

MONTANA
GAME WARDENS'
AND
PEACE OFFICERS'
RETIREMENT SYSTEM
MEMBER HANDBOOK



JANUARY 2010
PUBLIC EMPLOYEES'
RETIREMENT BOARD

MONTANA

**GAME WARDENS'
AND
PEACE OFFICERS'
RETIREMENT SYSTEM
(GWPORS)**

MEMBER HANDBOOK

January 2010

Public Employees' Retirement Board

State of Montana

Brian Schweitzer, Governor

Public Employees' Retirement Board

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PERB Mission Statement



The Montana Public Employees' Retirement Board will fiduciarly administer its retirement plans and trust funds, acting in the best interest of the members and beneficiaries.

Contacting MPERA

If you have any questions about the Game Wardens' and Peace Officers' Retirement System (GWPORS), call or e-mail us or visit our website.

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In most cases, if you know the name of the person you are e-mailing, use their first initial and their last name plus @mt.gov. For example, John Doe's address is: **jdoe@mt.gov**.

If you don't know who to contact, e-mail our "front desk" at **mpera@mt.gov** and your question will be forwarded to the right person.

Web Site

For updated information and to view MPERA newsletters and other publications, visit us on the web at **<http://mpera.mt.gov/>**.

MPERA Mission Statement

The Montana Public Employee Retirement Administration (MPERA) will efficiently provide quality benefits, education, and service to help our plan members and beneficiaries achieve a quality retirement.

Permission is granted to reproduce, copy or duplicate the information in this book, provided credit is given to MPERA.

TABLE OF CONTENTS **Page**

Preface 6
Introduction 7

SECTION I: MEMBERSHIP

1. Membership Enrollment 9
 - Membership Cards
 - Transfer of Membership
2. Contributions 11
 - Member Contributions
 - Employer Contributions
 - Refund of Contributions
3. Service 14
 - Membership Service
 - Vesting
 - Service Credit
 - Part-time Service
 - Annual Membership Statements
 - Purchase of Service

SECTION II: BENEFITS

1. Qualifying for Benefits 20
 - Vested Members
 - Active Members
 - Inactive Vested Members
 - Non-Vested Members
 - General
2. Retirement Benefits 22
 - Service Retirement
 - Basic Formula
 - Early Service Retirement

Table of Contents (Continued)	Page
3. Disability Retirement	24
- Disability Benefit	
- Disability Reviews	
- Disability Benefit Cancellation	

SECTION III: PAYMENT OPTIONS

1. Option 1	25
2. Option 2	26
3. Option 3	27
- Service Retirement Option Factors	28
4. Option 4	30
5. Changes to Options	31
6. Sample Calculations	32

SECTION IV: ADDITIONAL INFORMATION

1. Death Benefits	36
- Active Member	
- Inactive Member	
- Retired Member	
- Beneficiaries	
- Death Benefit Claim	
2. Benefit Increases	38
- Guaranteed Annual Benefit Adjustment (GABA)	
- Eligibility for and Effective Date of GABA Benefits	
- Timing for Benefit Payments	
3. Taxes on Benefits	40
- Tax Statements	
- Tax Advice	
- Taxes on Refunds	
4. Assignment of Benefits.....	42
- Family Law Order (FLO)	
5. For More Information	43
Glossary of Terms	44

Preface

This *Game Wardens' and Peace Officers' Retirement System Member Handbook* is a general summary of the benefits provided by the Montana Game Wardens' and Peace Officers' Retirement System (GWPORS). It is intended to give you an idea of what your benefits are and to acquaint you with GWPORS. Every effort has been made to ensure the contents agree with the law and rules. The law and its interpretation can change, so this handbook may be out-of-date soon after it is published. This handbook is not a final source of the law and rules. **IT SHOULD NOT BE TAKEN AS FINAL LEGAL AUTHORITY.** Information in this handbook is based on 2009 law. Benefits are based on the law in effect at the time of your termination from employment; therefore, some information found here may not apply in specific cases. If this handbook differs with law or rule, the law or rule will apply. This handbook replaces all previous GWPORS member handbooks.

Montana Code

The law governing GWPORS may be found in Title 19, Chapters 2 and 8, Montana Code Annotated (MCA). The MCA is available online at http://data.opi.mt.gov/bills/mca_toc/index.htm. References to the pertinent sections of MCA and Administrative Rule of Montana (ARM) are provided in parentheses throughout this publication. ARM is available at <http://mpera.mt.gov/docs/AdminRules.pdf>.

Overview

- GWPORS provides service retirement benefits, disability retirement benefits or survivor benefits, if eligible.
- You are eligible to retire and receive a service retirement benefit when you complete 20 years of membership service and you are age 50.
- You and your employer contribute toward your future retirement benefits.
- You may withdraw only your contributions plus interest if you leave GWPORS-covered employment and don't retire.
- If you withdraw your contributions, you lose your right to any future retirement benefit.

Introduction

Retirement Security for our Members Since 1963

The Game Wardens' and Peace Officers' Retirement System (GWPORS) is a public pension plan for Montana game wardens and peace officers. The 1963 Legislature created GWPORS to grant service retirement, disability retirement, or survivor benefits to plan members and their beneficiaries. As of June 30, 2009, membership of GWPORS consisted of the following:

GWPORS Membership

Number of participating employers.....	7
Active plan members	911
Inactive members:	
Vested	40
Non-vested.....	103
Retirees and beneficiaries receiving benefits:	
Service Retirements	122
Disability Retirements	0
Survivor Benefits.....	5

The Public Employees' Retirement Board (Board) is an independent, seven-member board, appointed by the Governor to administer GWPORS, seven other retirement systems, and the State's Deferred Compensation Plan. The Public Employee Retirement Administration (MPERA) does the day-to-day work. This handbook uses the following terms: we, us, MPERA, and Board interchangeably.

GWPORS is a **defined benefit** retirement system. The monthly benefit you receive upon retirement is based on your years of service and highest average compensation rather than the amount of money you contribute and the interest which accrues to your account.

Money that you pay into GWPORS earns interest and helps pay for your benefits. MPERA tracks your money separately and credits interest to you. We combine the funds from all accounts in a trust fund, which the Board of Investments invests. Income earned is reinvested in the trust fund. Only the Board may authorize payment from the trust fund. Current law limits payments to benefits and refunds for members or their survivors. In addition, the Board must pay administrative expenses from the investment earnings.
(§§ 19-2-408 and 19-2-505, MCA; Montana Constitution, Art. VIII, §13)

Every year, an actuary must evaluate the trust fund's capability to pay the benefits promised to members. Based on the fund's strength and the actuary's advice, the Board may initiate changes in benefits or contribution rates. Benefits and contributions are set by law, and protected by the Montana Constitution and only the Legislature may change them. Before each legislative session, the Board will review the sufficiency of the benefits and advise the Legislature.
(§§ 19-2-403 and 19-2-405, MCA; Montana Constitution, Art. VIII, §15)

SECTION I: MEMBERSHIP

1. Membership Enrollment

Membership enrollment is required for most GWPORS-covered positions. Membership for some positions in the Public Employees' Retirement System (PERS) is explained on page 10. The following state peace officers **must** become members of GWPORS:

- Game wardens assigned to law enforcement in the Department of Fish, Wildlife and Parks.
- Motor carrier officers employed by the Department of Transportation.
- Campus security officers employed by the Montana University System.
- Wardens, deputy wardens, corrections officers, drill instructors, and probation and parole officers employed by the Department of Corrections.
- Stock inspectors and detectives employed by the Department of Livestock. (§ 19-8-301, MCA)

Membership Cards

New game wardens and peace officers must complete a membership card upon starting work in a GWPORS-covered position. Your payroll clerk should provide you with this card on your first day of work. Complete the card and return it to the payroll clerk, who will send it to us. Membership may not be discontinued until employment in a GWPORS-covered position is terminated.

A membership card is a vital record; you must keep it up-to-date. To update your information, complete a new card and give it to your payroll clerk. The payroll clerk must send it to us in order for the changes to take effect. Marriage,

Update your membership card whenever any of the information on the card changes.

divorce, birth of a child, any name changes and death of a beneficiary are some of the reasons to update your card. We print data from your membership card on your Annual Membership Statement, which is mailed to you each July. Check the statement carefully. If any of the member or named beneficiary data is wrong, submit a new card to your payroll clerk.

(§ 19-2-801, MCA; ARM 2.43.2104)

Transfer of Membership

If you are a member of the Public Employees' Retirement System (PERS) and transfer to a GWPORS-covered position, you must elect to either:

- become a member of GWPORS; or
- remain a member of PERS.

If you are member of GWPORS, and transfer to a position other than law enforcement within the same state agency, you may elect to remain in GWPORS. (§ 19-8-302, MCA)

In either of the above cases, your payroll clerk must file your completed election form with MPERA within 30 days of your transfer to the new position. Your payroll clerk should keep a copy of your election for their records.

2. Contributions ---

You and your employer pay contributions to GWPORS. The following explains contributions to GWPORS and what is expected of you and your employer.

Member Contributions

All members must contribute part of their gross compensation to GWPORS. The current contribution rate is 10.56%. Your employer will withhold this money from your gross pay and send it to MPERA. We track your contributions separately. (§ 19-8-502, MCA)

Interest: GWPORS earns interest each month. The monthly service retirement benefit is set by a statutory formula (see pages 22-23). However, if you end your GWPORS-covered employment and leave your money on account, it will continue to collect interest. If you take a lump sum refund instead of a monthly benefit, you will receive your contributions plus accrued interest. **The interest credited does not affect the amount of your monthly retirement benefit.**

Taxation: Since July 1985, the money you contribute to GWPORS is pre-tax. The interest credited has always been tax-deferred. This means state and federal taxes are not paid until you receive the money as a benefit or refund. Any money you paid to GWPORS before July 1985 was taxed. In other words, you paid the taxes before you paid the money to GWPORS. If you contributed taxed money and elect to take a lump sum refund, or retire, then part of your refund or monthly benefit will be not be taxed.

Purchase of Service To purchase refunded service or other types of service, you may contribute amounts beyond your regular contributions. These additional payments are pre-tax if you authorize payment by a payroll deduction contract. You may also rollover funds from an eligible plan or make cash payments directly to MPERA. (see page 16)

Interest will be credited on service purchase payments at the same rate as regular contributions. All interest credited is tax-deferred. (§§ 19-2-704 and 19-2-708, MCA)

Employer Contributions

Your employer contributes an amount equal to 9% of their total GWPORS-covered payroll to the pension trust fund. These contributions are not refundable and provide “pooled” funds for service retirement, disability retirement, and survivor benefits. (§ 19-8-504, MCA)

Refund of Contributions

Vested members who end GWPORS-covered employment may leave their money on account to continue to earn interest; or they may receive a refund of their accumulated contributions (member contributions and interest).

When you receive a refund, you are no longer a member of GWOPRS. You will have no right to any form of GWPORS benefit.

To receive a refund upon termination of service, request an application from your employer. The application has two parts. You must complete the member section, then give it to your employer. Your employer will complete the employer section and send it to MPERA.

If you have been inactive for more than three months, you should contact us directly to apply for a refund. (§ 19-2-602, MCA; and ARM 2.43.2901)

Processing a Refund: MPERA cannot process your refund before your employer sends us the application and final payroll information. This process may take up to four weeks from the date you get your last paycheck. Extending your last day of work into a new pay period or month may increase the processing time.

Mandatory Refunds: If you are not a vested member (less than five years of membership service), IRS regulations may require that we distribute your contributions to you. If you have:

- less than \$200 in accumulated contributions, you will automatically be sent a lump sum refund. No taxes are withheld.
- between \$200 and \$1,000 in accumulated contributions, you will be sent a notice and a refund application. The application allows you to request that your contributions be rolled over to another eligible plan. Rolling your contributions to another eligible plan protects the tax-deferred status of your contributions.
- more than \$1,000 in accumulated contributions, you may leave your contributions on account and continue to earn interest.

(§§19-2-602, 19-8-301(3), MCA; ARM 2.43.2901)

NOTE: If you receive your refund directly, the IRS requires us to withhold 20% for tax purposes. The IRS may also charge you an additional 10% penalty for early withdrawal. (See page 41)

Return to Work After Receiving a Refund: If, after receiving a refund, you accept a GWPORS-covered position, you will again become a member. We will consider you a new member without credit for the refunded service. You may reinstate the refunded service by redepositing the amount of money you were refunded, plus interest. (see page 16) (§ 19-2-603, MCA)

3. Service ---

The amount of time you work and contribute to GWPORS affects the amount of your retirement benefit. The monthly benefit you receive will depend on the number of years you work in a GWPORS-covered position, whether you work full- or part-time, your compensation and any purchases of service.

Membership Service

MPERA uses membership service to determine if you are eligible for vesting, retirement or other GWPORS benefits. You earn one month of membership service for any month you contribute to GWPORS, regardless of the number of hours you work that month. (§ 19-2-702, MCA)

If eligible, active and inactive vested members may purchase some types of service that will count as membership service. (see pages 16 -18) Your total membership service may not match service for other employee benefits, such as the rate at which you earn annual leave. Service for different benefits may vary because the laws and rules that apply are different. (§§ 19-2-303, 19-2-409, and 19-2-702, MCA)

Vesting

You are vested after you accrue five years of membership service. Once vested, you are entitled to any retirement benefits for which you are eligible. (see page 20) If you withdraw your accumulated contributions, you give up your right to retirement benefits. (§ 19-2-303, MCA)

Example: You become vested after earning five years of membership service. You leave GWPORS-covered employment at age 37 with nine years of membership service, and do not withdraw your contributions, you may request a lifetime monthly benefit beginning at age 55. (see page 21)

Service Credit

Your service credit affects the amount of your retirement benefit. You earn one month service credit for each month of full-time service. Full-time service means your employer paid you for at least 160 hours during that month. You may not get more than one month of service credit even if you are paid for more than 160 hours during a month. If you are paid for less than 160 hours during any month, you will receive proportional service credit. For example, 80 hours, during any month, will receive one-half of a month of service credit. However, for that same month you will earn one full month of membership service.

(§ 19-2-701, MCA; ARM 2.43.2105-6, 2.43.2109, 2.43.2302)

Your service credit years at retirement will be calculated by dividing total service credit months by 12.

Example: You were hired April 1, 1990 and work full-time until June 30, 2010, when you retire. Your months of service credit would be calculated as follows:

Period of Employment	Months
April 1990 - December 1990	9.0
January 1991 - December 2009	228.0
January 2010 - June 2010	6.0
TOTAL	243.0

243 months divided by 12 months = 20.25 years of service credit. The 20.25 years of service credit would be used to calculate your service retirement benefit. (see page 22)

Part-time Service

Upon retirement, if you had part-time service, MPERA may adjust either your service credit or Highest Average Compensation (HAC). We adjust one or the other to prevent a double reduction of your benefit. If you retire with a full-time salary, we will not adjust your part-time service credit to calculate your benefit. You will not see any adjustment until you retire.

Annual Membership Statement

Each July, MPERA will send you a membership statement projecting potential retirement benefits based on current information. If you have corrections, changes or questions concerning any information including service credit, contact MPERA **in writing**, and provide a copy of your statement with the change or question noted.

Carefully review the statement to verify all the information is correct.

If you have part-time employment, the total service credit reported on your statement may seem wrong. The statement reflects the service reported by your employer. When your employer reports you were paid for less than 160 hours, the system will give you less than one month of service credit. As noted on the previous page, adjustments for part-time service may be made when you retire. We adjust your service credit to prevent a double reduction of your benefit for part-time service. However, if you worked full-time, then your HAC may be based on that full-time service. When your HAC is based on full-time service, we do not adjust your part-time service. (see page 15)

NOTE: We will correct mistakes in your account or service credit when identified and verified. Mistakes will not bind MPERA to pay a benefit for which you are not eligible.

Purchase of Service

Eligibility and Cost Statements: Vested members, both active and inactive, may purchase service at any time before retirement. Purchasing service may enhance your retirement benefit. Be aware, a delay in purchasing service may increase the cost because of added interest or higher salaries.

You may not buy any service that will make you eligible for a retirement benefit from another public retirement system until you receive a refund of the service from the other public system.

Request a Cost Statement: A cost statement provides the amount required to purchase service as well as payment options. To receive a cost statement, you must provide the following written information: **your full name (including any former names), a current mailing address, social security number, and the type of service you wish to buy.** If you are sending your request via e-mail, include all of the above information, however, provide **only the last four digits** of your social security number.

After 30 days, the cost statement is not valid. Contact MPERA for an updated cost statement.

You should also send us any documents that relate to the service you are requesting to purchase, including the approximate dates of service. We will review the request and send you a cost statement for buying any eligible service.

You must pay the lump-sum cost or start monthly payments within 30 days of the cost statement. Only MPERA can give you a cost statement. A cost statement from any other source may not be used.

Paying for Service Purchase: You may pay for a service purchase in one lump-sum, or you may make monthly payments. Active members can make monthly payments by pre-tax payroll deduction. You may also purchase service through a rollover of funds from an eligible plan. Inactive vested members, active members not paid monthly, or active members who wish to self-pay may send payments directly to MPERA. (These payments are not made pre-tax.) If you fail to make a regular monthly payment, you give up the right to make any more payments. Your service purchase will be prorated.

MPERA will track your monthly payments in an additional contribution account until you complete the service purchase contract. We will then transfer the money to your regular account and credit your account with the service. You must complete all service purchases before you retire or the service purchase will be prorated. (§§ 19-2-704 and 19-2-708, MCA; ARM 2.43.2312)

Types of Service Which May Be Purchased:

1. Refund: A member who terminated his or her job and requested a refund of accumulated contributions (contributions plus interest) may purchase the refunded service if he or she returns to a GWPORS-covered position. To purchase the refund, the member must repay the contributions and interest received as a refund. The interest the refund would have earned if it had left on deposit must also be paid. Refund service is both membership service and service credit. (§ 19-2-603, MCA; ARM 2.43.2317 and 2.43.2308)

2. Montana Public Service: A member may buy service refunded from (or for which he or she is eligible to receive a refund) other Montana statewide retirement systems administered by MPERA. Other full-time public service employment with the state or a political subdivision of the state may also be purchased. All service referenced in this paragraph is both membership service and service credit. (§ 19-2-715, MCA; ARM 2.43.2317 and 2.43.2308)

3. Employment in United States Government: A member assigned to a federal agency under the Intergovernmental Personnel Act of 1970 may purchase the federal employment time if he or she has at least five years of membership service and returns to full-time service in a GWPORS-covered position for at least one year after completing employment with the federal agency. A member may continue making contributions to GWPORS while assigned to the federal agency, or may pay an amount equal to the regular employer and employee contributions, plus interest, within two years after returning to a GWPORS-covered job. (§ 19-8-903, MCA)

4. Military/Reserve Military Service: When a member has at least five years of membership service, he or she may, at any time prior to retirement, purchase up to five years of active military service or reserve military service. Reserve military service may include service in the army or air national guard. Both active and reserve military service are purchased at the actuarial cost.

A member may not purchase military time if he or she is receiving a retirement benefit from the military, or from another retirement sys-

tem or plan for that time. A member may not purchase reserve military service if he or she has received service credit under USERRA for the same time period. A member may purchase reserve military time prior to separation from the services in the reserves.

This service is both membership service and service credit.
(§§ 19-8-901, 19-2-707, MCA; ARM 2.43.2315-2316)

5. “One-for-Five” Additional Service: For each five-year period of membership service, a member may buy one year of additional service credit. He or she may buy no more than five years of additional service, but may buy less than a full year. Additional “One-for-Five” service is not membership service and can not be used to become eligible to retire or to purchase other types of service. The total service credit on the annual statement will not include the “One-for-Five” service purchased; however, it will be added to the member’s service credit when MPERA calculates his or her retirement benefit. (§ 19-8-904, MCA; ARM 2.43.2318)

6. Absence Due to Illness or Injury: Time that a member is absent from work due to a work-related injury or illness is considered membership service. To qualify, the illness or injury must be work-related. The time which can be purchased may not exceed five years. If the member is eligible and pays the contributions and interest, the absence will also count as service credit. Upon return to work, the member and employer must file a written application to buy the time. MPERA must receive certification that the injury was work-related within one year of the member’s return to work. A member loses the right to contribute for the absence if the member received a refund of his or her account during the absence.
(§ 19-8-905, MCA; ARM 2.43.2323)

Limitations Current law limits the purchase of active military, reserve military and additional (One-for-Five) service, and other public service to a combined total of five years. However, it can be any combination of the above services. (§ 19-8-906, MCA)

When purchasing service, the most recent service must be purchased first. (ARM 2.43.2308)

SECTION II: BENEFITS

To receive retirement benefits under the GWPORS defined benefit retirement plan, you must fulfill certain age and service requirements. Retirement benefits are payable directly to you. The benefit option which you choose at retirement may also provide for a continued survivor benefit. This section explains how to qualify for retirement, and describes both service retirement and disability retirement benefits.

1. Qualifying for Benefits

Vested Members

When you complete five years of **membership service** you become a vested member. (see page 14) Once vested, GWPORS guarantees you a retirement benefit after you reach the minimum age and service requirement.

Active Members

You are an active member if you are in a GWPORS-covered position and making the required contributions to the system. If vested, are at least age 50 and have 20 years of service, you may terminate service and apply for monthly service retirement benefits.

You could also take a refund of your account, rather than a retirement benefit. However, if you withdraw your accumulated contributions (your contributions plus interest), you give up all vested rights. In other words, once you cash your refund check, you are not eligible for a monthly retirement benefit.

(§ 19-2-601, MCA; ARM 2.43.2901)

Remember . . .
Once you withdraw your account, your membership ends. You lose your right to any benefits from GWPORS.

Inactive Vested Members

You are an inactive, vested member when you terminate GWPORS-covered employment, have five or more years membership service, and do not withdraw your accumulated contributions (your contributions plus interest). You may buy any service for which you are eligible. You may apply for a retirement benefit when you meet the minimum age and service requirement. (see page 22)

(§ 19-8-301(2), MCA)

Non-Vested Members

You are not eligible for a retirement benefit. However, you are eligible for a refund of your accumulated contributions (your contributions plus interest). GWPORS will credit interest until you receive the refund. Remember, if you take a refund of your accumulated contributions, you give up all rights in GWPORS. (see page 13)

(§ 19-8-301(3), MCA)

General

Once you are eligible to retire and begin taking a retirement benefit, you will receive your retirement benefit for life. We will not reduce your benefit by amounts that you receive from other retirement programs, such as Social Security. Upon your death, if you selected Option 2 or 3, your contingent annuitant will receive a benefit for life. (see pages 26 and 27)

2. Retirement Benefits ---

GWPORS members are eligible to receive benefits upon meeting certain requirements. The GPWORS defined benefit retirement plan provides benefits for members as outlined on the following pages.

Service Retirement

You are eligible for retirement benefits when you complete either of the following:

- a. 20 years of membership service **and** are 50 years of age (service retirement); or
- b. 5 years of membership service **and** are 55 years of age ('early' retirement).

As stated earlier, GPWORS is a defined benefit plan. Defined benefit plans use a set or defined formula to calculate your benefit. Your GWPORS retirement benefit is based on your years of service credit and the average of your highest consecutive 36 months of salary. This does not have to be your last 36 months of employment. It may come from earlier in your career. (§§ 19-8-101(2) and 19-8-601, MCA)

The factors used to calculate your benefit are:

- (A) **2.5% (0.025)** is the factor that determines how much of your HAC you get for each year of service credit.
- (B) **Service Credit** is the amount of service you earned. (see page 15).
- (C) **Highest Average Compensation (HAC)** is the average of your highest consecutive 36 months of salary. Add your highest consecutive 36 months of compensation and divide by 36 to get the average monthly compensation.

Basic Formula

The basic formula for a GWPORS monthly service retirement is:

$$2.5\% \times \text{Years of Service Credit} \times \text{HAC}$$

(§ 19-8-603, MCA)

Use these factors to estimate your monthly benefit:

$$\begin{array}{rcl} \text{(A) Factor (percentage)} & \times & 0.025 \\ \text{(B) Years of Service Credit} & & \underline{\hspace{2cm}} \\ \text{(C) HAC (monthly)} & \times & \underline{\hspace{2cm}} \\ \text{Monthly Benefit} & = & \underline{\hspace{2cm}} \end{array}$$

Early Retirement

If you terminate your GWPORS-covered employment after completing five years of membership service, but before reaching normal retirement age, you may file a written application with MPERA to be paid a retirement benefit when you reach age 55. The benefit will be calculated using the normal service retirement benefit formula:

$$\mathbf{2.5\% \times \text{Years of Service Credit} \times \text{HAC}}$$

(§ 19-8-604, MCA)

3. Disability Retirement

If you become disabled, you may be eligible for a disability retirement. Disability is the total physical or mental incapacity to perform the essential elements of your job. **The disability need not be work-related, but the disability must occur while you were employed in an GPWORS-covered position.**

(§§ 19-2-303, 19-8-701, MCA)

Disability Benefit

If you become disabled as a direct result of service **in the line of duty** and

- a. have less than 20 years of membership service, you may receive a disability retirement benefit equal to one-half of your HAC.
- b. have 20 years or more of membership service, you may receive a disability retirement benefit equal to 2.5% of your HAC for each year of service credit.

If you are an active member and become disabled but **not** in the line of duty, you will receive a disability retirement benefit based on the actuarial equivalent of the accrued service retirement benefit when your disability occurred. (§ 19-8-701, MCA)

Disability Reviews

The Board may review the medical condition of any member receiving a disability. Periodic reviews may be performed to decide if the member still qualifies for disability retirement. The Board may require the recipient of a disability retirement benefit to undergo a medical examination at the Board's expense. (§ 19-8-712, MCA)

Disability Benefit Cancellation

The Board will cancel your disability retirement in the following cases: (§ 19-8-712, MCA)

- a. You are no longer totally disabled and can return to your former job; or
- b. You refuse to submit the results of a current medical exam for review.

Contact us for complete details about disability benefits and how to apply.

SECTION III: PAYMENT OPTIONS

When you retire, you must select a benefit payment option. Currently, GWPORS offers four benefit payment options. The option you choose determines whether or not income is provided for someone else (the contingent annuitant) after your death. If you choose an option to provide income for someone after you die, your monthly retirement benefit will be reduced. The reduced benefit depends upon the option you choose, your age and the age of your named “contingent annuitant.” (§ 19-8-801, MCA)

This section provides information on each option, a table to help you calculate your benefit, and some sample calculations.

1. Option 1

Option 1 provides a monthly benefit for your lifetime and is the largest monthly amount you may choose. Option 1 is also the basis for calculating all other options. The benefit is computed using the basic defined benefit formula. (See pages 22 and 23)

The monthly benefit under Option 1 is for your life only and will cease upon your death.

Upon your death, the designated beneficiary will receive any balance left in your account. That account balance is the amount available at retirement, less the total benefits paid to you. All monthly benefit payments end upon your death.

NOTE: Once you receive and accept your first benefit payment, you may not change your payment option.

2. Option 2

Option 2 provides a monthly benefit to you for your lifetime. When you die, your named contingent annuitant will receive the same amount for the rest of his or her life. The benefit amount of Option 2 is less than Option 1 because the lifetime value is spread over two lives instead of one.

The benefit under Option 2 is for both your lifetime and the lifetime of your contingent annuitant.

Your Option 2 benefit is calculated by multiplying the Option 1 benefit by an Option 2 factor. The Option 2 factor is based on **both** your age and your contingent annuitant's age at your retirement date.

You may not change your Option 2 election or your designated contingent annuitant, except in limited circumstances. (see page 31)

According to IRS regulations, if the age difference between you and your non-spouse contingent annuitant is greater than ten years, you may not select Option 2.

NOTE: The Option 2 factors listed on pages 28 - 29 are for members 50 to 65 years of age. Contingent annuitant ages are in increments of 5 years and provide factors for contingent annuitants both older and younger than the member. The factors on pages 28 - 29 are **examples**. There is not enough space available in this publication to present the complete actuarial table for all Option 2 factors.

3. Option 3 ---

Option 3 provides a monthly benefit to you for your lifetime. When you die, your named contingent annuitant will receive **one-half** of that amount for the rest of his or her life. The benefit amount of Option 3 is less than Option 1 because the lifetime value is spread over two lives instead of one. However, because the contingent annuitant receives only one-half of your benefit, your benefit is larger than the Option 2 benefit.

Your Option 3 benefit is calculated by multiplying the Option 1 benefit by an Option 3 factor. The Option 3 factor is based on **both** your age and your contingent annuitant's age at your retirement date.

You may not change your Option 3 election or your designated contingent annuitant, except in limited circumstances. (see page 31)

NOTE: The Option 3 factors listed on pages 28 - 29 are for members 50 to 65 years of age. Contingent annuitant ages are in increments of 5 years and provide factors for contingent annuitants both older and younger than the member. The factors on pages 28 - 29 are **examples**. There is not enough space available in this publication to present the complete actuarial table for all Option 3 factors.

Service Retirement Option Factors

* Mem = Member's Age ** CA = Contingent Annuitant's Age

Mem *	CA **	Opt 2	Opt 3	Opt 4 10-yr	Opt 4 20-yr	Mem *	CA **	Opt 2	Opt 3	Opt 4 10-yr	Opt 4 20-yr
50	35	0.7914	0.8836	0.990	0.955	54	39	0.7536	0.8595	0.983	0.929
50	40	0.8096	0.8948	0.990	0.955	54	44	0.7747	0.8731	0.983	0.929
50	45	0.8304	0.9073	0.990	0.955	54	49	0.7990	0.8883	0.983	0.929
50	50	0.8532	0.9208	0.990	0.955	54	54	0.8257	0.9045	0.983	0.929
50	55	0.8769	0.9344	0.990	0.955	54	59	0.8536	0.9210	0.983	0.929
50	60	0.9000	0.9473	0.990	0.955	54	64	0.8809	0.9367	0.983	0.929
50	65	0.9213	0.9590	0.990	0.955	54	69	0.9063	0.9508	0.983	0.929
51	36	0.7824	0.8779	0.988	0.950	55	40	0.7433	0.8528	0.980	0.920
51	41	0.8013	0.8897	0.988	0.950	55	45	0.7652	0.8670	0.980	0.920
51	46	0.8230	0.9029	0.988	0.950	55	50	0.7904	0.8830	0.980	0.920
51	51	0.8467	0.9170	0.988	0.950	55	55	0.8182	0.9000	0.980	0.920
51	56	0.8713	0.9312	0.988	0.950	55	60	0.8472	0.9173	0.980	0.920
51	61	0.8955	0.9448	0.988	0.950	55	65	0.8756	0.9337	0.980	0.920
51	66	0.9177	0.9571	0.988	0.950	55	70	0.9021	0.9486	0.980	0.920
52	37	0.7731	0.8721	0.987	0.943	56	41	0.7328	0.8458	0.977	0.911
52	42	0.7927	0.8844	0.987	0.943	56	46	0.7555	0.8607	0.977	0.911
52	47	0.8152	0.8982	0.987	0.943	56	51	0.7816	0.8774	0.977	0.911
52	52	0.8400	0.9130	0.987	0.943	56	56	0.8104	0.8953	0.977	0.911
52	57	0.8656	0.9280	0.987	0.943	56	61	0.8405	0.9134	0.977	0.911
52	62	0.8908	0.9422	0.987	0.943	56	66	0.8702	0.9306	0.977	0.911
52	67	0.9140	0.9551	0.987	0.943	56	71	0.8979	0.9462	0.977	0.911
53	38	0.7635	0.8659	0.985	0.937	57	42	0.7220	0.8385	0.974	0.901
53	43	0.7839	0.8789	0.985	0.937	57	47	0.7454	0.8542	0.974	0.901
53	48	0.8073	0.8934	0.985	0.937	57	52	0.7726	0.8717	0.974	0.901
53	53	0.8330	0.9089	0.985	0.937	57	57	0.8025	0.8904	0.974	0.901
53	58	0.8597	0.9246	0.985	0.937	57	62	0.8337	0.9093	0.974	0.901
53	63	0.8859	0.9395	0.985	0.937	57	67	0.8646	0.9274	0.974	0.901
53	68	0.9102	0.9530	0.985	0.937	57	72	0.8936	0.9438	0.974	0.901

Service Retirement Option Factors

* Mem = Member's Age ** CA = Contingent Annuitant's Age

Mem *	CA **	Opt 2	Opt 3	Opt4 10-yr	Opt4 20-yr	Mem *	CA **	Opt 2	Opt 3	Opt 4 10-yr	Opt 4 20-yr
58	43	0.7109	0.8310	0.971	0.890	62	47	0.6645	0.7984	0.951	0.837
58	48	0.7352	0.8474	0.971	0.890	62	52	0.6922	0.8181	0.951	0.837
58	53	0.7633	0.8658	0.971	0.890	62	57	0.7244	0.8402	0.951	0.837
58	58	0.7943	0.8854	0.971	0.890	62	62	0.7601	0.8637	0.951	0.837
58	63	0.8268	0.9052	0.971	0.890	62	67	0.7978	0.8875	0.951	0.837
58	68	0.8589	0.9241	0.971	0.890	62	72	0.8355	0.9104	0.951	0.837
58	73	0.8891	0.9413	0.971	0.890	62	77	0.8710	0.9311	0.951	0.837
59	44	0.6996	0.8232	0.966	0.878	63	48	0.6526	0.7898	0.945	0.821
59	49	0.7247	0.8404	0.966	0.878	63	53	0.6812	0.8104	0.945	0.821
59	54	0.7538	0.8596	0.966	0.878	63	58	0.7144	0.8334	0.945	0.821
59	59	0.7860	0.8802	0.966	0.878	63	63	0.7514	0.8580	0.945	0.821
59	64	0.8197	0.9009	0.966	0.878	63	68	0.7905	0.8830	0.945	0.821
59	69	0.8532	0.9208	0.966	0.878	63	73	0.8298	0.9070	0.945	0.821
59	74	0.8847	0.9388	0.966	0.878	63	78	0.8666	0.9286	0.945	0.821
60	45	0.6880	0.8152	0.962	0.865	64	49	0.6406	0.7809	0.938	0.805
60	50	0.7140	0.8332	0.962	0.865	64	54	0.6701	0.8025	0.938	0.805
60	55	0.7441	0.8533	0.962	0.865	64	59	0.7045	0.8266	0.938	0.805
60	60	0.7775	0.8748	0.962	0.865	64	64	0.7426	0.8523	0.938	0.805
60	65	0.8124	0.8965	0.962	0.865	64	69	0.7832	0.8784	0.938	0.805
60	70	0.8473	0.9173	0.962	0.865	64	74	0.8241	0.9036	0.938	0.805
60	75	0.8801	0.9362	0.962	0.865	64	79	0.8624	0.9261	0.938	0.805
61	46	0.6763	0.8069	0.957	0.852	65	49	0.6232	0.7679	0.930	0.788
61	51	0.7032	0.8257	0.957	0.852	65	55	0.6591	0.7945	0.930	0.788
61	56	0.7343	0.8468	0.957	0.852	65	60	0.6945	0.8197	0.930	0.788
61	61	0.7688	0.8693	0.957	0.852	65	65	0.7340	0.8466	0.930	0.788
61	66	0.8051	0.8920	0.957	0.852	65	70	0.7761	0.8740	0.930	0.788
61	71	0.8414	0.9139	0.957	0.852	65	75	0.8186	0.9003	0.930	0.788
61	76	0.8756	0.9337	0.957	0.852	65	80	0.8584	0.9238	0.930	0.788

4. Option 4 ---

Option 4 provides a continuing benefit to one or more contingent annuitants. As with all options, you will receive the monthly benefit for **life**. If you die before the end of the “certain” or guaranteed period, the contingent annuitant will receive the benefit for the balance of the guaranteed period. If you name more than one contingent annuitant, they will receive the continuing benefit payment, divided equally, for the remainder of the guaranteed period. Payments to the contingent annuitant(s) will stop when the guaranteed period ends.

This benefit has two alternatives.

- ◆ **10-year period certain.** You must be **age 75 or younger** when you retire to be eligible for this benefit. **You will receive this benefit for life.** If you die within the 10-year period, then your contingent annuitant(s) will receive the same benefit for the remainder of the 10-year period. The 10-year period begins on your effective date of retirement.
- ◆ **20-year period certain.** You must be **age 65 or younger** when you retire to be eligible for this benefit. **You will receive this benefit for life.** If you die within the 20-year period, then your contingent annuitant(s) will receive the same benefit for the remainder of the 20-year period. The 20-year period begins on your effective date of retirement.

You may change your contingent annuitant designation. Contingent annuitant(s) receiving the Option 4 benefit may, in turn, designate their own contingent annuitants.

NOTE: The Option 4 benefit is calculated using Option 4 factors based on your age **only**. Factors are provided on pages 28 and 29 are for members 50 to 65 years of age. There is not enough space available in this publication to provide the complete actuarial table.

5. Changes to Options ---

There are limited circumstances under which you may change your Payment Option or contingent annuitant, if you are eligible. A written application must be filed with MPERA if you wish to make a change and one of the following conditions is met:

- ◆ Your original contingent annuitant dies.
- or
- ◆ You and your contingent annuitant divorce and there is no family law order, as defined in § 19-2-907, MCA, giving your contingent annuitant the right to receive part of the benefit.

If you select either Option 2 or 3 when you retire, you may:

1. revert to the higher Option 1 retirement benefit available at the time of your retirement, plus any guaranteed annual benefit adjustments (GABA) you have received; or
2. change your Option and name a new contingent annuitant; or
3. keep the same Option and name a new contingent annuitant.

The written application must be filed with MPERA within 18 months of the death of or divorce (see below).

NOTE: You must designate a new contingent annuitant or payment option, **in writing, within 18 months** of the death of or divorce from the contingent annuitant. You must contact MPERA to receive an estimate of the new benefit and an application form. (§ 19-8-801, MCA)

6. Sample Calculations

Service Retirement

Kenny Retire, Age.....	54
Service Credit	26 years
Highest Average Compensation (HAC).....	\$3,000 per month
Account Balance at Retirement	\$69,796
Contingent Annuitant's Age.....	54

See page 22 for an explanation of the basic formula.

Option 1 Formula: 2.5% x Service Credit (years) x HAC
0.025 x 26 x \$3,000 = \$1,950 per month

Under Payment Option 1, Kenny will receive a monthly benefit of \$1,950 plus GABA increases when eligible, for life. Upon his death, monthly payments will cease. If the total benefits paid to Kenny are less than his balance at retirement (\$69,796), the remainder of his account will be paid in a lump-sum to his designated beneficiary.

Option 2 Formula: Option 1 Amount x Option 2 Factor
\$1,950 x 0.8257 = \$1,610.12 per month

If Kenny elects Option 2, he will receive a monthly benefit of \$1,610.12, plus GABA increases when eligible, for life. Upon his death, GWPORS will pay Kenny's contingent annuitant the same amount Kenny was receiving, plus increases when eligible, for life.

Option 3 Formula: Option 1 Amount x Option 3 Factor
\$1,950 x 0.9045 = \$1,763.78 per month

If Kenny elects Option 3, he will receive a monthly benefit of \$1,763.78 plus GABA increases when eligible, for life. Upon his death, GWPORS will pay Kenny's contingent annuitant **one-half** of the amount Kenny was receiving, plus increases when eligible, for life.

Option 4 Formulas

10-Year certain: Option 1 Amount x 0.9830

\$1,950.00 x 0.9830= \$1,916.85 per month

If Kenny chooses the 10-year certain payment option, he will receive monthly payments of \$1,916.85 plus GABA increases when eligible, for life. If he dies before the 10-year period ends, then his contingent annuitant(s) will collectively receive the same benefit Kenny was receiving. Those payments will increase annually when eligible and will continue until the end of the 10-year period. If Kenny dies after the 10-year period ends, his contingent annuitant(s) will not receive any benefit payments.

20-Year certain: Option 1 Amount x 0.9290

\$1,950.00 x 0.9290= \$1,811.55 per month

If Kenny chooses the 20-year certain payment option, he will receive monthly payments of \$1,811.55 plus GABA increases when eligible, for life. If he dies before the 20-year period ends, then his contingent annuitant(s) will collectively receive the same benefit Kenny was receiving. Those payments will increase annually when eligible and will continue until the end of the 20-year period. If Kenny dies after the 20-year period ends, his contingent annuitant(s) will not receive any benefit payments.

The 10- and 20-year periods begin on the effective date of the member's retirement. **Factors used for 10-year or 20-year periods are based only on the retiree's age.**

Early Retirement

Early retirement benefit payments **may not begin before the member's 55th birthday**. See page 23 for an explanation of the early service retirement formula.

Wanda Retire, Age (at termination of employment)	55
Service Credit.....	15 years
Highest Average Compensation	\$2,200 per month
Account Balance at Retirement.....	\$36,987
Contingent Annuitant's Age	60

Option 1 Formula: 2.5% x Service Credit (years) x HAC

$$0.025 \times 15 \times \$2,200 = \$825$$

When she reaches the age of 55, under Payment Option 1, Wanda will receive a monthly benefit of \$825 plus GABA increases when eligible, for life. Upon her death, monthly payments will cease. If the total benefits paid to Wanda are less than her balance at retirement (\$36,987), the remainder of her account will be paid in a lump-sum to her designated beneficiary.

Option 2 Formula: Option 1 Amount x Option 2 Factor

$$\$825 \times 0.8472 = \$698.94 \text{ per month}$$

If Wanda elects Option 2, she will receive a monthly benefit of \$698.94 plus GABA increases when eligible, for life. Upon her death, GWPORS will pay Wanda's contingent annuitant the same amount Wanda was receiving, plus increases when eligible, for life.

Option 3 Formula: Option 1 Amount x Option 3 Factor

$$\$825 \times 0.9173 = \$756.77 \text{ per month}$$

If Wanda elects Option 3, she will receive a monthly benefit of \$756.77 plus GABA increases when eligible, for life. Upon her death, GWPORS will pay Wanda's contingent annuitant **one-half** of the amount Wanda was receiving, plus increases when eligible, for life.

Option 4 Formulas:

10-Year certain: Option 1 Amount x Option 4 10-year

$$\mathbf{\$825 \times 0.980 = \$808.50 \text{ per month}}$$

If Wanda chooses the 10-year certain payment option, she will receive monthly payments of \$808.50 plus GABA increases when eligible, for life. If she dies before the 10-year period ends, then her contingent annuitant(s) will collectively receive the same benefit Wanda was receiving. Those payments will increase annually when eligible and will continue until the end of the 10-year period. If Wanda dies after the 10-year period ends, her contingent annuitant(s) will not receive any benefit payments.

20-Year certain: Option 1 Amount x Option 4 20-year

$$\mathbf{\$825 \times 0.920 = \$759.00 \text{ per month}}$$

If Wanda chooses the 20-year certain payment option, she will receive monthly payments of \$759.00 plus GABA increases when eligible, for life. If she dies before the 20-year period ends, then her contingent annuitant(s) will collectively receive the same benefit Wanda was receiving. Those payments will increase annually when eligible and will continue until the end of the 20-year period. If Wanda dies after the 20-year period ends, her contingent annuitant(s) will not receive any benefit payments.

The 10- and 20-year periods begin on the effective date of the member's retirement. **Factors used for 10-year or 20-year periods are based only on the retiree's age.**

SECTION IV: ADDITIONAL INFORMATION

1. Death Benefits

Active Member

If you die in a **non-duty related death** as an active member, your beneficiary is entitled to either:

- A lump-sum payment of your accumulated contributions (your contributions plus interest); or
- an actuarial equivalent of an early retirement benefit.
(§19-8-1003, MCA)

If you die as a **direct result of injuries received in the course of your service**, your beneficiary is entitled to either:

- a monthly survivorship benefit equal to 50% of your HAC, if you had 25 years or less of service credit; or
- a monthly survivorship benefit equal to 2% of your HAC for each year of service credit, if you had more than 25 years of service credit.(§ 19-8-1001, MCA)

Inactive Member

If you are an inactive member, GWPORS will pay a lump-sum death payment to your beneficiary. This death payment will be your accumulated contributions (your contributions plus interest). If you are vested (have five years of membership service), your beneficiary may be able to receive a monthly benefit for their lifetime.

Retired Member

If you were receiving an Option 1 benefit, and you die before receiving benefits equal to your account balance, your beneficiary will receive your remaining account balance. Your remaining account balance is your contributions, plus interest to date of retire-

ment, minus any benefit payments you received. Your designated beneficiary may request the lump-sum payment be received as an annuity.

If you chose Options 2, 3 or 4, Section III, Payment Options (see pages 26-30) contains details on death benefits.

Beneficiaries

You may designate any persons, charitable organization, estate, or trust (for the benefit of a living person) you wish as a beneficiary(ies). Beneficiaries are either primary or contingent. Contingent beneficiaries will receive a payment or a benefit only if no primary beneficiary survives you.

(§§ 19-2-801 and 19-2-802, MCA)

Keep your designated beneficiaries current. Change your beneficiaries by filing a new membership card with MPERA.

You must designate your beneficiaries on a GWPORS membership card and give the card to your payroll clerk. The clerk will send the card to us. If you are an inactive member, call us and we will send you a new membership card. **Any change is not effective until the card is received in our office.** (§ 19-2-801, MCA)

NOTE: Advise your beneficiary to contact MPERA for complete details about benefits in the event of your death.

Death Benefit Claim

Upon notification of a member's death, MPERA will send a death benefit claim to the designated beneficiary. To claim a death benefit, the beneficiary must return the completed form to MPERA along with a certified copy of the member's death certificate.

(§ 19-2-901, MCA)

2. Benefit Increases --- ---

The Guaranteed Annual Benefit Adjustment (GABA) will increase your retirement benefit every year **if you are eligible**.

Guaranteed Annual Benefit Adjustment (GABA)

GWPORS members hired **on or** after July 1, 2007, will be eligible for a 1.5% GABA when retired and receiving a benefit. Other events which increase your benefit will reduce the amount you get from GABA. If the other increases are 1.5% or more, then you will get no increase from GABA.

Members of GWPORS, or a PERS member who transfers to a GWPORS-covered position, hired **prior** to July 1, 2007, will be eligible for a 3% GABA increase when retired and receiving a benefit. Other events which increase your benefit will reduce the amount you get from GABA. If the other increases are 3% or more, then you will get no increase from GABA. (§19-8-1105, MCA)

The GABA applies to:

- Service Retirement Benefit
- Early Retirement Benefit
- Disability Retirement Benefit
- Survivorship Benefit

The GABA also applies to recipients, other than members, such as contingent annuitants and survivors. It **does not apply** to a person receiving the lump-sum death payment as an annuity.

If you were hired before July 1, 2007 and end GWPORS-covered employment, but do not withdraw (take a refund) your accumulated contributions your GABA will remain at 3%.

Eligibility for and Effective Date of GABA Benefits

Before you will receive an increase under GABA, you must receive your benefit for at least 12 months. Once eligible, you will receive your first increase in your retirement benefit payment the following January.

Example: If you retire on July 1, 2010, you will meet the 12-month requirement on July 1, 2011. You will then receive your first GABA increase beginning with your January 1, 2012 benefit.

Timing for Benefit Payments

Benefit payments are processed the last working day of the month. For example: the January benefit payment is mailed on the last working day of January.

If you receive your benefit by direct deposit, the transfer takes place on the last working day of the month. However, your bank may not add the transfer to your account until the next working day. With direct deposit, you receive your money one or two days sooner than with a paper check through the mail.

If you receive your benefit by paper check, the check will be mailed on the last working day of the month. Due to mail time, you may not receive your benefit for several days.

3. Taxes on Benefits ---

Some or all of your retirement benefit will be subject to federal and state income taxes. You must pay taxes on any part of your benefit derived from contributions which were not taxed (made pre-tax) during your working career.

- You paid income tax on any money you contributed before July 1, 1985.
- You paid taxes on any contributions you made to buy service before the year 2000.
- You have **not** paid taxes on your regular contributions since July 1, 1985, nor have you paid taxes on the interest your account earns.

If some of your benefit comes from pre-tax money, or tax-deferred interest, you must pay taxes on that portion. You may elect to withhold federal or Montana state income tax by submitting a tax withholding certificate form available from MPERA. We base withholding rates on current federal and state tax law unless you request otherwise.

Tax Statements

Once you are retired and receiving a benefit, each year MPERA will send you Federal Form 1099R. The 1099R is similar to a W-2 Form. We send the form to all people, charitable organizations, and trusts, who receive any payment from GWPORS, not just members. The 1099R will show the gross taxable amount you received during the past calendar year and any state or federal taxes withheld during the year.

Tax Advice

Tax laws that apply to retirement benefits change frequently. You should contact a tax professional for specific, up-to-date information about state and federal taxes.

Taxes on Refunds

The pre-tax portion of your accumulated contributions is subject to state and federal taxes when refunded directly to you in a lump-sum. The taxable amounts under state law differs from that under federal law because the state does not tax the interest credited to your account.

The IRS requires us to withhold 20% for federal taxes if you choose to have the refund paid directly to you. Depending on your personal circumstances, the amount withheld may not cover all taxes you may owe on the refund. The IRS may also, at the time you file your income tax return, assess an additional 10% penalty for early withdrawal if you are under age 59 ½.

You may avoid paying the 20% withholding tax and possible imposition of a 10% penalty by “rolling-over” the taxable portion into an IRA or other eligible plan. IRS rules allow 60

days to reinvest or roll the refund over into an eligible plan to avoid paying the 10% penalty. Be prepared to provide the IRS documentation of this roll-over.

If you accept a lump-sum payment, IRS rules allow you 60 days to reinvest or roll the refund over into an eligible plan.

You will receive a Federal Form 1099R for the refund. It will list the gross distribution, the taxable part of the distribution, and any federal or state taxes withheld from the refund. The 1099R is an important document that you must keep for your tax records. We will not automatically send another 1099R at the end of the year. However, if you lose your 1099R, you can request a duplicate from MPERA.

4. Assignment of Benefits ---

In most circumstances your retirement benefit is protected from attachment and cannot be assigned to or acquired by a third party. Your retirement benefit may not be assigned to another person under federal law governing private pension benefits; nor may a Qualified Domestic Relations Order assign your benefits to another person.

However, there are circumstances when your retirement benefit may be subject to attachment or assignment. The IRS may place a levy against your benefit for unpaid taxes. Further, a court may assign all or a portion of your GWPORS benefit pursuant to a Family Law Order (FLO) which must be a judgment, decree, or order of a Montana court. Courts from other states may also assign your benefit with a Support Obligation if that Support Obligation meets requirements similar to those for a FLO.

(§§ 19-2-907 and 19-2-909, MCA)

Family Law Order (FLO)

A Montana court may issue a FLO for child or parental support, spousal maintenance, or marital property rights. The FLO may require that we pay an alternate payee a set sum or percentage of your benefit. For example, the FLO may require us to pay \$500 per month until a set sum of \$12,000 has been paid. Or, the FLO may require us to pay 50% of your monthly benefit to your alternative payee for as long as you receive a benefit. The FLO may also require you to choose a specific option, contingent annuitant, or beneficiary.

A FLO may not require MPERA to pay a type of benefit unless that benefit is available to you; nor can a FLO require an amount or length of payment greater than that payable to you. This means a FLO cannot require MPERA to make any payments before you retire or take a refund. Also, it may not require payments that are more than the amount MPERA may pay you.

(§§ 19-2-907 and 19-2-909 MCA)

5. For More Information ---

- If you would like an estimate of your benefit, or a cost statement for buying service, please contact us in writing. Any estimates you receive from any other source may be wrong and are not valid. MPERA is not responsible for any information from other sources.
- You must contact us for applications if you are considering service or disability retirement.
- You should instruct your beneficiaries to contact us in the event of your death.

When you correspond with MPERA by mail or fax, please include your full name, printed and signed, the last four digits of your social security number, your return address and your daytime telephone number.

Mailing Address: **MPERA**
 P.O. Box 200131
 Helena MT 59620-0131

FAX Number: **(406) 444-5428**

You may also e-mail requests to MPERA at mpera@mt.gov. Be sure to include your full name, the last four digits of your social security number, return address and daytime telephone number.

We invite you visit MPERA in Helena at 100 North Park Avenue, Suite 200. Our office hours are Monday through Friday, 8 a.m. to 5 p.m., except on designated state holidays. **It is most helpful for staff if you make an appointment in advance** by calling our office at (406) 444-3154 or toll free (877) 275-7372. If our phone lines are busy, you may leave a voice mail message. Be sure to leave your name, telephone number, and the last four digits of your social security number first, then a brief message.

NOTE: To avoid confusion, you should put in writing any questions requesting **specific details** about retirement options or service credit. We will give you a **specific written response**.

GLOSSARY OF TERMS

ACCUMULATED CONTRIBUTIONS - any regular and additional contributions made by a member plus interest earned.

ACTIVE MEMBER - a member in a GWPORS-covered job, making the required contributions, and properly reported for the most current reporting period.

ACTUARIAL COST - the amount determined by the Board which is due from the member to purchase service into GWPORS.

ADDITIONAL CONTRIBUTIONS - a member's payments to purchase various types of service credit under an installment contract.

BENEFIT - a service or disability retirement or survivorship payment provided by GWPORS.

COMPENSATION - the pay an employee receives before deducting taxes or social security in accordance with §19-8-101(1).

CONTINGENT ANNUITANT - a person the retired member names to receive a continuing benefit after the retiree's death.

DESIGNATED BENEFICIARY - the person a member names on their membership card to receive any survivorship benefits or lump-sum payments upon the member's death. Designated beneficiaries are either primary or contingent.

DISABILITY - total physical or mental incapacity of a member to do the essential functions of the member's job. The member must become disabled while active, and it must be permanent or of an extended or uncertain period.

EMPLOYEE - a person employed by a GWPORS employer in any capacity and the employer pays the person's salary.

EMPLOYER - the state, its university system, or political subdivisions that contract with the Board to cover their employees under GWPORS.

FAMILY LAW ORDER (FLO) - an order from a Montana court that may assign all or part of a participant's payment.

FISCAL YEAR - the 12-month period starting July 1 and ending the

following June 30.

GUARANTEED ANNUAL BENEFIT ADJUSTMENT (GABA) - an annual benefit increase, if and when a member is eligible. The GABA percent is based on date of hire.

HIGHEST AVERAGE COMPENSATION (HAC) - the member's highest average monthly compensation received for any consecutive 3 years/36 months of service. Lump-sum payments for severance pay including compensatory leave, sick leave, and annual leave may not be added to a single month's pay. HAC may include termination payments, but only if they replace regular pay on a month for month basis.

INACTIVE MEMBER - a member who ends GWPORS-covered employment and does not withdraw his or her GWPORS account.

IRA - an individual retirement account.

LUMP-SUM PAYMENTS - amounts, which may include interest, that are payable instead of monthly benefits.

MEMBER - any person with contributions and service on account with GWPORS. Persons receiving retirement benefits are also members.

MEMBERSHIP SERVICE - the period of service used to determine vesting and eligibility for retirement or other benefits.

PART-TIME EMPLOYMENT - any month during which the employer pays the member for less than 160 hours.

PARTICIPANT - a member, beneficiary, survivor, or contingent annuitant who is receiving, or may receive, a benefit or payment from GWPORS.

REFUND - a withdrawal of the accumulated contributions in a member's GWPORS account. By taking a refund, the member gives up all rights to any benefit from GWPORS.

REGULAR CONTRIBUTIONS - the payments an active member must make to GWPORS. The payments are a percentage of the member's monthly pay and are pre-tax.

RETIREMENT BENEFIT - the monthly payment to a member, for life, following service or disability retirement.

RETIREMENT or RETIRED - a person who has terminated active service, applied for the benefits provided by GWPORS, and received at least one benefit payment.

SERVICE - employment of an employee in a position covered by a retirement system.

SERVICE CREDIT - the periods in which the required money contributions are made to GWPORS. MPERA uses service credit to calculate the amount of your benefit.

SURVIVORSHIP BENEFIT - monthly payments for life to the beneficiary of a vested member who died while an active member.

TERMINATION or TERMINATION OF SERVICE - means the member left the employment relationship with the employer and has been paid all compensation due, including but not limited to payment of accrued annual and sick leave. Upon termination, the member will cease to accrue benefits attributable to that employment.

VESTED MEMBER or VESTED - the status of a member with at least five years of membership service. A vested member is entitled to retirement when they meet the minimum service and age provisions.

Alternate Accessible Format

MPERA will provide alternative accessible formats of this document upon request. Persons who need an alternative accessible format of this information, should contact us.

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