

## DBS Benefit Choices and Information for Retired Members

If you selected unmodified at retirement, make one choice from 1 through 5 below on your application:

### DBS Balance of Any Amount

1. **Lump-sum payment** allows you to receive a one-time payment of your DBS account, regardless of the amount of the balance. Upon your death, no continuing amount is payable to your beneficiary.

### Choices Available if DBS Account Balance is \$3,500 or More

2. **Single life annuity with a cash refund feature** provides you with a lifetime annuity. The annuity stops upon the death of the annuity recipient. The cash refund feature provides that any balance remaining in the DBS account will be paid as a lump-sum distribution to the DBS beneficiary, which is the same beneficiary for the Defined Benefit lump-sum death payment.
3. **Single life annuity without a cash refund feature** provides you with a lifetime benefit. This annuity provides a lifetime monthly annuity that is slightly higher than the single life annuity with a cash refund. However, there is no cash refund feature payable to the DBS beneficiary upon the benefit recipient's death. Any balance remaining in the DBS account will revert to the Teachers' Retirement Fund.
4. **Period Certain Annuity** provides a monthly annuity payable from three to ten years. The amount payable is based on the number of years over which the annuity is paid (the lower the number of years the higher the annuity). A period certain annuity that is payable for fewer than ten years may be rolled over to another qualified plan each month. If the benefit recipient dies prior to the end of the annuity period, the remaining balance of payments will be paid to the one-time death benefit recipient(s).
5. **Combination of lump-sum payment and annuity.** If your DBS account balance, less a lump-sum amount you select, is greater than or equal to \$3,500, you can choose a lump-sum payment and one of the above annuity choices

If you selected an option at retirement, make one choice from 6 to 10 below on your application:

### DBS Balance of Any Amount

6. **Lump-sum payment** allows you to receive a one-time payment of your DBS account, regardless of the amount of the balance. Upon your death, no continuing amount is payable to your beneficiary.

### Choices Available if DBS Account Balance is \$3,500 or More

7. **100 percent joint and survivor annuity** provides you a modified annuity while you and your DBS beneficiary are alive. One hundred percent of the monthly annuity amount is paid to the DBS annuity beneficiary upon the death of the benefit recipient. If the beneficiary predeceases the benefit recipient, the annuity amount rises to the amount of the single life annuity with a cash refund. If a DBS survivor annuity is elected in combination with DB Option 8, the same beneficiaries and the same percentages stated in the Service Retirement Application will be the DBS joint and survivor annuity beneficiaries.
8. **50 percent joint and survivor annuity** provides you with a modified annuity while you and your DBS beneficiary are alive. 50 percent of the annuity is paid to the DBS annuity beneficiary upon the death of the benefit recipient. If the beneficiary predeceases the benefit recipient, the annuity amount rises to the amount of the single life annuity with a cash refund. If a DBS survivor annuity is elected in combination with DB Option 8, the same beneficiaries and the same percentages stated in the Service Retirement Application will be the DBS joint and survivor annuity beneficiaries.
9. **Period Certain Annuity** - same as # 4.
10. **Combination of lump-sum payment and annuity.** If your DBS account balance, less a lump-sum amount you select, is greater than or equal to \$3,500, you can choose a lump-sum payment and one of the above annuity choices.

## DBS Payment Distribution Information

### Monthly Annuity Payment

You can have your monthly annuity payment transferred directly to a financial institution or mailed directly to your home. If you wish to have the monthly annuity payment transferred directly to the same financial institution for which your DB monthly payment is sent, check the first box. Otherwise mark the second box to have the monthly annuity payments mailed directly to your home.

### Federal and State Withholding for DBS Annuities

- If you do not complete this section, CalSTRS will withhold income tax from an ongoing payment in accordance with the established rate for a married individual claiming three withholding allowances.
- If you do not want tax withholding applied, you must check the “Do not withhold” boxes for state and federal. However, if you live outside the United States you may not elect “no” as a withholding choice.
- The number of state withholding allowances you claim may be different from the number of allowances you claim for federal withholding. Please write the number on the appropriate line.

### Lump-Sum Distribution

#### 1. Mail to address on Section A.

If you elect to have your DBS lump-sum payment mailed directly to your address, 20 percent of the taxable portion will be withheld for federal tax and 6 percent will be withheld for state tax unless you elect to have no state tax withheld.

#### 2. Rollover of Contributions and Interest

##### A. Rollover of Pre-Tax Contributions or Period Certain Annuity of 3 – 9 years.

If you elect a direct trustee-to-trustee transfer of contributions and interest or a monthly period certain annuity to a qualified trust plan you may elect to rollover a specific dollar amount or a percentage (1-100 percent) but you may not elect both. For example, if you expect to receive \$4,000 and elect 50 percent rollover, \$2,000 would be rolled over and \$2,000 would be direct payment and would be subject to tax withholding.

#### B. Rollover of Post-Tax Contributions

Post tax contributions have already been taxed when paid to CalSTRS. The same rollover rules which apply to pre-tax contributions apply to post tax contributions.

Note: Former registered domestic partners who have an account created as a result of segregation of community interest are not eligible to roll over DBS payments. This is because rollover rules are based on federal law and federal law does not recognize registered domestic partners.

### General Instructions

#### Traditional IRA or Eligible Employer Plan –

Individual Retirement Account or other eligible employer plan.

**Account Number** – Number that identifies the account and is associated with the account name.

**Financial Institution** – Actual name of the company to receive the transfer. (Please do not list “IRA” as the name of the company.)

**Institution Address** – Address where the payment is to be mailed. CalSTRS is unable to process a direct trustee-to-trustee transfer to a financial institution that is outside of the United States.

#### Signature of Institution Representative –

Signature of an authorized representative of the institution to receive the transfer and the date the signature was obtained.

Attaching financial institution transfer documents in lieu of completing the DBS rollover sections may delay the processing of your application.

### Tax Information

Please read the *Tax Considerations for Rollovers* brochure before making your payment distribution choice.

### Required Signatures

If you are married or in a registered domestic partnership and your spouse or partner is unable to sign the DBS application you must complete the “Justification for Non-Signature of Spouse or Registered Domestic Partner” form (MS1125A) and return it with your application.

Please sign and date the application. If you do not sign the application, it will be returned to you for signature and any payment due will be delayed.



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**DBS APPLICATION FOR RETIRED MEMBERS**

DBS 0890 (Rev. 07/2006)

**FOR USE JANUARY 1, 2007 AND AFTER**

*Complete this application to receive either a lump sum payment or a monthly annuity of your CalSTRS Defined Benefit Supplement account.*

**Benefit Recipient Information**

NAME (last) (first) (initial)	SOCIAL SECURITY NUMBER or CLIENT ID
ADDRESS (number) (street) (apt #)	BIRTHDATE (MM/DD/YYYY)
(city) (state) (zip code)	HOME TELEPHONE NUMBER ( )

**DBS Benefit Choices**

I have read the attached information describing the DBS benefit choices available, and I elect **ONE** of the following:

**Choices If You Elected an Unmodified Benefit on your Retirement Application**

- (see page 1 of instructions)
- Lump-sum payment
  - Member-Only Annuity, formerly known as Single Life Annuity With a Cash Refund feature
  - Period certain annuity  
Number of years (circle one)  
3 4 5 6 7 8 9 10
  - Combination of lump-sum payment and annuity from annuity choices listed below

\$\_\_\_\_\_ lump-sum amount. (If your DBS account balance less the lump sum amount is greater than or equal to \$3,500, you can choose one of the following annuities.)

- and** (select one)
- Member-Only Annuity, formerly known as Single Life Annuity With a Cash Refund feature
  - Period certain annuity  
Number of years (circle one)  
3 4 5 6 7 8 9 10

- Lump-sum payment
- 100% joint and survivor annuity
- 75% joint and survivor annuity
- 50% joint and survivor annuity
- Period certain annuity  
Number of years (circle one)  
3 4 5 6 7 8 9 10
- Combination of lump-sum payment and annuity from annuity choices listed below

\$\_\_\_\_\_ lump-sum amount. (If your DBS account balance less the lump sum amount is greater than or equal to \$3,500, you can choose one of the following annuities.)

- and** (select one)
- 100% Beneficiary Annuity
  - 75% Beneficiary Annuity
  - 50% Beneficiary Annuity
  - Period certain annuity  
Number of years (circle one)  
3 4 5 6 7 8 9 10

**Choices If You Elected an Option Beneficiary on your Retirement Application**

(see page 1 of instructions)

**DBS Payment Distribution Instructions**

**Monthly Annuity Payment Distribution and Tax Withholding**

I understand that my DBS monthly benefit payments will be sent to the same address my DB payment is sent to each month.

Indicate how you would like income tax withheld from your CalSTRS benefit payment. Unless you indicate otherwise, the law requires income tax be withheld from payments based on rates for a married person claiming three withholding exemptions. Note: If a Period Certain Annuity is selected federal income tax will be deducted from this distribution as required by law. If a Period Certain Annuity (3-9 years) is selected and the distribution rolled over to a qualified trust plan, you are not required to have federal income tax withheld.

**CALIFORNIA STATE INCOME TAX WITHHOLDING**

- Do not withhold California **state** income tax from my **monthly** benefit payment.
- OR
- Calculate my monthly withholding from the California **state** tables using the marital status **AND** the number of exemptions shown. Check one of the following:
  - Single \_\_\_\_ (Enter 0 or number of exemptions)
  - Married \_\_\_\_ (Enter 0 or number of exemptions)
  - Head of Household \_\_\_\_ (Enter 0 or number of exemptions)  
Also, withhold \$\_\_\_\_ in addition to the amount to be withheld based on the state tax tables as indicated above. **(Enter a dollar amount, not a percentage.)**

**FEDERAL INCOME TAX WITHHOLDING**

- Do not withhold **federal** income tax from my **monthly** benefit payment.
- OR
- Calculate my monthly withholding from the **federal** tables using the marital status **AND** number of exemptions shown. Check one of the following:
  - Single \_\_\_\_ (Enter 0 or number of exemptions)
  - Married \_\_\_\_ (Enter 0 or number of exemptions)  
Also, withhold \$\_\_\_\_ in addition to the amount to be withheld based on the federal tax tables as indicated above. **(Enter a dollar amount, not a percentage.)**

**Lump-Sum Distribution**

I have read the *Tax Considerations for Rollovers* included with this application packet and have received the 30-day notification. The 30-day notification period has either been met or I have waived the notification period and hereby apply for a lump-sum distribution.

I have selected **ONE** of the following two distribution choices for my lump-sum payment from CalSTRS.

1.  I elect to have a **DBS lump-sum distribution** and understand that my DBS payment will be sent to the same address my DB payment is sent to each month.

I understand that 20 percent federal income tax will be withheld from the taxable portion of this distribution as required by law and as indicated in the box checked below. I understand that 6 percent California state income tax will be withheld unless I check the **No** box below to have no California state income tax will be withheld.

Federal Income Tax  **YES**                      CA State Income Tax  **YES**                       **NO**


SSN: \_ \_ - \_ - \_ \_ \_

- 2.  I elect a **rollover of contributions and interest** and have completed either section A or B below. *(Rollovers are not available to former Registered Domestic Partners – please see instructions.)*

**A. Rollover of Pre-Tax Contributions or Period Certain Annuity of 3 – 9 Years**

I elect a direct trustee-to-trustee transfer of contributions and interest to the qualified trust plan listed below. Any amount not designated for transfer will be mailed to me.


- TRADITIONAL IRA                       QUALIFIED TRUST PLAN such as a 403(b) or 401(k)  
 Amount to Transfer \$ \_\_\_\_\_ **OR** Percentage to Transfer (Indicate 1-100%) \_\_\_\_\_ %

Financial Institution Information:	
_____	
Account Number	
_____	
Name of the Financial Institution	
_____	
Institution Mailing Address	
_____	
 _____ <i>Signature of Institution Representative</i>	_____ / ____ / ____ Date (MM/DD/YYYY)

**B. Rollover of Post-Tax Contributions**

I elect a direct trustee-to-trustee transfer of contributions and interest to the qualified trust plan listed below. Any amount not designated for transfer will be mailed to me.

- TRADITIONAL IRA                       ELIGIBLE EMPLOYER PLAN  
 Amount to Transfer \$ \_\_\_\_\_ **OR** Percentage to Transfer (Indicate 1-100%) \_\_\_\_\_ %

Financial Institution Information:	
_____	
Account Number	
_____	
Name of the Financial Institution	
_____	
Institution Mailing Address	
_____	
I understand that this is a direct transfer of post-tax contributions and this institution agrees to accept this transfer.	
_____	
 _____ <i>Signature of Institution Representative</i>	_____ / ____ / ____ Date (MM/DD/YYYY)

I understand that federal and state income tax will not be withheld from any portion of the post-tax distribution.

