

# Request for Refund Guidance

The PERA Act permits inactive members and members on leave of absence from an affiliated public employer as a consequence of the entry into active duty with the armed forces of the United States to withdraw their member contributions, subject to certain conditions. Members may request their contributions be distributed to them by a lump sum refund, which is subject to tax withholding, or members may elect to roll their contributions over into another tax-deferred retirement plan. You may also elect to rollover a portion of your contributions and to receive a lump sum distribution of the remainder. For information regarding rolling over your contributions please see the Member Request for Rollover Guidance available on the PERA website at: [www.nmpera.org/for-members/refund-of-contributions/](http://www.nmpera.org/for-members/refund-of-contributions/)

Information to consider before you decide to withdraw your contributions from PERA:

1. If you decide to receive a direct refund of your contributions, you will receive only 71.5% (or less if you elect a higher federal tax withholding rate in Section 4) of your total member contributions, because PERA is required to withhold applicable taxes as follows:
  - At least 20% for the Federal Internal Revenue Service
  - 8.5% for the New Mexico Taxation & Revenue Department
2. Your withdrawal will be taxed in the current year unless you roll it over to a qualified tax-deferred plan. You may be able to use special tax rules that could reduce the tax you owe. However, if you make the withdrawal before age 59-1/2, you may also be subject to an additional 10% penalty for early withdrawal from a pension plan.

## Section 1

### Information About You

1. Please fill out this section completely.
2. As Co-payee, you must provide a Proof of Age form and a copy of your Social Security Card or Social Security Verification Letter.

## Section 2

### Information About PERA Member (Former Spouse)

1. Please fill out this section completely.

## Section 3

### Information About Your Financial Institution

1. Please provide all requested information for the financial institution that will receive the direct deposit of your refund.
2. You may only identify ONE account for your direct deposit. PERA cannot divide your refund between accounts.
3. You must attach a voided check or a completed direct deposit form from your financial institution. Please DO NOT include a copy of a direct deposit slip.

## Section 4

### Information About Your Federal Tax Withholding

1. PERA is a qualified retirement plan and the default federal income tax withholding on your refund is 20%. Do not complete Section 4 unless you want **more** than 20% federal income tax withheld.
2. Complete IRS form W-4R to have PERA withhold more than the default federal income tax withholding amount. The IRS form W-4R contains Line 1a, Line 1b, Line 2 and a dated signature. Complete all lines on the form using the General Instructions provided by the IRS to help guide you on how to complete the form. If the IRS form W-4R is incomplete, the form is not valid and the default federal withholding rate will apply to your refund.
3. PERA cannot withhold an amount less than 20%. Amounts entered on IRS form W-4R Line 2 must be greater than 20 and be a whole number. If an amount less than 20 is entered on IRS form W-4R Line 2, the form is not valid and the default federal withholding rate will apply to your refund.

## Section 5

### Your Certification

1. This section acknowledges your request for refund and that you understand and agree to the stated terms and conditions. You must sign this section in the presence of a Notary.
2. The Notary's stamp must be visible and all information must be accurate (dates, etc.) or your request will be rejected.
3. No correction fluid will be allowed on this section.

# Co-Payee Request for Refund

Instructions: Please print or type in dark ink. This notarized form must be completed in its entirety and returned to PERA via regular mail, fax, or e-mail to [noreply.records@pera.nm.gov](mailto:noreply.records@pera.nm.gov) for processing. The requestor must provide a Proof of Age form and a copy of their Social Security Card or Social Security Verification Letter.

**PLEASE ENCLOSE A VOIDED CHECK AND ALLOW 60 BUSINESS DAYS FOR PROCESSING.**

## Section 1 Information About You

Social Security Number or PERA ID		Name (First, Middle Initial, Last)	
Date of Birth	Phone Number ( )	E-mail Address	
Mailing Address		City	State Zip Code

## Section 2 Information About PERA Member (Former Spouse)

Social Security Number or PERA ID	Date of Birth	Name (First, Middle Initial, Last)
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## Section 3 Information About Your Financial Institution

I hereby agree that my financial institution may credit and debit to my account, benefit payments and corrections made by the New Mexico Public Employees Retirement Association without my endorsement. I further agree that my financial institution may repay and refund to PERA on demand, the total amount of any such payments received and deposited to my account, the due date of which occurs subsequent to my death. **A voided check or direct deposit form must be provided.**

Checking     Savings

Name of Financial Institution	Account Number	Routing Number
Mailing Address	Phone Number	

## Section 4 Information About Your Federal Tax Withholding

Do not complete this section unless you want **more** than the default 20% federal income tax rate withheld.

To have PERA withhold more than the default 20% federal income tax, complete the IRS form W-4R on the next three pages.

<b>1a</b> First name and middle initial	Last name	<b>1b</b> Social security number
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Address

City or town, state, and ZIP code

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

<b>2</b> Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals) . . . . .	<b>2</b>	%
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<b>Sign Here</b>	Your signature (This form is not valid unless you sign it.)	Date
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**General Instructions**

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to [www.irs.gov/FormW4R](http://www.irs.gov/FormW4R).

**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

**2024 Marginal Rate Tables**

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

\* If married filing separately, use \$380,200 instead for this 37% rate.

## General Instructions (continued)

**Nonperiodic payments—10% withholding.** Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

**Note:** If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

**Eligible rollover distributions—20% withholding.** Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4R. See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Pub. 519, *U.S. Tax Guide for Aliens*, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, *Tax Relief for Victims of Terrorist Attacks*, for more details.

## Specific Instructions

### Line 1b

For an estate, enter the estate's employer identification number (EIN) in the area reserved for “Social security number.”

### Line 2

**More withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

**Less withholding (nonperiodic payments only).** If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

**Suggestion for determining withholding.** Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

**Examples.** Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

**Example 1.** You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

**Example 2.** You expect your total income to be \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

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**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

**Section 5**

**Information About Your Notary & Certification**

\*Notary stamp must be visible

**A notarized signature is required for the co-payee before PERA can process a refund.**

Co-payee's Signature	Date

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) SS:  
\_\_\_\_\_ )

Signed and sworn to (or affirmed) before me by \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Co-payee's Name (please print) to be completed by Notary

My Commission Expires \_\_\_\_\_

Notary Public Telephone Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Signature of Notary \_\_\_\_\_