

## REFUND PROCEDURES

When you leave state employment, whether to retire or to work elsewhere, you have a number of decisions to make regarding your SERS retirement benefit. Researching and considering all of your options before you terminate employment will give you the most time to make those important decisions, many of which cannot be changed later.

If you leave state service **before** you are eligible for monthly pension payments, you are entitled to a refund of the contributions you made toward your pension with interest. That generally means if you were hired **before** January 1, 2011, and you haven't yet worked five years; or if you were hired **after** January 1, 2011, and you haven't yet worked 10 years, you are entitled to a refund.

The process of applying for a refund is simple and straightforward, and SERS retirement counselors are available to help you along the way.

### Refund Procedures

- Contact a retirement counselor at 1-800-633-5461 for refund counseling and the forms you need to complete and return to SERS.
- Complete an *Application for Refund of Member's Contributions and Interest*.
- Complete a *Refund Counseling Checklist*.
- Complete an *Application for Direct Rollover of Taxable Payment*, if you feel a rollover is right for you.
- Complete an *Affidavit of Membership* **if** you left state service three or more years ago.

### Things to Consider:

- Tax law requires that 20% of the taxable portion of your withdrawal be withheld for federal income tax, unless you roll it into another qualified plan, like the Deferred Compensation Program or an IRA. The money you roll over and the interest you earn on that money will not be taxable until you withdraw it, as long as you withdraw it from your qualified plan after reaching age 59½. SERS cannot advise you about a rollover, so we urge you to seek the advice of a qualified tax advisor or financial planner.

COUNSELORS ARE  
HERE TO HELP

CALL 1.800.633.5461

*For more information.*

If you choose a rollover, you and your financial institution must complete an *Application for Direct Rollover of Taxable Payment* and return it to your retirement counselor **within 45 days** of your original application for refund. SERS will only accept a properly completed Application for Direct Rollover of Taxable Payment, so please tell your financial institution that we will not honor any other rollover request form.

**Unless SERS receives your completed rollover application within 45 days of receiving your application for refund, SERS will process your refund after deducting the mandatory 20% for federal income tax.**

- Withdrawing taxable money before the year you turn age 55 subjects it to a 10% federal excise tax penalty in addition to the federal income tax you may owe on it.
- If you are eligible for monthly pension payments and you first became a SERS member before January 1, 2011, you are entitled to monthly pension payments and a withdrawal of your contributions and interest. Contact your retirement counselor for more information.

**NOTE:** The State Employees' Retirement System (SERS) provides this document for educational and informational purposes. Information in this document is general in nature, does not cover all factual circumstances and is not a complete statement of the law or administrative rules. The statements in this document are not binding; and in any conflict between the statements in this document and applicable law or administrative rules, the law and administrative rules will prevail. Members' retirement-related information may be subject to disclosure under Pennsylvania's Right-to-Know Law.

## **More information**

Contact a retirement counselor at 1.800.633.5461 for additional information and individual retirement estimates.