



## Defined Benefit Disability Retirement Form

**This form is for use after your *Application for Disability Retirement (F-51)* has been approved by MERS.**

Please print clearly. Fields with an asterisk (\*) are required and must be completed to submit the form accurately.

1. Information about you				
Last Name*	First Name*	Last four digits of SSN*	Date of birth (mm/dd/yyyy)	
Mailing address*		City*	State*	Zip code*
Home email address		Phone number (with area code)*		
Name of employer*		Effective date of retirement*		

  

2. Retirement benefit payment option
<p>Your retirement benefit is for your lifetime regardless of the option you elect. You may leave a benefit for a beneficiary or one person who is the beneficiary of an irrevocable trust by taking a reduction to your pension benefit. Once you have chosen your payment option and receive your first payment, you may not change your election. (Refer to Section 2 of the Guide for details.)</p> <p>Select one form of payment*:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Regular – Straight Life  <input type="checkbox"/> Option II – 100% to Survivor         </div> <div style="width: 30%;"> <input type="checkbox"/> Option IIA – 75% to Survivor  <input type="checkbox"/> Option III – 50% to Survivor         </div> <div style="width: 30%;"> <input type="checkbox"/> Option IV – Period Certain Guarantee  <small>(Select one below)</small>  <input type="checkbox"/> 5 years      <input type="checkbox"/> 10 years  <input type="checkbox"/> 15 years      <input type="checkbox"/> 20 years         </div> </div>

  

3. Beneficiary information				
<p>If you have contributed to your retirement and elect the Straight Life option, it is suggested you name a beneficiary(ies). If no beneficiary is named under the Straight Life option, a refund will go to your estate. If you have elected a payment option (Option II, IIA, III) that provides a monthly benefit to a beneficiary, you may name one person or one person who is the beneficiary of an irrevocable trust. Your named beneficiary under options II, IIA, and III. cannot be changed once you have received your first payment. If you are married, your spouse's signature is required in Section 9 prior to MERS issuing your first payment. Your spouse's signature is required and indicates agreement with your election made. (See Section 3 in the Guide for an explanation of options.)</p>				
Beneficiary last name*	Beneficiary first name	MI	Beneficiary Social Security Number	
Relationship	Date of birth (mm/dd/yyyy)	Daytime phone (area code and number)		Zip code
Mailing address		City	State	
<p>If you have elected Option IV and want to add more beneficiaries, please attach a separate list that you have signed and dated providing the same information for each beneficiary. If you select multiple recipients for Option IV, <b>they will all receive an equal share of your retirements</b>, even if one of them is your spouse.)</p>				



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\* Required field • Please print • Retain a copy for your records

### 4. Disability offset

**Workers' compensation:**

Have you applied for workers' compensation benefits?  Yes  No

Have you been approved?  Yes  No  Pending

If Yes, please provide a copy of your most current **Notice of Compensation Payments**.

Weekly benefit amount: \$ \_\_\_\_\_

If you have redeemed your workers' compensation claim with a lump sum dollar settlement, please provide MERS with a copy of the **Redemption Order**.

**Disability or sickness and accident:**

Do you have disability or sickness and accident benefits provided by your employer?  Yes  No

If Yes, please provide a copy of your **Benefit Payment Notice**.

**Social Security:**

Have you applied for Social Security benefits?  Yes  No

Have you been approved?  Yes  No  Pending

If Yes, please provide a copy of your **Notice of Award** and enter your monthly benefit amount: \$ \_\_\_\_\_

If No, please provide a copy of your **Notice of Denial Claim**.

### 5. Banking information

**Primary account**

Amount of deposit*		Type of account*	
<input type="checkbox"/> All <input type="checkbox"/> Partial \$ _____		<input type="checkbox"/> Savings account <input type="checkbox"/> Checking account	
Financial Institution name*		Phone number (with area code)*	
ABA routing number (9 digit)*		Account number* (do not include check number)	

**Secondary account:** If you chose a partial payment above, the remainder of your pension payment will be directly deposited into a secondary account. Please provide that account information below.

Type of account	
<input type="checkbox"/> Savings account <input type="checkbox"/> Checking account	
Financial Institution name	Phone number (with area code)
ABA routing number (9 digit)	Account number (do not include check number)

MERS will deposit your monthly pension by direct deposit into the designated financial institution(s) as specified above. MERS reserves the right to recover money electronically deposited in your account in error, either by adjusting the account or withholding from future payments. We will notify you in writing if adjustments are being made. Please notify any joint account holder(s) of the obligations to repay any overpayment to this account if the overpayment is not repaid by the financial institution.

## Defined Benefit Disability Retirement Form

Last name\* (please print clearly)

Last four digits of SSN\*

### 6. Federal income tax withholding

Marital tax status\*  Single  Married  Married, but withhold at higher "Single" rate

*Note:* If no election is made, MERS will default to a standard withholding rate of Married with 3 exemptions.

I DO NOT want any federal income tax withheld from my pension. (Proceed to Section 8.)

I DO want federal income tax withheld from my pension. (Complete lines below.)

The total number of exemptions I am claiming to be withheld from each pension payment is listed below.

**Total number of exemptions:** \_\_\_\_\_ (If blank, zero will be used)

**Optional additional amount, if any, I want withheld from each pension payment**

(If requesting an additional amount, you must enter a number of exemptions above – even if it is zero.): \$ \_\_\_\_\_

Withholding will begin with your first payment following receipt and processing of this form.

**If you wish to specify a different month, indicate month:** \_\_\_\_\_

For additional instructions, see IRS Form *W-4P, Withholding Certificate for Pension or Annuity Payments*. (See Section 6 of the Guide for details.)

### 7. Michigan income tax withholding

Marital tax status\*  Single  Married  Married, but withhold at higher "Single" rate

Select ONE option below that applies to you (or your spouse)		Tax withholding will occur on:
1. <input type="checkbox"/>	Your pension payments are not taxable and/or you wish to opt out of Michigan state tax withholding <i>(Opting out may result in a balance due on your MI-1040 as well as penalty and/or interest.)</i>	None of your pension benefits
2. <input type="checkbox"/>	You (or spouse) were born before 1946	None of your pension benefits
3. <input type="checkbox"/>	You (or spouse) were born during the period 1946–1952	Benefits over \$20,000 if single; over \$40,000 if filing jointly
4. <input type="checkbox"/>	You were born 1946–1952 and your retirement benefits were from employment with a governmental agency not covered by Social Security - OR - You were born after 1952, your benefits were from employment not covered by Social Security and you were retired as of January 1, 2013.	Benefits over \$35,000 if single; over \$55,000 if filing jointly
5. <input type="checkbox"/>	You (and spouse) were born after 1952, either of you are now age 62, and your retirement benefits were from a governmental agency not covered by Social Security	Benefits over \$15,000
6. <input type="checkbox"/>	You (and spouse) were born after 1952	All pension benefits
7. <input type="checkbox"/>	You want taxes withheld at the current tax rate	All pension benefits

If you reside in Michigan and you do not complete this section, MERS will withhold based on Michigan tax regulations. For additional information, visit [www.michigan.gov/taxes](http://www.michigan.gov/taxes). (See Section 6 of the Guide for details.)

#### Optional – Select exemptions and additional withholding

**If you checked 3, 4, 5, 6 or 7 above**, enter number of exemptions, if desired (this will reduce the amount withheld for taxes): \_\_\_\_\_

**If you checked 3, 4, 5, 6 or 7 above**, enter *additional* percentage, if any, you want withheld from your pension or annuity payment. This amount will be in addition to the withholding calculated by your selections above: \_\_\_\_\_%

## Defined Benefit Disability Retirement Form

Last name\* (please print clearly)

Last four digits of SSN\*

### 8. Required signatures

I acknowledge that I have completed, understand, and agree to this *Defined Benefit Disability Retirement Form*, as well as the provisions of the option I have elected. I fully understand that my choice is final and irrevocable after receipt of my first benefit payment.

I understand my responsibility to keep MERS informed of any changes to my income up to full attainment of age and service requirements set by my employer. If I become employed, I will provide MERS with a copy of my official job description and my W-2 wage & tax statements. If I am self-employed, I will provide MERS with a copy of my IRS Profit or Loss form each year. It is my responsibility to notify MERS if I apply for Social Security or workers' compensation benefits or am approved for benefits at a later date. Failure to provide this information may result in suspension of benefit payments until the information is received by MERS.

Participant signature\*

Date (mm/dd/yyyy)

**Spouse's signature** – Required only if participant is currently married. If not married, write NONE in the field below.

I have read this form and fully understand and agree with my spouse's elections. If another individual is named beneficiary in Section 3, I understand that I am giving up my automatic right as the participant's spouse, to survivor benefits.

Spouse's name

Spouse's signature

Date (mm/dd/yyyy)

*Data collected on this form will be used by MERS staff for identification and documentation only.*

# Guide to Completing the Defined Benefit Disability Retirement Form

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## 1. Information about you

Enter your basic information – legal name, last four digits of your Social Security Number, contact information, and the name of the employer from which you are applying for a MERS retirement.

## 2. Retirement benefit payment option

**Regular – Straight Life:** The highest benefit amount you are eligible to receive. Benefits end the month following your death.

If you have contributed to your retirement and elect this option, it is suggested you name a beneficiary(ies). In the event you pass away prior to exhausting your contributions, a refund will be paid to your named beneficiary(ies). You may also name a trust, estate or charity. If you do not name a beneficiary, a refund will go to your estate.

If your employer provides an **RS benefit** and you elect this option, select Regular – Straight Life as your payment option in Section 2. Your spouse at the time of retirement is your beneficiary. An RS is an employer-adopted benefit that allows your spouse to receive a percent (defined by your employer) of your Straight Life benefit upon your death without your benefit having a reduction. To be eligible, you must be married to your spouse for at least one year before you retire, and still be married at the time of your death.

**Option II – 100% ; IIA – 75%; and III – 50% to Survivor:** Upon your death your beneficiary will receive 100%, 75%, or 50% of the amount you were receiving for your lifetime.

Once you have received your first payment, you may not name a new beneficiary. If your beneficiary predeceases you, your retirement benefit will revert to the Regular – Straight Life amount for the remainder of your life.

**Option IV – Period Certain Guarantee (5, 10, 15, or 20 years):**

This option allows you to provide a beneficiary(ies) with survivor benefits for a temporary period of time. The number of years elected cannot exceed your life expectancy.

This option allows you to name one or more beneficiaries. You may change your beneficiary(ies) at any time by completing the *Option IV Beneficiary Change* (Form 41). If you are married, your spouse must consent to any changes that are made.

The certain period begins with the date of your retirement. If, upon your death, there is time remaining to the option you have elected, payments will continue to be made in the same amount to your beneficiary(ies). For example, if you elect the 10-year period, and die after 8 years, your beneficiaries will receive your monthly benefit for the remaining 2 years. Once the period certain has expired there is no continuing benefit for your beneficiaries. If you have named more than one beneficiary, the benefit will be split equally among each named survivor.

## 3. Beneficiary information

Your retirement benefit is for your lifetime regardless of the option you elect. You may leave a benefit for a beneficiary by taking a reduction to your pension benefit. You must name an individual, not an estate or other entity, when electing a payment option (Option II, IIA, III) that provides a monthly benefit to a beneficiary. The one exception to this requirement is that you may name an individual to be paid as the beneficiary of a valid, irrevocable trust. If you name the beneficiary of such a trust, you must submit a copy of the trust document to MERS for approval. MERS will notify you within 15 business days if your irrevocable trust designation is approved.

Once you have chosen your option and receive your first payment, you may not change your election. In certain instances, you may change your beneficiary. Please refer to Section 2 in this guide for details.

If you are married, your spouse must understand and agree with the retirement option you have elected, and the named beneficiary if other than your spouse. Their signature is required in Section 9 prior to MERS issuing your first payment.

## 4. Disability Offsets

The MERS Plan Document, **Section 36**, stipulates a limitation on the amount of disability benefits payable to a disability retiree between the effective date of retirement and attaining the age and service requirements of the employer. Under this provision, MERS must periodically request income information from retirees.

Application of the limitation will be based on the regular Straight Life amount before election of any other form of payment. The amount of disability benefits shall not exceed the difference between 100% of the retired member's final average compensation and the amount of the retired member's annual considered income from the following sources:

- a. Compensation for personal services rendered in any gainful employment. This includes self-employment that results in a profit.
- b. Workers' compensation weekly benefits, redemptions and settlements. Workers' compensation benefits for bona fide medical expenses shall not be considered.
- c. Payments from any program of salary continuance that is financed in whole or in part by your employer, such as sick and accident insurance, disability insurance, or programs of similar purpose.
- d. Payments made to the member from federal Social Security, survivors, disability, or health insurance programs.

# Guide to Completing the Defined Benefit Disability Retirement Form

Cost-of-living increases from workers' compensation, federal Social Security, or retirement shall be disregarded.

If you cannot provide the amount of workers' compensation and/or Social Security being received, the presumed amounts shall be determined on the basis of your final average compensation and the single person statutory benefits. Upon receipt of evidence of the actual amount of workers' compensation and/or Social Security being received, the retirement system shall adjust the amount of retirement allowance being paid. In the event you are over-compensated, Section 86 of the Plan Document allows for the recovery of any overpayment of MERS benefits that occur.

Section 36(7) specifies that failure by a retiree to provide requested information within 90 days of MERS request, at the time of retirement and future request, "shall cause suspension of payment ... until the information is received."

## 7. Banking information

Please provide routing and account information only for the financial institution you would like your pension payments electronically deposited to.

If you choose to have only one direct deposit account, only fill out the *Primary account* information. If you choose to have two direct deposit accounts, please fill out both the *Primary* and *Secondary account* information.

See below for a sample check and where to find routing and account numbers.



Routing number

Account number

If you select a partial payment, the remainder will be directly deposited into a secondary account. Please fill in the *Secondary account* section with the financial institution's information.

## 8. Federal income tax withholding

The Tax Reform Act of 1996 established a requirement that withholding and/or estimated tax payments must approximate 90% of your tax liability to escape penalty.

If there is not enough federal income tax withheld from your retirement allowance, you may be required to file quarterly estimated income tax payments or pay a penalty imposed by the Internal Revenue Service. If your circumstances change, you may file a new withholding authorization.

If you do not submit this form, MERS must withhold on the basis of Married with 3 exemptions.

*Note:* Tax withholding elections can be changed at any time by logging into myMERS or submitting a form.

## 9. Michigan income tax withholding

In 2012, Michigan's tax treatment of pension and retirement benefits changed and these benefits are subject to income tax for many recipients. For additional information, visit [www.michigan.gov/taxes](http://www.michigan.gov/taxes).

## 10. Required signature(s)

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

### *Spousal consent*

If you are married, an election of Option II (Section 2) is effective unless another form of payment is signed by the spouse. Your spouse must understand and agree with the retirement option you have elected, and the named beneficiary (if other than your spouse). Their signature is required in Section 9 prior to MERS issuing your first payment.

Requests for changes to direct deposit, federal tax withholding, or state tax withholding must be received by MERS by the 1st of the month you are requesting change to be effective.

**You can submit this form online!**

If you already have a myMERS account, you can upload this form online. Look for the **File Upload** feature to easily and securely submit completed forms.

You may also mail completed form to:

**Municipal Employees'  
Retirement System of Michigan**  
1134 Municipal Way  
Lansing, MI 48917  
Fax: 517.703.9706