



State of Michigan  
Department of Management and Budget  
Office of Retirement Systems  
Michigan Public School Employees Retirement System

## Refund Application

### ***Refund Provisions***

As a former member of the Michigan Public School Employees Retirement System (MPERS), you are entitled, upon request, to a refund of your personal contributions, plus interest, if you meet **all** the following conditions.

- You have ceased employment with all public schools in Michigan.
- You are not on a leave of absence.
- You are not on a layoff period expected to last less than 12 months.
- You have not met the age and service requirements for a monthly pension.

#### **Funds eligible for refund include:**

- Contributions you made before 1977 and/or contributions you made to the Member Investment Plan (MIP) on or after January 1, 1987.
- Payments you made to MPERS to purchase additional service credit.
- Interest MPERS paid to your account.

*Contributions paid by your employer(s) are not eligible for refund to you or your employer(s).*

**If you accept a refund, you cancel the corresponding service credit and forfeit all accrued MPERS benefits under the contributory plan.**

You can reinstate service credit canceled by a refund by repaying the refunded amount with interest after you return to public school employment for one year of credited service under MPERS. If you are separated from public school employment under this System for five calendar years or more, you must return to work for two years of credited service before you are eligible to repay the refund.

### ***Vested Deferred Members***

You are vested and entitled to a deferred pension at age 60 if you have 10 or more years of credited service as a public school employee under this System, leave employment before age 60 for reasons other than retirement or death **and** leave your accumulated contributions on deposit.

If you meet the service requirement to receive a deferred pension at age 60, you must sign the waiver portion (Section D, page 4) of this form to receive a refund. If you sign the waiver and accept a refund, you cancel all future retirement benefits accrued under the contributory plan.

If you are not certain of your years of credited service, you may request an evaluation of your service credit by calling MPERS at (517) 322-6000.

### ***Payment of Refunds***

Wage, service and contribution information is posted to your account quarterly. Because there is a delay between when money is withheld from your paycheck and when it is posted to your account, your refund may be paid in two checks. MPERS will issue the first check within 90 days after receiving your properly completed application. This check will reflect all funds in your account at that time. You will receive a second (residual) check after your last wage, service and contribution information is posted to your account. This process may take six to nine months, depending on the dates you received your first and last paychecks.

### ***Federal Income Tax Withholding***

MPSERS is a qualified pension plan under Section 401 (a) of the Internal Revenue Code. As a result, MPSERS must comply with federal regulations regarding refunds.

Federal law makes all refunds of previously untaxed moneys issued after December 31, 1992 subject to federal income tax withholding regulations summarized below. Please consider this information before you decide how to receive your refund. The following summary outlines your refund options.

#### **A refund of previously untaxed money from MPSERS can be taken in two ways.**

You can have all or any portion of your refund either paid in a direct rollover or paid to you. A rollover is a payment of your refund to your individual retirement arrangement (IRA) or to another employer plan. Your choice of how you take your refund will affect the tax you owe.

**If you choose** a direct rollover, your refund will not be taxed in the current year and no income tax will be withheld. Your refund will be paid directly to your IRA or, if you choose, to another employer plan that accepts your rollover. Your refund will be taxed later, when you take it out of the IRA or the employer plan.

**If you choose** to have your MPSERS refund paid directly to you, you will receive only 80% of the refund. MPSERS is required to withhold 20% of the refund and send it to the IRS as income tax withholding to be credited against your taxes. Your refund will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the refund before

age 59 1/2, you may also have to pay an additional 10% tax.

You may choose to receive your MPSERS refund directly and later wish to roll it over into your IRA or another employer plan that can accept your rollover. You may do so within 60 days of receiving your refund. The amount rolled over will not be taxed until you take it out of your IRA or employer plan. If you want to roll over 100% of your refund to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80 % that you received, you will be taxed on the 20% that was withheld and not rolled over.

*This notice summarizes only the federal (not state and local) tax rules that might apply to your refund. The rules are complex and contain many conditions and exceptions not included on this application. Therefore, you may want to consult with the IRS before you take a refund of your contributions from MPSERS.*

You can find more specific information on the tax treatment of payments from qualified retirement plans in IRS publication 575, *Pension and Annuity Income*, or IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.

**After you decide how you want to receive your refund, complete pages 3 and 4 of this form. Return pages 3 and 4 to MPSERS.**



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## Refund Application

TRANS. ID: (MPERS USE ONLY)

### Applicant Instructions:

#### You must complete Sections A and D

If you choose option 2 or 3 in Section A, your financial institution must complete Section B.

If you terminated public school employment within the last 24 months, your last employer must complete Section C.

You will normally receive your refund within six months from the date the Retirement System receives your properly completed application.

If your application is incomplete, MPERS will return it to you.

### Section A: To be completed by refund applicant (Please Print).

NAME		SOCIAL SECURITY NUMBER*
ADDRESS		
CITY, STATE, ZIP		
DATE OF BIRTH	REPORTING UNIT (SCHOOL DISTRICT) NAME	DATE LAST WORKED IN ANY MI PUBLIC SCHOOL

**Refund Election:** MPERS is a qualified pension plan under Section 401 (a) of the Internal Revenue Code. Therefore, please select **one** of the following three options:

1.  I wish to have my refund paid directly to me. I understand that 20% of the sum of my previously untaxed contributions and accrued interest will be withheld.
2.  I wish to have my previously untaxed contributions and interest rolled directly into the qualified retirement plan or individual retirement arrangement indicated in Section B.
3.  I wish to have \$ \_\_\_\_\_ of my previously untaxed contributions and interest rolled directly into the qualified retirement plan or individual retirement arrangement indicated in Section B. I wish to have the remainder of my refund paid directly to me. I understand that 20% of my previously untaxed contributions and interest will be withheld.

### Section B: To be completed by financial institution, **ONLY IF** Option 2 or 3 in Section A is selected. After completing Section B, return form to refund applicant.

In accordance with the authorization in Section A, we agree to deposit the forthcoming rollover amount from the Michigan Public School Employees Retirement System into the following account. We understand the rollover may take up to six months to process.

MAKE CHECK PAYABLE TO: (PLAN OR IRA NAME)	FEDERAL I.D. NUMBER	ACCOUNT NUMBER
ADDRESS	CITY, STATE, ZIP	
SIGNATURE OF PLAN ADMINISTRATOR OR TRUSTEE	DATE	

R311C 11/96  
 Authority PA 300 of 1980, as amended

If you have speech or hearing difficulties and need assistance, please contact the Michigan Relay Center at 1-800-649-3777. If you have other disabilities, please contact MPERS at (517) 322-6000 to request special accommodations.

**Please submit completed application to:**

**Michigan Public School Employees Retirement System (MPERS)  
P.O. Box 30026  
Lansing, MI 48909**

MPERS USE ONLY

**Section C: To be completed by an official of the applicant's last public school employer if employment ended within the last two years.**

EMPLOYEE NAME		SOCIAL SECURITY NUMBER*	
I certify that _____ has ceased all employment in this reporting unit, is not on leave of absence and is not on layoff expected to last less than 12 months.			
REPORTING UNIT NAME		REPORTING UNIT OFFICIAL TITLE	
DATE EMPLOYEE LAST WORKED IN REPORTING UNIT NAMED ABOVE		REPORTING UNIT OFFICIAL SIGNATURE AND DATE SIGNED	

**Section D: To Be Completed By Refund Applicant**

<p>I certify I have read the provisions regarding payment of refunds from MPERS and, after careful consideration, have decided that, even if eligible for future benefits, I still request a refund. I realize I am giving up my retirement rights accumulated under the contributory plan by taking a refund.</p> <p>I certify I have ceased employment in all public-supported educational institutions</p>	<p>under this Retirement System, am not on leave of absence and am not on a layoff expected to last 12 months or less. I request that the accumulated balance in my account plus interest be refunded as indicated in Section A. I understand that by accepting the refund and/or rollover, I am releasing the Michigan Public School Employees Retirement System from any claim of accumulated benefits under the contributory plan and hereby forfeit such rights and benefits.</p>
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**Your signature must be notarized before MPERS will process this application.**

SIGNATURE OF REFUND APPLICANT	DATE
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**Notary**

Subscribed and sworn to before me at \_\_\_\_\_, county of \_\_\_\_\_,  
State of \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_.  
(Seal) \_\_\_\_\_ My Commission Expires \_\_\_\_\_, 19 \_\_\_\_\_.

\*Information required for tax or actuarial purposes  
Completion required to distribute refund