

WITHDRAWING YOUR PERSI FUNDS

- Your options if you leave PERSI-covered employment -



PERSI members likely have two accounts – a Base Plan account and a Choice 401(k) Plan account. When you end PERSI-covered employment, you may leave your funds in PERSI or you may withdraw your funds from either or both accounts. The two have different requirements and withdrawal options. This flyer will explain your options.

BASE PLAN OPTIONS

Your Base Plan contributions are always yours. When you leave PERSI-covered employment, you may withdraw your Base Plan money and any interest earned or you may choose to leave your contributions and interest in the PERSI Base Plan until some future date or retirement. If you withdraw your funds, tax penalties and withholdings may apply. You may also roll over your money and interest to an Individual Retirement Account (IRA) or other qualified retirement plan.

Leaving Your Base Plan Account in PERSI

You may leave your contributions and any interest earned in the PERSI Base Plan. By doing so, your contributions will continue to earn interest and you will preserve your retirement credits. If you choose to leave your funds in, you do not need to take any action other than keeping PERSI informed of your current address. If you have less than 5 months of service, you cannot leave your money in PERSI, so your contributions will be refunded to you.

If You Have 60 or More Months of Service

If you have at least 60 months of service credit, you have earned the right to receive a lifetime benefit at retirement. Because the value of your pension is far more than just your account balance, before applying for a separation benefit you should contact PERSI about your eligibility for a lifetime monthly retirement benefit.

EXAMPLE: Within the first 3 to 5 years of retirement, most members have already received all the money they contributed while working. For example, if your contributions to PERSI during your career totaled \$60,000, and your monthly retirement benefit is \$1500, you would receive your \$60,000 in approximately 3 years. Although you would have exhausted everything you contributed, PERSI would continue to pay you \$1500 a month for the rest of your life, plus annual cost of living adjustments (COLAs). So if your retirement were to last another 30 years, you would receive \$540,000 in benefits from the PERSI trust.

If You Have Less Than 60 Months of Service

If you have less than 60 months of service, you may leave your contributions in the PERSI Base Plan for up to 3 years if your balance is greater than \$1000. At that time, PERSI will contact you to initiate a refund of your contributions and any interest earned. It is important for you to keep PERSI informed of your mailing address so we may contact you regarding a refund.

If You Have Less Than 5 Months of Service

If you have less than 5 months of membership service, you did not meet the eligibility requirements for a lifetime retirement benefit. Contact PERSI to make arrangements for a refund.

Taking a Base Plan Separation Benefit

A separation benefit is a lump sum payment of all the money you contributed to the PERSI Base Plan, and any interest earned. **Contributions made by your employer are not refundable.** To request a separation benefit contact PERSI.

Remember, if you take a separation benefit you cancel all service credits towards your Base Plan retirement. If you have enough credited service to qualify for a lifetime pension, you also cancel your eligibility for that. Many employers throughout Idaho belong to PERSI (e.g., school districts, the State of Idaho, state universities, counties, cities, police and fire departments, libraries, and sewer and highway districts). If you think you may work for another PERSI-covered employer in the future or if you are vested and eligible for a lifetime retirement benefit, you may want to consider leaving your funds in PERSI.

CHOICE 401(K) PLAN OPTIONS

You may withdraw your funds from the Choice 401(k) Plan, or you may defer distribution to a future date or until retirement if you have at least \$200 in your account when your employment with a PERSI employer ends. Because your Choice Plan is separate from your Base Plan, what you decide to do with your 401(k) account typically has no affect whatsoever on your Base Plan retirement credits. (Buybacks and purchase of service using funds from your Choice 401(K) Plan account are among the exceptions.)

Leaving Your Choice 401(k) Plan Account in PERSI

If you choose to leave your money in the PERSI Choice Plan, you will continue receiving earnings, if any. If you leave your funds in, you will be responsible for paying the annual recordkeeping fee, which is currently \$30 annually (\$2.50 per month). If your account falls below \$200, the account will automatically be closed and the money paid to you.

Taking a Choice 401(k) Plan Withdrawal

If you choose to withdraw your account balance, you have several payment or rollover options. To request a withdrawal or for more information, contact PERSI's Choice 401(k) Plan record keeper, ACS HR Solutions toll-free at 1-866-437-3774 or visit the PERSI Web site at www.persi.idaho.gov/Choice.htm. You will need your Social Security Number and the PIN assigned to you by ACS to access your account. When all your funds have been withdrawn from your Choice Plan account (zero balance), the account is closed.

If you leave your money in the Choice 401(k) Plan, you can consolidate retirement savings plans into a single account by rolling over your other qualified savings plan and/or pre-tax IRA account into your Choice 401(k) Plan. Having a single account can make managing your money and investments easier.

FOR MORE INFORMATION

For more about PERSI or for information about your retirement options and benefits, visit the PERSI Web site at www.persi.idaho.gov. You may also contact the PERSI Answer Center Monday - Friday between 7:30 a.m. and 5:30 p.m. (Mountain Time) by calling 208-334-3365 in the Boise area, or toll-free 1-800-451-8228 from outside the Treasure Valley.