

One-Time Variable Account Transfer Prior to Retirement for Tier One/Tier Two Members: Questions and Answers

Note: If you participate in the variable account, your member contributions have been placed in the Individual Account Program (IAP) account instead of the variable account since January 1, 2004. This does not apply to judge members.

Question 1. What is the One-Time Variable Account Transfer?

Answer. Members who made contributions to the variable account on or after January 1, 1982, and meet certain other conditions may elect to transfer their entire variable account balance to their regular account prior to retirement. This does not include judge members.

Q2. Why is this called a “one-time” transfer?

A. This is called a “one-time” transfer because it is irrevocable. The election transfers your entire variable account balance to the regular account. You cannot participate in the variable account again.

Q3. What are the possible advantages of this transfer?

A. The types of investments in the regular account are more diversified than those in the variable account. The variable account is invested totally in stocks, while the regular account is invested in fixed-income securities (mortgages, corporate bonds, etc.) and stocks.

Transferring from the variable to the regular account is a way to move all of your member account into a more conservative group of investments. The one-time transfer is an individual decision.

Q4. May I elect to transfer part of my variable account balance through this process?

A. No. The One-Time Variable Account Transfer election applies to your entire variable account balance.

Q5. May I elect to transfer from my regular account to the variable account through a One-Time Variable Account Transfer?

A. No. The One-Time Variable Account Transfer applies only to the transfer of a variable account balance to the regular account.

Q6. How do I elect the One-Time Variable Account Transfer?

A. Use the [One-Time Variable Transfer form](#) available from PERS or your employer. Send the completed form to PERS. If you meet the necessary conditions, the transfer will be effective on January 1 of the year following receipt of the form by PERS. The election is irrevocable unless you do not meet the criteria for the transfer.

Q7. What conditions must I meet to qualify for this transfer?

A. For a general service member, you must be an active or inactive member and have reached age 50 on or before December 31 of the year the transfer is submitted.

or

For a police or firefighter member, you must have reached age of 45 on or before December 31 of the year the transfer is submitted.

or

You must have 25 or more years of PERS creditable service on or before December 31 of the year the transfer is submitted.

If you meet the conditions, your variable account balance will be transferred to your regular account effective January 1 after PERS receives your election. The transfer is usually made in April after variable account earnings have been credited for the prior year, but will be retroactive to January 1.

Q8. What happens if I elect a One-Time Variable Transfer to be effective January 1 and also apply to retire either February 1 or March 1 of the same year?

A. PERS will transfer your variable account balance to your regular account if you meet the conditions to qualify for the one-time transfer. The transfer is usually made in April after the actual earnings have been credited to your variable account for the prior year. This means the calculation of your retirement benefit may be delayed until after the transfer is made.

Q9. Can I change my mind after I have submitted the One-Time Variable Account Transfer?

A. Yes. You can cancel the transfer if you provide written notice to PERS on or before December 31.