) Plan
- Direct rollover to IRC Section 403(b) Plan
- Direct rollover to IRC Section 401(a) Plan

The rollover check will be made payable for the benefit of you to the Trustee/Custodian listed below. The check will be mailed to your address indicated on this form. You are responsible for sending the check to the Trustee/Custodian. If funds are to be distributed to more than one plan or 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 the PST to a 401(k)—you **must** attach a certification from the receiving entity(ies) that agrees to accept the funds before the distribution will occur.

Note: If you rollover to a Roth IRA, it's a taxable event.

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

Required Minimum Distribution (RMD) You may select the RMD method of payment in the year you turn age 70 1/2. RMD payments are issued annually. You must complete the Two Lives Beneficiary Information section below if your spouse is your sole primary beneficiary and is more than 10 years younger than you.

OR

Delay Initial RMD Payment You may select Delay Initial RMD Payment if you wish to delay your initial RMD payment until March of the year following the year you turn age 70 1/2. If you delay your initial payment, you will receive two RMD payments in the same calendar year (March and November). All subsequent annual payments will be issued in November unless you subsequently change your method of payment. You must complete the Two Lives Beneficiary Information section below if your spouse is your sole primary beneficiary and is more than 10 years younger than you.

Two Lives Beneficiary Information

Complete the information below if your spouse is your sole primary beneficiary and is more than 10 years younger than you. Attach a completed Beneficiary Designation form to this BPA. You must also attach proof of date of birth of the beneficiary.

Spouse's name _____

Spouse's address _____

Spouse's SSN _____

Spouse's date of birth _____

SECTION III—Participant Certification

I request distribution to be made in accordance with the Plan Document, *Internal Revenue Code*, and my election. I understand that the State of California has the authority to approve or reject this request. 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) Special Tax Notice Regarding Plan Payments and, by signing, I waive the 30-day notice. Additionally, I have read Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge.

Signature _____

Date _____

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

Summary 402(f) - Your Rollover Options

This is a summary of the provisions of the model Section 402(f) notice issued by the Internal Revenue Service in Notice 2009-68 and explains how you can continue to defer federal income tax on your retirement savings in the State of California Savings Plus Program (the “Plan”) and contains important information you’ll 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’d 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 you’ll soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional or Roth 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 to a traditional IRA that may allow you to continue to postpone taxation of that benefit until it’s paid to you. Your payment cannot be rolled over to 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. 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.

You’ll be taxed on a payment from the Plan if you don’t roll it over. Under certain circumstances, you also may be subject to additional income tax. Please see the model 402(f) notice for more information.

The model 402(f) notice does not describe any State or local income tax rules (including withholding rules).

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 or Roth IRA that you establish or to an eligible employer plan that accepts it and holds it for your benefit (“DIRECT ROLLOVER”); or
- (2) The payment can be paid to you (“60-DAY ROLLOVER”).

If you choose a DIRECT ROLLOVER:

- You choose whether your payment will be made directly to your traditional or Roth IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account because these aren’t traditional or Roth IRAs. You should contact the IRA sponsor or the administrator of the employer plan for information on how to a direct rollover.
- Your payment won’t be taxed in the current year and no income tax will be withheld, if you roll over the payment to a traditional IRA or an eligible employer plan. It 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 a 60-DAY ROLLOVER:

- You’ll 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 to a traditional IRA or eligible employer plan. 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 may have to pay an additional 10% tax.

- You can roll over all or part of the payment by paying it to your traditional or Roth IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over won't be taxed until you take it out of the traditional IRA or the eligible employer plan; however, if you roll the payment to a Roth IRA, it's still taxable in the current year.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must replace the taxable portion that was withheld. If you roll over only the 80% that you received, you'll be taxed on the 20% that wasn't rolled over.
- The 60-day rollover deadline cannot be extended except under certain extraordinary circumstances. For more information see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If you roll over your payment to a Roth IRA:

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed. However, the 10% additional income tax on early distributions won't apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a two-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions won't be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you're age 59½ (or after your death or disability, or as a qualified first-time

- homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least five years. In applying this five-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that aren't qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You don't have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the plan to a designated Roth account in an employer plan.

Other Special Rules and Options

Please refer to the model 402(f) notice for additional information if:

- You have an outstanding loan that is being offset
- You were born on or before January 1, 1936
- You are receiving payment(s) as a beneficiary of a deceased participant
- You are receiving payment(s) under a qualified domestic relations order (QDRO)
- You are a nonresident alien

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 don't wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by signing the payout election form. Your withdrawal will then be processed in accordance with your election as soon as practical after it's received by the Plan Administrator.

Section 3405 Notice of Special Rules for Pensions, Annuities, and Certain Other Deferred Income

If you are receiving a periodic payment from your retirement plan that is not considered an eligible rollover distribution, it will be subject to federal income tax withholding unless you elect not to have withholding apply. Withholding will apply only to the portion of your distribution or withdrawal payment that is considered income and, therefore, subject to federal income tax.

You may elect not to have withholding apply to your distribution or withdrawal payments by properly completing, signing, dating, and returning to your plan administrator a Form W-4P Withholding Certificate for Pension or Annuity Payments. Your election will remain in effect until you change or revoke it. You may change or revoke your election at any time by returning another completed, signed, and dated Form W-4P to your plan administrator. Any election or revocation will be effective no later than thirty (30) days after receipt. You may make and revoke your withholding elections as often as you wish. Additional W-4P forms may be obtained from your plan administrator.

If you haven't properly filed with your plan administrator a Form W-4P, then federal income tax will be withheld from the taxable portion of your distribution or withdrawal payments based on a filing status of married, claiming three withholding allowances.

If you elect not to have withholding apply to your distribution or withdrawal payments, or if you don't have enough federal income tax withheld from your distribution or withdrawal payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments aren't sufficient.

Uniform Lifetime Table

Use this table if you are age 70½ or older to determine your life expectancy
for Required Minimum Distributions.

<i>Age on Dec. 31</i>	<i>Distribution Period (years)</i>	<i>Age on Dec. 31</i>	<i>Distribution Period (years)</i>
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Some of the information in this table was obtained from Internal Revenue Service Publication 590 (rev. January 2010).