

Do I Have to Take a Refund When I Terminate Employment?

No – If you terminate employment with at least 5 years of service, you may choose to take a refund or to leave your contributions in the Plan and request a deferred retirement annuity beginning at age 62 (Teachers) or age 55 (Police and Fire).

Yes - If you terminate employment with less than 5 years of service, your contributions must be refunded to you.

For Police & Fire Plan Members Only:

If you terminated with at least 5 years of service and took a refund of your contributions, you may redeposit your refunded amount (plus any required interest) prior to age 55 to re-establish your eligibility for a deferred retirement annuity. This option is available to you whether or not you have been rehired by MPD or FEMS.

When Will I Receive My Refund?

The refund process could take up to 60 days from the date your *Application* and all required documents are received by DCRB. Your agency must confirm your termination, and the District's Office of Pay and Retirement Services must verify the balance and tax treatment of your contributions before they can be paid to you.



What Are Plan Refunds?

Your refund includes the mandatory contributions deducted from your salary, and any voluntary purchase of service contributions you made during your employment. A refund does not include investment earnings or employer contributions. You cannot borrow against your contributions; if you are requesting a refund, it must be 100% disbursed.

How Do I Apply for a Refund?

You must complete and submit the *Application for Refund of Plan Contributions form* that is available at



Plan Refunds

Am I Eligible for a Refund of My Plan Contributions?

As a member of the District of Columbia Teachers' Retirement Plan or the District of Columbia Police Officers and Firefighters' Retirement Plan (the Plans), if you terminate your employment with DCPS, MPD or FEMS (or you transfer to a position that is not covered under the Plan) before you are eligible to retire, you may request a refund of your member contributions.

You can request a refund after you have terminated and are no longer on the payroll of your respective agency for at least 31 days.

If you terminate with less than 5 years of service, the Plans require that you receive a refund of your member contributions.

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Are Refunds Taxed?

If your refund includes pre-tax contributions and you do not rollover those taxable contributions into an IRA or another qualified employer plan, you will be taxed as follows:

Federal Taxes: DCRB is required to withhold 20% federal income tax. If you are under age 59 ½, you may also be subject to an additional 10% early distribution tax, if an exception does not apply.

State Taxes: State tax withholding may apply. If you are a District resident, DCRB is required to withhold District tax at the highest tax rate.

A direct rollover of your pre-tax contributions defers immediate taxation. Your post-tax contributions are not taxable upon distribution to you.

For detailed information on your rollover choices, please read the Special Tax Notice Regarding Rollovers, which is available at www.dcrb.dc.gov or from the DCRB Member Services Center.

If you have less than 5 years of service and you do not make a timely rollover election, your contributions will be distributed to you automatically, and you may be required to pay taxes on them, as indicated above.

Can I Rollover My Refund?

You can roll your refund over to an IRA (traditional or Roth) or employer plan that will accept your refund distribution (pre-tax and/or post-tax contributions). If you request a direct rollover, DCRB requires a Letter of Acceptance from the receiving IRA/plan. Pre-tax contributions can be rolled over to an IRA or employer plan. Post-tax contributions can be rolled over to an IRA and certain employer plans only if the plan accounts for the post-tax contributions separately. The *Special Tax Notice Regarding Rollovers*.

Please note that a paper check will be mailed and payable to you. There is not an option for direct deposit. It is your responsibility to deliver to the financial institution.

Other DCRB Publications:

Special Tax Notice Regarding Rollovers. Refund payments may be subject to certain taxes. Find out how you may be affected.

Summary Plan Description. This overview will help you become familiar with your Retirement Plan.

Death and Survivor Benefits. These booklets provide information about the benefits your survivors and beneficiaries may be eligible to receive upon your death.

These and more are available at www.dcrb.dc.gov or from DCRB's Member

You should consult a tax advisor to determine the tax consequences of a refund of your DCRB contributions.



Tax Statement Sent by DCRB

DCRB is required to mail an IRS Form 1099-R to your address of record no later than January 31 of the year following a refund distribution. Form 1099-R includes the total amount of your lump-sum distribution, any portion that is taxable income for the year to was paid, the amount of income tax withheld, and any exception to the early 10% distribution tax. This information is also provided to the IRS. If you rolled over your distribution, you will need to note that on your IRS 1040 form.

Returning to Work After Termination

If you are rehired after you received a refund and are again a member of the Plan, you can redeposit the amount of your refund (plus any required interest) to buy back your refunded service. Your redeposit may be in a lump-sum or in monthly payroll installments (up to 100 for Teachers/up to 60 for Police and Fire). If you left your contributions in the Plan when you terminated, however, you retain your prior service, and your new contributions to the Plan will be at the same rate (7% or 8%) as before.

We're Here to Help!

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