



Leaving Employment?

You might be wondering what to do with the contributions you have paid to TRS.

Your options will depend on your TRS member status and your future plans.

If you might return to work someday in a position covered by TRS (such as teaching at another Montana public school, community college, or the MUS), consider leaving your contributions on account with TRS.

When you return to work, your member account balance and creditable service will continue to grow.

If you have **no** plans to return, your options depend on your age and vested status, as explained below.

Vested members are eligible for **lifetime** TRS retirement benefits

If you have **5.00 or more years** of verified creditable service with TRS, you are a **vested** member, which means you are eligible for a future retirement benefit. TRS retirement benefits are paid for life.

If you are **under age 60** when you terminate employment, you can simply leave your member contributions on account with TRS until you are eligible to apply for regular retirement.

- Early retirement, which pays a reduced lifetime benefit, is available at age 50 for vested Tier 1 members or age 55 for vested Tier 2 members.
- Contact TRS to learn about your options and to receive an estimate of retirement benefits.

Members who terminate employment with no plans to return may **withdraw** their member account balance (*member contributions plus accumulated interest*)

Non-vested members of TRS (those with **less than 5.00 years** of creditable service) can apply for withdrawal. Vested members also have the option to withdraw, but by doing so, they **forfeit** their right to a future lifetime retirement benefit.

Members who withdraw can elect (a) a direct rollover of funds (tax-deferred) into another eligible retirement account; (b) a lump-sum refund, minus 20% federal income tax; or (c) a combination. They can initiate the withdrawal process online in *My TRS*, or they can request a paper application from TRS.

NOTE – Before you decide to withdraw your member account balance, please consider the following:

- If you are a vested member, the dollar value of your future lifetime benefit is likely to far exceed your member account balance.
 - If you are under age 59 ½ and you elect to take a lump-sum refund, you *may* be assessed an additional penalty by the IRS when you file your tax return. Please consult a tax advisor.
 - Members who withdraw are *not* entitled to any of their employer's contributions.
 - If you withdraw as a Tier 1 member and later you resume TRS-reportable employment, you return as a Tier 2 member with slightly less favorable retirement benefits, *even* if you repurchase your withdrawn service.
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Not sure of your vested status or membership tier?

Log into *My TRS*, or call TRS at 406-444-3134 during regular business hours.
