

REFUNDS

Interest Payable on Withdrawals

- If I apply for a refund when I resign, am I entitled to receive full payment of the interest that my contributions have earned during my public service?**

If you voluntarily terminate your public service with at least ten years of creditable service, or if you are involuntarily terminated, you will receive 100% of the regular interest that has accrued to your Annuity Savings Account.

If you voluntarily terminate your public service with less than ten years of service, you will receive interest on your Annuity Savings Account at the annual rate of 3%.

Interest Accrual

- What if I continue to maintain my Annuity Savings Fund Account with the retirement system even though I have resigned from public service? Will interest still continue to accrue on my account?**

Your accumulated deductions will continue to earn interest after you resign. The interest that may be paid to you, if you later seek a refund, is limited to that which accrues during the first two years following your resignation. Please see the answer under "Interest Payable On Withdrawals" for the details.

- If I return to public service without having taken a refund, will my account earn interest?**

If you maintain your account with the retirement system and later return to public service, interest will be credited to your Account for the entire period of your absence. If you again leave public service and request a refund, the limitations stated above will apply.

- When may I request a refund of my contributions?**

You may request a refund following your termination from public service. Although the length of time it takes to process a refund varies among retirement boards, the law says you shall receive your refund within 60 days after filing a written request on a prescribed form with your retirement board.

- Will I be taxed on this refund?**

There may be substantial federal tax consequences if you take a direct refund of your deductions rather than directly rolling them over into another qualified retirement plan. Your retirement board will provide you with information about the potential tax consequences.

- **May any agency intercept my refund?**

An individual's ability to obtain a refund may be affected by a Department of Revenue Child Support Enforcement Order.

- **Is anyone other than a retiree ineligible for a refund of his or her annuity account?**

In addition to those members who are already retired, you may not request a refund if:

- you continue to be a member-in-service,
- you are on an official leave of absence,
- you have a Workers' Compensation claim pending or if you are receiving Workers' Compensation benefits for total incapacity,
- you have been charged with, or convicted of, misappropriation of funds or property of the governmental unit by which you were employed,
- you are appealing a dismissal or you have otherwise expressed your intent to continue in public employment.

- **I am a dual member. May I request a refund upon termination from only one of my public service positions?**

If you terminate from one position for reasons other than retirement, but continue to be employed by another governmental unit, your retirement account may be refunded to you upon your written request if your contributions to the first retirement system are less than your contributions to the retirement system of which you remain a member.

- **How do I re-establish creditable service for retirement purposes?**

When you re-enter service after having had your retirement contributions refunded to you, you may re-establish that prior creditable service by "buying back" that time with the system with which you are now a member. This will be achieved by paying back the amount which was refunded to you previously, plus interest. The amount of interest you will pay will depend upon how swiftly you redeposit these funds. If you buy back this service within one

year, or enter into an installment contract to buy back this service within a year, you will buy back interest on the purchase. If you buy back this service more than a year later, you will pay a much higher interest rate, actuarial assumed interest. It is up to the retirement board whether to allow this purchase to be made in installments or not. Please consult with your retirement board as soon as possible after re-entering service to arrange for this purchase.