

peba academy 

## Leaving covered employment: leaving funds on deposit

Retirement Benefits Training  
Fiscal year 2023

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### Applying for retirement later

- Member can apply for retirement upon eligibility if:
  - Class Two member and has five years earned service; or
  - Class Three member and has eight years earned service.
- Member has responsibility to file retirement application once eligible.

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### Interest on account funds

- Funds accrue interest until account becomes inactive.
- Account becomes inactive as of July 1 when:
  - No contributions made in preceding fiscal year; and
  - No other active, correlated system or State ORP account exists.
- Account status updates on fiscal year basis.

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### How long can funds stay on deposit?

- IRS requires that distributions begin by later of two dates:
  - April 1 of the year after the year in which member turns age 72, or;
  - Year in which member retires.
- Penalties may apply if this requirement is not met.

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### Member information

- Member should maintain current address through Member Access.
- Member should update beneficiary information through Member Access.
  - Can also complete appropriate notarized form.
- Provide the Leaving employment before retirement eligibility life event checklist.
- Provide the Designating Active Member Beneficiaries flyer.

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### Disclaimer

This presentation does not constitute a comprehensive or binding representation of the employee benefit programs PEBA administers. The terms and conditions of the employee benefit programs PEBA administers are set out in the applicable statutes and plan documents and are subject to change. Benefits administrators and others chosen by your employer to assist you with your participation in these employee benefit programs are not agents or employees of PEBA and are not authorized to bind PEBA or make representations on behalf of PEBA. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

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