

Special Purpose Withdrawals – MERS 457 or IRA

Use this form if...

You are taking money from a MERS 457 or IRA account due to one of the qualifying reasons under the SECURE 2.0 Act, such as birth/adoption, emergency expense, or domestic abuse. If you are looking to withdraw funds under a qualified disaster recovery, please use form [ME-008b](#).

You can submit this form online!



If you have a myMERS account and do not need to submit a Medallion Signature, you can upload this form online. Select your product, click on **View Plan Summary**, and look for **File Upload** in the top navigation to securely submit completed forms.

You may also mail completed form to MERS' recordkeeper at:

Alerus Retirement and Benefits
P.O. Box 64535
St. Paul, MN 55164

Please print clearly • See attached special tax notice for details • Retain a copy for your records * Required field

1. Information about you

Last name*	First name*	Social Security number*	Phone number (with area code)*
Mailing address*		MERS program type <input type="checkbox"/> 457 <input type="checkbox"/> IRA	Date of birth (mm/dd/yyyy)*
City*		State*	Zip code*
Email address	Citizenship* <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident <input type="checkbox"/> Non-resident alien (submit IRS Form W-8BEN)		
Employer name*	Division number (6 digits)		

 See **Medallion Signature Guarantee** information in Section 6 if your address is outside the U.S.

2. Reason for withdrawal

Choose one option below and complete the information related to that option.

NOTE: For all withdrawal types, the program may restrict which accounts the distribution can be taken from and may impose other limitations.

☐ Qualified Birth or Adoption Distribution (QBAD)

Withdrawal amount requested
\$

May not exceed the lesser of your vested balance, or \$5,000 per child or eligible adoptee minus previous QBADs with respect to the same child/adoptee by other plans maintained by the employer.

- An "eligible adoptee" is an individual, other than the child of the participant's spouse, who has not attained age 18 or is physically or mentally incapable of self-support.
- Must be made during one-year period beginning on date of child's birth or when legal adoption is finalized.
- Can be repaid to an eligible retirement account within three years.
- Not an eligible rollover distribution.
- By signing and submitting this form, you are certifying that you are eligible to receive a QBAD.

Special Purpose Withdrawals – MERS 457 or IRA

Last name* (please print clearly)

Social Security number*

☐ Emergency Expense Withdrawal

Withdrawal amount requested

\$

Total amount requested may not exceed the lesser of \$1,000 or your total vested benefit above \$1,000.

- Distribution must not be more than needed to meet unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses.
- May be repaid to an eligible retirement account within three years.
- No more than one emergency expense withdrawal may be taken in a calendar year, and additional emergency expense distributions are prohibited for the three-year period after the distribution unless that distribution is fully repaid or unless the total of employee contributions made to your account after the previous distribution is at least equal to the amount of the prior distribution which has not been repaid.
- Not an eligible rollover distribution.
- By signing and submitting this form, you are certifying that you are eligible to receive an emergency expense withdrawal.

☐ Domestic Abuse Withdrawal

Withdrawal amount requested

\$

Total amount requested may not exceed the lesser of \$10,000 (as adjusted) or 50% of your total vested benefit.

- “Domestic abuse” means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim’s ability to reason independently, including by means of abuse of the victim’s child or another family member living in the household.
- Must be made during one-year period beginning on any date in which the participant is a victim of domestic abuse by a spouse or domestic partner.
- May be repaid to an eligible retirement account within three years.
- Not an eligible rollover distribution.
- By signing and submitting this form, you are certifying that you are eligible to receive a domestic abuse withdrawal.

3. Payment method

If you do not indicate an option below, your payment will be sent in the form of a check.

Where applicable, distributions will be drawn from available accounts in the following order: 1) Pre-Tax 457 or IRA Traditional balance, 2) Non-Roth rollovers, 3) 457 Roth or IRA Roth contributions, 4) Roth rollovers. If you want your funds drawn in a different order, please provide MERS with written instructions with this distribution form.

Note: Checks and deposits are issued from *Alerus Financial*.

- ☐ **Direct deposit** of your distribution into your designated bank account (See **Medallion Signature Guarantee** information in Section 6 if requesting direct deposit. If Medallion Signature is NOT included, a check will be mailed to you.)

☐ Checking account

☐ Savings account

Financial Institution name

A voided check must be included for any direct deposit request.

ABA routing number (9 digit)

Account number

Financial Institution phone

- ☐ **Check** made payable to you will be mailed to your address in Section 1.

- ☐ **Overnight check delivery:** You may request overnight shipping of checks for a fee of \$35 (taken from remaining account balance if available, or from distribution amount). Please allow up to two business days for processing.

Special Purpose Withdrawals – MERS 457 or IRA

4. Federal income tax withholding (instructions pages 4-5)

Complete this line if you would like a rate of withholding that is different from the default withholding rate of 10%. See the instructions following and the [Marginal Rate Tables](#) on pages 4-5 for additional information. Enter the rate as a whole number (no decimals).....▶ _____ %

5. State income tax withholding

MERS will withhold the mandatory Michigan income tax rate from your distribution unless you provide specific direction using the [MI-W4P](#). If your state of residence is not Michigan, the state income tax required by law will apply.

6. Medallion Signature Guarantee

 **Medallion Signature Guarantee** is required for any transaction:

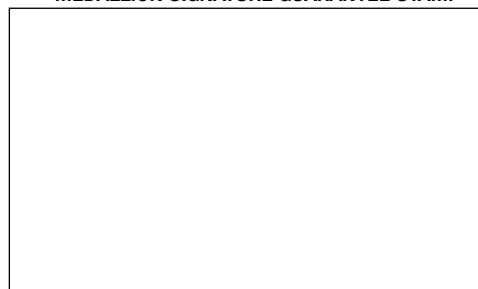
- requiring a **direct deposit** or wire transfer
- over \$100,000
- being sent to a destination outside the U.S.
- being sent to an address other than the address of record on the account.

A signature guarantee is designed to protect you and MERS from fraud. You can get it from most banks, credit unions, and other financial institutions where you have an account. **A notary seal is NOT a signature guarantee.** Please contact your financial institution for specific requirements.

Use the box to the right to apply your financial institution's Medallion Signature Guarantee stamp. **Please submit original form.**

Do NOT sign the signature space below until directed to by your financial institution.

MEDALLION SIGNATURE GUARANTEE STAMP



7. Acknowledgements and signature

I certify and acknowledge that:

- I am eligible for the type and amount of the withdrawal that I have elected under the terms of the plan and applicable law.
- The information provided in this form is true and accurate.
- The amount distributed to me is taxable to me as ordinary income, the amount distributed will be reported to the IRS, and I will receive a Form 1099-R.
- These withdrawal types are not eligible for rollover treatment to another eligible retirement plan.
- If I do not satisfy the requirements of the type of withdrawal I have elected, the amount I receive may be subject to a 10% early withdrawal penalty.
- I will contact my own tax professional regarding how to report the amount received on my individual tax returns and how to repay the amount to an eligible retirement plan (if desired).
- A processing fee may be charged.
- I agree to keep copies of documentation to support my withdrawal request.

Participant signature*

Date (mm/dd/yyyy)*

Participant name (please print clearly)*

Social Security number*

* Required field

General Instructions for Federal Tax Withholding Section

This section replicates information on IRS Form W-4R and is required by the IRS to be included in its entirety as part of this form. For additional information, go to www.irs.gov/FORMW4R.

Purpose of this section is to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from your MERS Defined Benefit pension. See the following pages for the rules and options that are available for each type of payment. For more information on withholding, see IRS 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.

Nonperiodic payments—10% withholding. MERS must withhold at a default 10% rate from the taxable amount of nonperiodic payments unless you enter a different rate for Federal Income Tax Withholding. 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-” for Federal Income Tax Withholding. 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.

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-” for Federal Income Tax Withholding. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

2024 Marginal Rate Tables for determining federal tax withholding

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 following pages 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.

Specific Instructions for Federal Tax Withholding Section

Federal Income Tax Withholding

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate for Federal Income Tax Withholding.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate for Federal Income Tax Withholding (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](#) above 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 for Federal Income Tax Withholding. (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 for Federal Income Tax Withholding. (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 for Federal Income Tax Withholding.

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” for Federal Income Tax Withholding.

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” for Federal Income Tax Withholding.