

Taking a Refund of Your Contributions

? Can I get a refund of my TRSL contributions?

You can request a refund of your member contributions once you permanently terminate employment in all positions eligible for TRSL membership.

A refund includes only the contributions you have made. It does not include employer contributions or interest; and it must be for the total amount of employee contributions.

By accepting a refund, you terminate membership and cancel your service credit in TRSL. Therefore, you should carefully consider all the implications of any refund.



Can I borrow from my TRSL account?

By law, partial withdrawals are not allowed, and a refund cannot be borrowed or pledged against debt.

How do I apply for a refund?

Complete and submit an *Application for Refund* (Form 7), available at www.TRSL.org. If you would like your refund deposited directly into your bank, also submit a *Direct Deposit for Refund of Contributions* (Form 7D).

By law, your former employer cannot certify the refund application until 90 days after your resignation or termination. After certifying the application, the employer will forward it to TRSL for payment.

If you have at least five years of TRSL service credit, you will also need to complete a *Request for Refund Rather than Retirement Benefit* (Form 7E). This form is available upon request.

When are refunds issued?

TRSL processes refund applications within 10-15 days of receipt. Refunds are issued twice a month on the 5th and 20th.

Can I roll over my refund?

Yes, refunds are eligible for rollover into a traditional IRA, Roth IRA, or transfer to another employer retirement plan that accepts the funds.

For members with five or more years of service credit:

- Upon termination of employment, members with five or more years of service credit can leave their contributions with TRSL and begin receiving a TRSL benefit at age 60 or 62 depending on eligibility requirements. Contact TRSL to request an estimate of deferred retirement benefits.

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- If seeking a refund, members with five or more years of service credit will need to complete both the *Application for Refund* (Form 7) and a *Request for Refund Rather than Retirement Benefit* (Form 7E). Form 7E must be notarized, and the signed original returned to TRSL before a refund disbursement can be issued.

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- If considering terminating employment due to illness or injury, members with five or more years of service credit should note that they may be eligible for TRSL disability benefits. For more information, see our brochure *TRSL Disability Retirement*.

NOTE: Individuals who first became members of a state public retirement system on or after January 1, 2011, are eligible to apply for disability benefits after accruing 10 years of service credit. Contact TRSL for more information.

Other TRSL publications:

Special Tax Notice Regarding TRSL Payments. Payments from TRSL may be subject to certain taxes. Find out how you may be affected.

TRSL Member Handbook. Read this overview and get to know your retirement plan.

Death and Survivor Benefits. Learn about the benefits your loved ones may be eligible to receive upon your death.

Community Property & TRSL Benefits. Louisiana is a community property state. Find out what this means for you and your TRSL retirement benefits.

Purchases & Transfers of Service Credit. Get information about the types of service credit eligible for purchase and transfer to TRSL and how the process works.

Initial Lump-Sum Benefit (ILSB). Get information about another optional plan for eligible TRSL members.

TRSL Disability Retirement. Understand the eligibility requirements and the application process for a TRSL disability retirement.

Sick Leave & Conversion to Service Credit. Understand what happens to your unused sick and annual leave upon retirement.

DROP/ILSB Account Withdrawals. Important information about withdrawing funds from your DROP or ILSB account.

TRSL & Social Security Benefits. If you're counting on Social Security income in retirement, find out how certain federal laws could impact you.

Returning to Work After Retirement. Find out if and how your TRSL benefit will be impacted if you decide to return to work.



Are refunds taxed?

If any portion of your refund is eligible for a rollover into another qualified retirement plan, but is instead paid directly to you, TRSL is required to withhold 20% of the sheltered distribution for federal income tax.

Rollovers of sheltered contributions to a Roth IRA are considered taxable distributions, but not subject to the mandatory 20% withholding. TRSL does not offer income tax withholding for any distribution to a Roth IRA.

If you take a refund before the age of 59½, you may also be subject to an additional 10% federal withholding penalty for early withdrawal of retirement funds. This penalty is in addition to any income taxes owed.

For information on rolling over your contributions and federal income tax withholding, please read *Special Tax Notice Regarding TRSL Payments* at www.TRSL.org.



You should consult a tax advisor to determine the tax consequences of a refund of your TRSL contributions.

We're here to help!

Physical address:

8401 United Plaza Blvd, Ste 300
Baton Rouge LA 70809-7017

Mailing address:

PO Box 94123
Baton Rouge LA 70804-9123

Telephone: 225-925-6446

**Toll free (outside Baton Rouge
area):**

1-877-ASK-TRSL (1-877-275-8775)

Email: *web.master@trsl.org*

Web: *www.TRSL.org*

Facebook: *facebook.com/TRSLonline*

Twitter: *@TRSLonline*



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