



Withdrawal Information

(Please read before completing your application.)

- 30-Day Waiting Period
- Eligibility Requirements
- Tax Issues
- Filing Your Application



Partners in Your Retirement Security.

Important Note for the Disabled

If you are planning to withdraw your PSRS/PEERS funds because you are physically or mentally disabled and cannot work, you should first consider whether you are eligible for PSRS/PEERS lifetime monthly **disability retirement benefits**. Call (800) 392-6848 for more information and eligibility requirements.

30-Day Waiting Period

PSRS/PEERS regulations require you to wait 30 days **after** your last day of employment before submitting your *Application for Withdrawal* for processing. *We cannot accept your application until 30 days have expired following your termination of employment.*

Are you Eligible to Withdraw your Account Funds?

According to Missouri statute, you **are eligible to withdraw** ALL of your account funds and forfeit ALL of your PSRS/PEERS credit **ONLY** if you:

- Have ended covered employment
- Are not under an agreement for future service with any Missouri school district/ employer that is a member of PSRS/PEERS
- Have waited the required 30 days from your last date of employment

You **are not eligible to withdraw** if you:

- Are on a leave of absence
- Are finishing a school year with one employer and starting the next school year with another employer covered by PSRS/PEERS

Your employer's matching contributions are not remitted specifically for you, are not credited to your account, and are not refundable to you. Employer contributions and investment earnings are placed in a general reserve account to help pay lifetime monthly benefits to retirees and to beneficiaries of deceased members.

The law does not permit PSRS/PEERS to grant loans or partial withdrawals.



Issuing Your Refund Check

After the required 30-day waiting period and receipt of your properly completed application by PSRS/PEERS, it may take **up to 60 days** before your refund can be processed. The amount of time needed to process your application depends on whether or not we must certify current-year information with your employer. *If your employment continues to the end of the school term, the earliest possible refund date is in the month of July.*

Interest

Any interest credited to your account is included in your refund. Interest is credited each June 30 on the balance in your account as of the previous June 30.

Income Tax Information

PSRS/PEERS is required to withhold 20% of the taxable portion (if \$200 or greater) of your distribution for federal taxes, *unless* you choose to authorize a direct rollover to an IRA or other eligible retirement plan. You may also incur an additional 10% tax penalty if you are under the age of 59½. This penalty generally does not apply if you separate from service in or after the tax year in which you reach age 55.

Caution: Funds rolled over into a Roth IRA are considered taxable income in the tax year in which the rollover takes place.

It is *very* important that you read the enclosed *Special Tax Notice* brochure. We also strongly advise you to contact a tax specialist. There may also be a state tax liability on withdrawn funds. **Remember—tax liability is your responsibility and our office does not provide tax advice.**

Vesting

If you are a member of PSRS/PEERS who has accumulated a minimum of five years of creditable service, you are considered vested with the Retirement System and your membership cannot be involuntarily terminated.

If you leave your funds with the Retirement System, your account continues to earn interest every June 30. You are also eligible to receive lifetime monthly benefits at retirement age. **However, once a withdrawal application has been paid, you forfeit all vesting privileges for that membership.**

Please keep in mind that if you withdraw your funds, you also forfeit any survivor benefits that may be payable upon your death. Please refer to the brochure, *Protecting Those You Care About*, for more information.

NOTE: Reinstatement of previous service credit or purchase of certain other services could help you attain vesting. Please contact our office at (800) 392-6848 if you would like further details.



Status

Your membership is considered active as long as you are employed to serve in a position qualified for membership and contributions are remitted for you.

Your membership is considered inactive if you are employed in a position that does not qualify for membership, or if you cease PSRS/PEERS-covered employment but leave your contributions with PSRS/PEERS.

NOTE: If you are *not vested* (have less than five years of membership service credit) and your absence from PSRS/PEERS-covered employment continues, you will continue to earn interest on the balance as of the last June 30. Your membership terminates after five consecutive school years and you will no longer earn interest.



Returning to PSRS/PEERS-Covered Employment

If you return to PSRS/PEERS covered employment*, you can choose to reinstate the credit forfeited by your previous withdrawal. Payment to reinstate can be made by personal remittances, or the Retirement System can also accept “eligible rollover distributions” from the following sources:

- A qualified plan described in section 401(a) of the Internal Revenue Code
- An annuity contract described in section 403(b) of the Internal Revenue Code
- An eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state
- An individual retirement account or an annuity described in section 408(a) or 408(b) of the Internal Revenue Code

* If you anticipate returning to covered employment, you should consider where your funds are placed in the event you would use these funds to reinstate.

Key Points to Note When Filing Your Application

1. Your completed application should not be returned to the retirement office until 30 days after your last day of employment. Payment can take up to 60 days after receipt of the application and, if you are employed in the current school year, PSRS/PEERS must verify your service and contributions with your employer.
2. Side 2 should be completed **only** if you wish to directly roll your funds to a qualified retirement plan.
3. The entire application **must** be returned even if you are not implementing a direct rollover of your payment.
4. Failure to properly complete all required steps could delay payment of your funds!



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