

# Central Texas College Employees' Pension Plan and Trust



## Mutual Fund Minimum Distribution Form

VALIC Retirement Services Company

For Attainment of Age 70½ or Beneficiary of Death Proceeds  
Group ID# 66831001 - QPP

### 1. CLIENT INFORMATION

Name: \_\_\_\_\_ SSN or Tax ID: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
 Date of Birth: \_\_\_\_\_ Daytime Phone: \_\_\_\_\_ Account Number(s): \_\_\_\_\_  
 Employment Status with Employer Sponsoring the Plan (Choose One):  Currently Employed  Separated from Service as of: \_\_\_\_\_ (date)  
 Central Texas College

### 2. PAYMENT/FUND SELECTION/BENEFICIARY OPTION

Unless indicated in Special Instructions, the withdrawal will be processed for each account listed in Section 1.

- Choose a payment option and fund selection from the options below. The only fund selection option available for full surrender, annuity, or five-year payment options is to distribute proportionally from all open funds.
- Withdrawals will be taken proportionally from each fund unless otherwise specified in the fund selection section below.
- If you elect to specify investment options, at the time a fund is depleted the percentage allocated for the depleted fund will be proportionally taken from the remaining selected fund(s). If you have selected only one fund, at the time the fund is depleted the withdrawal will be taken from the highest cash value investment fund(s).
- To change previously established fund selections, a new form will be required.
- See the Information pages for more information on beneficiary required distributions.
- If you participate in a Private Tax-Exempt Employer Deferred Compensation Plan, see Information pages.

Choose one payment option and fund selection (if applicable) below for required minimum distribution or for a beneficiary required distribution.

- VALIC Retirement Services Company calculate** Your required minimum distribution will be based on the combined life expectancy of you and a beneficiary who is assumed to be 10 years younger than you. If your sole beneficiary is your spouse who is more than 10 years younger than you, then the distribution will be based on joint life expectancy using actual ages. Minimum distributions for beneficiary accounts are generally based on the beneficiary's single life expectancy.

I request that VALIC Retirement Services Company calculate and distribute my required distribution beginning on the \_\_\_\_\_ day (between 5th - 24th) of \_\_\_\_\_.

- One-time Payment:** For this year only  **Automatic Payment:** For this year and each subsequent year  
 Choose payment frequency for automatic payment:  
 Monthly  Quarterly  Semi-annually  Annually

- CLIENT calculate**

I have calculated and request my required distribution of \$\_\_\_\_\_ beginning on the \_\_\_\_\_ day (between 5th and 24th) of \_\_\_\_\_.

- One-time Payment:** For this year only  **Automatic Payment:** For this year and each subsequent year  
 Choose payment frequency for automatic payment:  
 Monthly  Quarterly  Semi-annually  Annually

- Full surrender** I request that VALIC Retirement Services Company distribute my entire account balance at this time. (Mandatory 20% withholding tax may apply.)

- Annuity** Purchase an immediate annuity to satisfy my minimum distribution requirements. Please have a financial advisor contact me.

- Five-year payment** I elect to receive an annual payment for five years beginning on the \_\_\_\_\_ day (between 5th and 24th) of \_\_\_\_\_ for this year and each subsequent year.

- Postpone distributions (spouse only)** As a spousal beneficiary, I elect to postpone payments until the decedent would have turned 70½.

#### FUND SELECTION OPTIONS:

- Proportionally from all open funds.  
 From the selected open funds indicated below (percentage must equal 100%).

Fund	Not Applicable	Percentage	Fund	Not Applicable	Percentage	Fund	Not Applicable	Percentage
_____	<del>_____</del>	_____ %	_____	<del>_____</del>	_____ %	_____	<del>_____</del>	_____ %
_____	<del>_____</del>	_____ %	_____	<del>_____</del>	_____ %	_____	<del>_____</del>	_____ %

#### CHANGE EXISTING PAYMENT FREQUENCY:

- I elect to change the frequency of my automatic payments from October 15th to \_\_\_\_\_ day (between 5th - 24th) of \_\_\_\_\_ for this year and each subsequent year. This payment should be made:  
 Monthly  Quarterly  Semi-annually  Annually

### 3. SPECIAL INSTRUCTIONS

\_\_\_\_\_  
 \_\_\_\_\_



# Central Texas College Employees' Pension Plan and Trust



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For Attainment of Age 70½ or Beneficiary of Death Proceeds  
Group ID# 66831001 - QPP SSN:

### 6. DELIVERY INSTRUCTIONS (Choose One)

Mail check to address on record.

Mail check to the address indicated in Section 1.

If you have changed your address of record within the past 15 business days or if your check is to be mailed to a third party's address, please provide a Signature Guarantee from a financial institution.

**Default Delivery Instructions.** If you do not select a delivery option, a check will be mailed to you at the address on your quarterly statement.

**Electronic Funds Transfer** or  **Mail Check to Bank Address**  
(Complete this section and attach voided check for either option.)

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

ZIP: \_\_\_\_\_ Bank Phone: \_\_\_\_\_

Bank Account #: \_\_\_\_\_  Checking  Savings

ABA Routing # (EFT Only): \_\_\_\_\_

### 7. SPOUSAL CONSENT Required for all distributions.

ERISA-covered and certain other employer plans require the client to state his/her marital status and the spouse to consent to this distribution. Not required for 457 Deferred Compensation Plans. Please check the appropriate box below:

REQUIRED FOR CLIENT: Client Marital Status

Not Married  Married  Legally Separated: Attach Court Order of Legal Separation (petition not acceptable)

Missing Spouse: I hereby affirm that I have made reasonable attempts to locate my spouse and have not been able to do so.

REQUIRED FOR SPOUSE: Spousal Consent

Under federal law, you have the right to receive a survivor benefit of at least 50% of the amount in this account if your spouse dies before you. As a result, your spouse must have written consent before taking a distribution from this account. If you consent to the distribution, you will not receive a survivor benefit from the amount distributed. If you agree to the distribution, please read and sign the statement below and have your signature witnessed.

- I agree to the transaction from the account.
- I understand and agree that I am giving up my right to receive a survivor benefit payment from VALIC Retirement Services Company for the amount being paid and I release VALIC Retirement Services Company from all liability for making this payment.

Spouse's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

#### WITNESS BY NOTARY PUBLIC

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned, a Notary Public, personally appeared \_\_\_\_\_ who executed the above Spousal Consent as a free and voluntary act.

IN WITNESS THEREOF, I have signed my name and affixed my official notarial seal/stamp this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.  
(SEAL/STAMP)

Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

### 8. CLIENT SIGNATURE

I represent that all statements and answers provided on this form are complete and accurate to the best of my knowledge and belief, including marital status. I have read and understand the information provided in the Information pages of this form.

\_\_\_\_\_  
Client Signature Date

### 9. PLAN ADMINISTRATOR'S APPROVAL Required for all distributions.

I approve this transaction in accordance with the current plan provisions and all applicable laws and regulations. I verify that the information provided on this form for purposes of this transaction is correct to the best of my knowledge. If applicable, the participant has established to my satisfaction that spousal consent is not required. I affirm that any signature of a participant's spouse in Section 7 of this form has been witnessed either by me or by a Notary Public.

\_\_\_\_\_  
Plan Administrator or Authorized Representative Signature Date

Mail original form to:

Central Texas College  
Pension Plan Administration  
PO Box 1800  
Killeen TX 76540-1800

VALIC represents The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services.

### OPTIONS FOR BENEFICIARIES

#### IF DEATH OCCURRED ON OR AFTER CLIENT STARTED RECEIVING REQUIRED MINIMUM DISTRIBUTION PAYMENTS

##### Spousal Beneficiary

- An annual distribution is required.
- The minimum distributions must start by 12/31 of the year following the year of the participant's death.

##### Non-Spousal Beneficiary

- An annual distribution is required.
- The minimum distributions must start by 12/31 of the year following the year of the participant's death.

##### Trust as Beneficiary

- An annual distribution is required.
- The minimum distributions must start by 12/31 of the year following the year of the participant's death.
- The trust must be valid under state law.
- The trust must have a tax ID number.
- The trustee must provide a complete copy of the trust agreement and provide a certified list of all beneficiaries of the trust, including any residuary beneficiaries, along with their dates of birth.

##### No Designated Beneficiary/Estate as Beneficiary

- An annual distribution is required.
- The minimum distributions must start by 12/31 of the year following the year of death.

##### Beneficiary of A Beneficiary Account

- An annual distribution is required.
- The minimum distributions must start by 12/31 of the year following the year of death.

#### IF DEATH OCCURRED BEFORE CLIENT STARTED RECEIVING REQUIRED MINIMUM DISTRIBUTION PAYMENTS

##### Spousal Beneficiary

- You may postpone distributions until 12/31 of the year the decedent would have attained age 70½.
- You may begin distributions by 12/31 of the year following the year of the decedent's death. Annual distributions are thereafter required.
- If you do not begin distributions by 12/31 of the year following the year of the decedent's death, or if you do not postpone distributions until the year the decedent would have attained 70½, you are assumed to have elected to wait until the decedent would have turned 70½.
- If you roll funds into an IRA or employer-sponsored plan of your own, it is no longer considered a Beneficiary account and distributions may be postponed until you reach age 70½.
- If you choose to postpone distributions, VALIC Retirement Services Company will mail you a distribution form each year regarding your options.
- If no election is made, spousal beneficiaries of IRAs will be presumed to have elected to treat the account as if it were his/her own.

##### Non-Spousal Beneficiary

- You must begin distributions by 12/31 of the year following the year of the decedent's death. Annual distributions are thereafter required. Alternatively, if the plan allows, you may wait and take distribution of the entire account within 5 years following the year of death.
- You may elect to take distribution of the entire amount within five years of the date of death.
- If no election is made, you are assumed to have elected to take Periodic distributions, unless the Plan provides otherwise.

##### Trust as Beneficiary

- You may begin distributions by 12/31 of the year following the year of the participant's death. An annual distribution is required.
- The trust must be valid under state law.
- The trust must have a tax ID number.
- The trustee must provide a complete copy of the trust agreement and provide a certified list of all beneficiaries of the trust, including any residuary beneficiaries, along with their dates of birth.
- Unless you indicate otherwise, if you leave funds at VALIC Retirement Services Company, we will begin automatic minimum distribution payments each year, beginning in the year following the year of death.
- You may elect to take distribution of the entire amount within five years of the date of death.

##### No Designated Beneficiary/Estate as Beneficiary

- The entire account must be distributed by 12/31 five years from the year in which death occurred. Annual distributions are not required.

Distributions may be restricted by tax law or the terms of your employer's plan. If you have any questions, contact our Client Care Center at **1-800-448-2542**, your financial advisor, or Plan Administrator for more information about these restrictions.

#### **GENERAL RULE - REQUIRED MINIMUM DISTRIBUTIONS**

Federal tax law requires that you start taking a minimum amount from your account each year (generally by December 31) beginning the later of the calendar year in which you attain age 70½ or the calendar year in which you retire from the employer sponsoring the plan, if provided under your employer's plan. There is an exception which allows you to defer payment of your first required distribution until the following April 1; however, you will still be required to take another annual minimum distribution by December 31 of the same year. These payments are taxable in the year they are made at ordinary income tax rates. There is a 50% penalty tax on required distributions that are not distributed.

**403(b) Plan:** The above rule applies only to contributions and earnings on your account made on or after December 31, 1986. At age 75 or the year of actual retirement from the employer sponsoring the plan, you are required to begin taking distributions on the December 31, 1986 remaining balance.

**IRAs:** Distributions from IRAs are required to begin by April 1st following the year in which you attain age 70½.

#### **OWNERSHIP OF BUSINESS SPONSORING THE PLAN**

If you own 5% or more of the plan sponsor, your distributions are required to begin by April 1st of the year following the year in which you attain age 70½.

#### **457 DEFERRED COMPENSATION PLANS**

Elections for Private Tax-Exempt Deferred Compensation plans are irrevocable.

**You are not subject to these requirements if:**

Your plan type is 457(b), meaning you are employed by a private, not-for-profit employer; **and**

Your employer's plan and your Deferred Compensation Agreement with your employer were in existence on August 16, 1986; **and**

Your deferral formula or amount has not changed nor your contributions interrupted since that date.

**QUALIFIED JOINT AND SURVIVOR ANNUITY AND QUALIFIED ANNUITY BENEFIT: FOR ERISA PLANS ONLY**

This notice should be provided to you at least 30 days, but no more than 180 days, before your proposed distribution date.

If you are married, your retirement plan distributions will be paid to you in the form of a Qualified Joint and Survivor Annuity ("QJSA") unless you elect a different form of distribution. Under your QJSA, if your spouse survives you, the plan will pay him or her at least 50% of the amount the plan had been paying to you, on the same frequency as the payments to you. If you are not married, your benefit will be paid monthly over your life and will end upon your death unless you elect a different form of distribution. This benefit is referred to as a Qualified Annuity Benefit ("QAB").

The plan may satisfy the QJSA or QAB by using your vested account balance to purchase an annuity contract from an insurance company. The actual monthly payments made under the annuity contract will depend on the value of your account balance, annuity purchase rates used by the insurance company, your age, and if you are married, your spouse's age at the time the distribution begins.

The following table reflects the relative values of monthly payments from a Joint and Survivor Annuity and a Life Annuity, assuming a vested account balance of \$5,000 and an interest rate of 6%. This table is based on the Annuity 2000 Mortality tables. **The table is hypothetical and does not reflect the value of your individual benefit or the actual payments you or your beneficiaries would receive.** Please note that as the ages change, the payment amount will change. If none of the examples closely approximates your situation, you may obtain a more accurate value specific to your situation from your plan administrator or from your financial advisor.

**Age at Benefit Starting Date**

Annuitant	70	65	60	55	50	45	40	35
Spouse	65	70	55	60	45	50	35	40

**Monthly Payment**

Annuitant Life Only	39.62	35.35	32.38	30.27	28.75	27.61	26.76	26.13
Joint and 50% Survivor	35.47	33.65	30.21	29.26	27.53	26.99	26.07	25.76
Joint and 75% Survivor	33.71	32.86	29.23	28.78	26.95	26.70	25.73	25.58

This QJSA or QAB requirement may not apply to smaller account balances (generally below \$5,000) and will not apply if you have elected another form of benefit. A partial withdrawal would be considered another form of benefit for this purpose. Other alternate forms of benefits that may be available under your employer's plan and under your plan investments may include:

**Annuity**

An annuity can provide you with payments for your life or for your life and that of your beneficiary; payments for a specified period; payments for your lifetime with a minimum guaranteed period; or a continuation of payments to your surviving spouse that is different from the plan's percentage of the payments made to you. Generally, the more that the form of payment guarantees, such as a minimum period of payments, or payments to your surviving spouse or to another beneficiary, the more that specified benefit amount will cost. There are IRS rules that may limit the period during which payments may be made.

**Lump Sum Distribution**

If you elect a lump sum distribution, your benefit will be paid to you in one payment. The amount of your benefit is the vested portion of your account balance as of the valuation date used to calculate your distribution.

**Installments**

If you elect to receive your benefits in installments, you may specify the dollar amount and frequency of your payments. The period of time over which you receive these installments cannot be greater than your life expectancy or the joint life and last survivor expectancy of you and your designated beneficiary. There are other IRS rules that may further limit the period over which you receive payments.

In order to elect one of these alternative forms of benefits you must waive your right to the QJSA or QAB, and if you are married, your spouse must also consent in writing. In addition, this written consent must be witnessed by a Notary Public or by your Plan Administrator. You are entitled to 30 days (but no more than 180 days) within which to make this decision. Although you have at least 30 days to make this decision, under some circumstances, you may waive this minimum 30-day period, and if you submit a waiver of the QJSA or QAB less than 30 days after it is signed we will assume that you are waiving this notice period. Unless a waiver of the QJSA or QAB is made irrevocably, you have the right to revoke the waiver and execute another waiver at a later time, up to the time when the benefit payments have started. You also have the right to defer receiving a distribution, subject to the terms of your employer's plan as well as legal requirements that generally require distributions to commence upon the later of attainment of age 70½ or retirement.

The investment options available to you, the right to change investment options, and the fees imposed under the investment options will not be affected by your decision to defer distributions.

**SPECIAL TAX NOTICE**

You have the right to at least 30 days to consider your alternatives after receiving this notice. You may waive this review period. Your signature on this form will indicate that either you have had this 30-day review or that you have chosen to waive it, and you are requesting an immediate distribution.

**ELIGIBLE ROLLOVER DISTRIBUTIONS**

The information in this notice applies to qualified plans, tax-deferred annuity arrangements, IRAs, and governmental 457(b) deferred compensation plans. Generally, the rules below that apply to payments to employees also apply to surviving spouses and alternate payees. Most withdrawals from tax-favored retirement plans are eligible for rollover either to an IRA or to another plan if the receiving plan accepts such rollovers. Some plans do not accept rollovers of certain types of distributions. Check with the administrator of that plan about whether the plan accepts rollovers and, if so, the types of rollover distributions it accepts. Roth 403(b) and 401(k) accounts may be rolled over to other Roth accounts or to a Roth IRA. However, Roth IRAs may not be rolled over to a Roth 403(b) or 401(k) account.

**ROLLOVERS OF BENEFICIARY ACCOUNTS**

Only (1) the participant, or, (2) in the case of the participant's death, the participant's surviving spouse, or (3) in the case of a domestic relations order, the participant's spouse or ex-spouse may roll over a distribution into a plan of the participant's own. An exception to this rule is that a non-spousal beneficiary may, subject to plan provisions, roll inherited funds from an eligible retirement plan into a Beneficiary IRA. A Beneficiary IRA is an IRA created for the sole purpose of receiving funds inherited by non-spousal beneficiaries of eligible retirement plans. The distribution must be transferred to the Beneficiary IRA in a direct "trustee-to-trustee" transfer. Beneficiary IRAs must meet the distribution requirements relating to IRAs inherited by non-spousal beneficiaries under Code sections 408(a)(6) and (b)(3) and 401(a)(9).

**DISTRIBUTABLE EVENT**

Generally a distributable event includes attainment of age 59½ (age 70½ for 457(b) plans), separation from service, disability (does not apply to 457(b) plans) or death. However, the employer's plan may place additional restrictions that must also be met prior to a distribution. If you have met a distributable event, you may request a rollover of funds to any eligible plan type or a transfer to a like plan type. If you wish to move funds from your VALIC 403(b) account to another 403(b) account via a rollover distribution, and have made contributions prior to 01-01-87, those amounts may lose a grandfathered status that can impact future required distributions. However, movement of funds from your VALIC 403(b) account to another 403(b) account via a transfer distribution may retain the status. For more information, please call 1-800-448-2542.

**ROLLOVER/TRANSFER**

**Rollover Distributions:** If you have met a distributable event on your eligible account(s) or plan you may roll directly to an eligible retirement plan with another carrier. The distribution will not be taxed but will be reported to the IRS. Rollover amounts due to a distributable event generally can remain free of withdrawal restrictions after moving to the receiving plan, unless the receiving plan applies restrictions to rollover amounts.

**Transfers:** Transfers to a like plan will not be taxed or reported to the IRS. Generally, transfers are allowed regardless of employment status. However, your employer's plan may restrict you to authorized carriers. Transferred amounts generally become subject to the requirements of the plan receiving the transfer as though originally contributed to that plan. Exchanges of Non-Qualified Deferred Annuities are not taxed but will be reported to the IRS.

**EXAMPLES OF SOME POSSIBLE DIFFERENCES IN PLAN RESTRICTIONS**

- The new plan may require spousal consent or plan administrator approval for distributions.
- The new plan may restrict distributions.
- Distributions from a governmental 457(b) deferred compensation plan are generally not subject to the 10% premature withdrawal penalty regardless of your age at the time of the distribution. If you roll your governmental 457(b) deferred compensation plan to another plan that is not a governmental 457(b) deferred compensation plan, or into an IRA, any subsequent distributions may be subject to a 10% premature withdrawal penalty.
- Eligible rollovers into a governmental 457(b) deferred compensation plan that were previously subject to a 10% premature withdrawal penalty will continue to be subject to that penalty at the time of withdrawal unless you are over age 59½ or some other exception applies.
- Amounts rolled over to a governmental 457(b) plan generally cannot be withdrawn prior to separation from service or attainment of age 70½.

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**ELIGIBLE ROLLOVER DISTRIBUTIONS PAID DIRECTLY TO YOU**

You can request that we pay you directly. Except for IRA distributions, when we pay you directly, federal law requires us to withhold 20% for federal income taxes.

If a distribution is paid directly to you, you may subsequently roll over any pre-tax contributions to another employer-sponsored plan or to an IRA within 60 days. Any distributions of after-tax contributions paid directly to you may not be rolled over to another employer-sponsored plan. However, they may subsequently be rolled over to an IRA within 60 days.

If your eligible rollover distribution is paid directly to you and not rolled over (including any amount withheld), the distribution will be taxable to you in the year you receive it. The distribution will not be taxable to the extent you roll other funds to replace the amount distributed and the amount withheld.

**AMOUNTS NOT ELIGIBLE FOR ROLLOVER**

Some amounts not eligible for rollover include these: amounts paid from a non-qualified (after-tax) annuity that is not part of your employer's plan, financial hardship withdrawals, required minimum distributions, deemed distributions due to loan default, and amounts paid from certain deferred compensation plans. If you direct us to pay the distribution to you, and it is not an eligible rollover distribution, we will apply a 10% federal income tax withholding unless you indicate differently.

**LOANS**

If your plan specifies and you request a 100% withdrawal, the account balance will be reduced by the outstanding loan balance. The offset loan amount will be reported as a taxable distribution to you and will be taxable to you unless you roll over an amount equal to the outstanding loan balance to an employer-sponsored plan or IRA. An amount equal to 20% of the outstanding loan balance will be withheld from your distribution for federal taxes. You may choose to pay off the outstanding loan balance prior to the 100% withdrawal.

**10% PENALTY**

Unless an exception applies, the IRS may also assess a 10% federal tax penalty for early distributions if you are younger than age 59½.

**SPECIAL TAX TREATMENT FOR CERTAIN LUMP-SUM DISTRIBUTIONS**

If you were born before January 1, 1936, and if your qualified plan distribution qualified as a "lump-sum distribution," you may be entitled to special tax treatment regarding your payment.

**TAXATION OF ROTH IRAS AND ROTH ACCOUNTS**

Contributions to Roth IRAs and Roth accounts are not deductible and therefore are distributed tax-free at any time. Rollovers or conversions from a traditional IRA or a pre-tax eligible retirement plan to a Roth IRA are taxable in the year of the distribution. Earnings which accumulate in a Roth IRA or Roth Account are not taxed currently and are not taxed upon a "qualified" distribution (1) made after the end of the five year period beginning with the tax year in which the first contribution or conversion to a Roth IRA was made, and (2) made after the date you attain age 59½, upon your death or disability, or as a qualified first time home buyer distribution (not applicable to Roth accounts). Distributions of earnings that do not meet the requirements above are taxable, and are generally subject to the 10% penalty tax.

**PRIVATE TAX-EXEMPT EMPLOYER DEFERRED COMPENSATION PLANS**

Section 457(b) deferred compensation plans sponsored by private tax-exempt employers require participants to make an irrevocable election regarding the distribution of benefits. Commencement of payments cannot be later than April 1st of the year following the year you attain age 70½ unless you are still working for the plan's sponsor. Please contact your plan administrator for more information.

Please send completed forms to:

Central Texas College  
Pension Plan Administration  
PO Box 1800  
Killeen TX 76540-1800

Call 1-800-448-2542 for assistance.