

## **Retiring from the Individual Account Program (IAP): Frequently Asked Questions**

### **Q1. I have already retired from the either Tier One/Tier Two or the OPSRP Pension Program. Do I use the same retirement date for my IAP retirement date?**

- A. The IAP retirement does not require you to choose an effective retirement date. The application asks you to enter your last date worked for your last qualifying employer.

### **Q2. What age do I have to be to apply for my IAP benefit?**

- A. To qualify for IAP retirement, you must meet the following requirements:
- You have separated or are planning to separate from PERS-qualifying service and reached the minimum IAP retirement age of 55 for all PERS members and 50 for Police and Fire (P&F) (if you meet the requirements listed below),

or

- You have separated from PERS-qualifying service and are receiving retirement benefits as a Tier One/Tier Two member.

As a P&F member you must meet the following conditions to retire at age 50:

- You have separated from service;
- You have been in a P&F position for the last five consecutive years; and
- You have not returned to an active non-P&F position since the end of your P&F position.

If you do not meet the above conditions, you can withdraw your IAP by completing and submitting the Withdrawal Application packet.

### **Q3. How will I know if my IAP installment amount is less than \$200 a month?**

- A. You can check your account balance online with CitiStreet at this link: <https://iap.csplans.com/csportal/welcome.do> . You can also call PERS Customer Service at 503-598-7377 or toll free at 888-320-7377 for further information.

### **Q4. What does “received and accepted” by PERS mean?**

- A. After PERS reviews your application and finds that you have accurately provided all the necessary information, you will receive a letter stating that your application has been “received and accepted.”

### **Q5. Can I make changes after my application is “received and accepted?”**

- A. Once your distribution request has been submitted for processing to our third-party administrator, the only change you can make would be a one-time decision to “cash out” your IAP account. Once the account is distributed in this fashion, it is not reversible and will close your IAP account with PERS.

If you decide to cash out and the distribution of your remaining account balance is greater than \$200, the distribution is rollover eligible and will be taxed accordingly.

If you decide to cash out, are under the age of 59½, and are not rolling these funds, the IRS may assess a 10 percent early withdrawal penalty.

If you have any questions regarding tax laws, you may wish to consult a qualified tax professional or the IRS.

**Q6. I have chosen the lump-sum payment. Can I have this deposited directly into my bank account?**

A. No, all single payments are mailed to you in the form of a check. State of Oregon standards generally do not permit direct deposit of single payments.

**Q7. Who can I choose as my beneficiary?**

A. You may choose any person or any entity, such as a charitable organization. Your beneficiary will receive any remaining funds not paid by the time of your death. If you do not specify beneficiary information, statute allows the Standard Election as your beneficiary option. If you have a complex beneficiary situation, you may want to consult an estate-planning attorney.

**Q8. Can my payments be directly deposited if my joint account holder does not sign the direct deposit authorization?**

A. No. If you have a joint account, both signatures are required for direct deposits.

**Q9. How long will it be before I receive my payment?**

A. Eligible IAP retirees may anticipate the first distribution from their IAP account to occur 45 to 90 days after accurate receipt of all the necessary IAP retirement application forms, or 45-90 days after last day of work, whichever is later. Once PERS has received and accepted your application and all the employer information has been verified, it will take a minimum of 45 days.

**Q10. How will I know if there are any problems that prevent PERS from accepting my application?**

A. If there are any problems with your application, we will send you a letter detailing the reasons why your application was not accepted and, if applicable, the actions you must take to remedy those problems.