



Montana Public Employee Retirement Administration
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<http://mpera.mt.gov>

Important Information Regarding Your Retirement Funds

If you are leaving employment, you have several choices regarding your retirement funds:

Choice 1 – Leave your money on account*

Generally, you may leave your assets in the plan administered by the Montana Public Employees' Retirement Administration (MPERA) to grow tax deferred until you reach age 70 ½.

If you are a vested Defined Benefit Retirement Plan member, you can estimate your retirement benefit using our online calculators at: mpera.mt.gov.

**By law, we are required to refund money to members with an account balance of:*

- less than \$200; and
- between \$200 and \$1,000 unless you submit a rollover application within 90 days from your termination of service.

Choice 2 – Direct rollover into another eligible plan

You can choose to roll funds of \$200 or more into another eligible plan. However, if your account balance is less than \$1,000 we must receive your rollover application within 90 days from your termination of service or it will be distributed to you as a lump-sum. An application to rollover an account balance greater than \$1,000 is not subject to the 90 day time limit to submit a rollover application.

You are responsible for confirming that the new plan will accept your rollover.

Choice 3 – Take a lump-sum distribution

If you take a distribution from your account, federal law requires us to withhold 20% of the distribution for federal income tax purposes. State income tax withholding is optional; if you would like Montana state tax withheld, you must elect this on the withholding form.

Once you take a distribution, you also have the option of rolling it over into an IRA or a qualified employer's plan. Amounts not rolled over within the 60 day time frame will be subject to ordinary income tax in the year received.

If you are under 59 ½ years old, you may also have to pay a 10% additional income tax for early distributions. Please contact your tax professional before making a final decision.

If you choose a direct rollover or a lump-sum distribution (choice 2 or 3), you will need to have severed employment for at least 30 days. Please contact MPERA at the address, phone number or email address shown above for the required paperwork. For choices 2 and 3:

- Defined Benefit Retirement Plan members will receive a refund of their contributions plus interest.
- Defined Contribution Retirement Plan members,
 - Non-vested members will receive a refund of their contributions plus interest.
 - Vested members will receive a refund of their contributions and the employer contributions plus interest.