



Montana Public Employee Retirement Administration
PO Box 200131 • Helena MT 59620-0131
(406) 444-3154 • Toll Free (877) 275-7372
<http://mpera.mt.gov> • Fax: (406) 444-5428

Important Information Regarding Your Retirement Funds

If you are leaving employment, you have several choices regarding your retirement funds. Please note, you will receive a refund of your contributions plus interest. **Contributions made by your employer go to the pension trust fund and are not refundable.**

To help you make your decision, visit our website at mpera.mt.gov and participate in a webinar.

Choice 1 – Leave your money on account*

By leaving your money on account you will keep your service credit and earn additional credit if you return to a covered position. If you are vested, you can leave your money on account and draw a lifetime benefit once you reach normal retirement age. You can estimate your retirement benefit using our online calculator(s) 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 lump-sum distribution from your account, federal law requires us to withhold 20% 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.

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.

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.