This index provides employer information and instructions when a TRSL member requests a refund of his/her employee contributions. All refund forms and procedures have been created to conform to statutes that govern TRSL refunds:

- Non-retiree refunds - LSA-R.S. 11:781
- Retiree refunds – LSA R.S. 11:710(C)(1)

**When members withdraw their accumulated employee contributions, they forfeit all service credit and the right to a future benefit.**

- TRSL does not allow for partial withdrawals.
- A refund cannot be borrowed or pledged against debt.

### Refund basics

**What is a refund?**

A refund is the withdrawal of a member’s total accumulated employee contributions after termination of all TRSL-covered employment. For both non-retirees and retirees, a refund only includes the contributions the member paid into TRSL. Refunds do not include any employer contributions or interest.

Members and retirees seeking a refund must submit a complete and appropriate refund application that includes the employer’s certification of the effective termination date.

- **Application for Refund** (Form 7) for non-retirees
- **Retiree Refund Application** (Form 7A) for retirees

### When are refunds issued?

Validated and accepted TRSL refund applications are *usually* processed within five to seven days of receipt of all required information and are set up for the next eligible refund disbursement period. Refunds are issued twice a month on the 5th and 20th.

However, non-retired members who have five years or more of eligibility service credit should allow for additional processing time. (See the **Vested Members (Form 7E Requirement)** section in this index for more information.)

Additionally, non-resident aliens who submit IRS Form W-8BEN to claim tax treaty benefits should allow for additional processing time so that TRSL’s Legal Department can review documentation and determine the correct taxes (if any) to withhold from that member’s refund.
Non-retiree refunds

Members who are not retired or participating in DROP can refund their accumulated TRSL member contributions (without interest) once they have terminated all TRSL-covered employment. Members should refer to our publications, Taking a Refund of Your Contributions and Special Tax Notice Regarding TRSL Payments, before completing an Application for Refund (Form 7). Members who wish to have their refunds sent to them through direct deposit must also complete the Direct Deposit for Refund of Contributions (Form 7D).

90-day waiting period

TRSL cannot accept a non-retiree’s Application for Refund (Form 7) until at least 90 days after their termination date. As per LSA-R.S. 11:781, both the employer’s certification of termination date and the TRSL refund payment cannot be issued any earlier than 90 days after the member’s effective termination date. All non-retiree refunds must adhere to this 90-day wait period.

Vested members (Form 7E requirement)

TRSL members who have at least five (5) years of service credit for eligibility are vested. Vested members who are not eligible for retirement when they terminate employment can opt to leave their contributions with TRSL and begin receiving a monthly retirement benefit beginning at age 60 or 62 (depending on the member’s date of TRSL enrollment).

Vested members seeking a refund will be required to complete both the Application for Refund (Form 7) and a Request for Refund Rather than Retirement Benefit (Form 7E). The Request for Refund Rather than Retirement Benefit (Form 7E) is a TRSL-generated document which includes the vested member’s personalized benefit estimate and total employee contributions balance, as reported by the employer(s).

- Members must complete Form 7E and indicate if they wish to receive the refund of contributions in lieu of leaving their contributions in TRSL to begin receiving retirement benefits at age 60 or 62.
- The Form 7E must be notarized, and the signed original returned to TRSL before a refund can be issued.

Form 7E is not available on TRSL’s website. It is available upon the member’s request. Otherwise, it will be sent to vested members upon receipt of an Application for Refund (Form 7).
Employer procedures for non-retiree refunds

1. Member completes Sections 1 and 2 on the Application for Refund (Form 7) and forwards the application to the employer.

2. An authorized signer for the employer must complete Section 3 of Form 7 and submit to TRSL no earlier than 90 days after the termination date.

   • The termination date should reflect the last day of work for which the member received pay or the last day the member was on official leave (including any leave without pay).
   • The “Date signed” block must reflect a date that is at least 90 days after the termination date indicated on the form.
   • Form 7 refund applications that are signed and/or received before the end of the 90 day waiting period will be returned to the employer for re-certification.

Once TRSL has validated, accepted, and processed the non-retiree refund application, the member’s status will be updated in EMIS to reflect REFUNDED and the date the refund will be issued. All service credit will be removed.
NOTES:

1. If employee contributions were withheld and reported to TRSL due to an administrative error, employers must contact TRSL as soon as the error is discovered. Do NOT refund any member contributions back to the employee.
   - An administrative error occurs when a reporting agency discovers an employee has been erroneously enrolled and contributing to an incorrect retirement system.
   - See Index 8 for information and procedures on administrative errors.

2. If a member worked for more than one TRSL-covered employer within the last 90 days, the member must submit a refund application to each employer.

3. Members who become employed in TRSL-covered positions with any TRSL reporting agency during the 90-day waiting period are not eligible for a refund due to active employment.
   - Employers should not delay the enrollment process for members who recently completed a refund application.
   - If the agency is unable to process the enrollment online, contact your assigned Accountant Liaison for assistance.

Retiree refunds

Retirees who return to work and pay unsheltered contributions during re-employment may request a refund of the employee contributions (without interest) after terminating employment.

Retiree refunds are governed by statute [LSA-R.S. 11:710(C)(1)]. Retirees seeking a refund of their return-to-work contributions must complete the Retiree Refund Application (Form 7A). Retirees who wish to have their refunds sent to them through direct deposit must also complete the Direct Deposit for Refund of Contributions (Form 7D).

Unlike non-retiree refunds, there is no mandatory waiting period. However, all return-to-work contributions earned through the last day of employment must be reported to TRSL and posted to the retiree’s account before TRSL can issue the refund.
**Employer procedures for retiree refunds**

1. Retiree completes Sections 1 and 2 on the [Retiree Refund Application](#) (Form 7A) after terminating all TRSL-covered employment and forwards the application to the employer.

2. An authorized signer for the employer must complete Section 3 of Form 7A and submit the completed application to TRSL immediately.
   a. There is no waiting period for retiree refunds. Once the retiree terminates employment, you can submit the completed application to TRSL. The refund application will be processed once all contributions have been reported for return-to-work retirees.
   b. The termination date on the Form 7A should reflect the retiree’s last day of work for his TRSL-eligible return-to-work position.
   c. The employer must also indicate the month in which the last contributions will be reported on the agency’s [Monthly Contributions Report](#) for the retiree.
      - Review your agency’s payroll records to determine the date of the rehired retiree’s last paycheck.
      - Enter month/year of the retiree’s last paycheck on the Form 7A where indicated if the termination date is not in June.
      - If termination date is June, enter 06/YYYY as the month/year for last contributions to be reported.

All earnings must be reported to TRSL in the fiscal year earned; since June represents the last month of a TRSL fiscal year, your agency will not be able to post salary and contributions after June if the retiree terminates in June.

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### Related Forms

- [Application for Refund (Form 7)](#)
- [Retiree Refund Application (Form 7A)](#)
- [Direct Deposit for Refund of Contributions (Form 7D)](#)
Confirming return-to-work contributions

To determine if a retiree has any return-to-work contributions that were reported to TRSL by your agency or a staffing agency, and are therefore eligible to be refunded to the retiree, employers can view the return-to-work contributions balance through EMIS, the employer access database.

- Log into EMIS.
- Select Member Summary under Members menu.
- See the “Member Contributions” section for any contributions balance.
- If screen displays a contributions balance greater than 0.00, the retiree will have return-to-work contributions that can be refunded upon termination of all TRSL-covered employment.
Frequently asked questions

1. What termination date do I use on the refund application if the member was on leave without pay (LWOP) prior to termination?

The actual termination date must be used. An employee is still employed while on any type of official leave, including periods of leave without pay.

2. Is there a waiting period for a member to receive their refund?

For non-retiree refunds, you cannot certify the refund application until 90 days after the date of resignation or termination. Once the 90 days pass and you certify the application, you then send it on to TRSL. [LSA – R.S. 11:781(A)(3)(c)]

For re-employed retirees, there is no required 90-day waiting period. However, the refund will only be made after re-employment ends and all employer contributions reports have been received by TRSL. You will certify this on the refund application.

3. When are refunds issued?

Refunds are issued twice a month, on the 5th and the 20th.

4. What happens to the member’s service credit when they refund their contributions?

When a member refunds their contributions, their TRSL membership is terminated. All service credit is cancelled. Should the member become re-employed in another TRSL-eligible position, they can apply to restore their service credit.

Retirees do not earn service credit on their member contributions when re-employed.