



Here are answers to some frequently asked questions that members may have concerning the withdrawal of member accumulated contributions.

What are accumulated contributions?

Accumulated contributions represent the total amount a member has paid into the retirement system throughout his or her career, plus credited interest; employer contributions are not included.

Can I withdraw my accumulated contributions while I am still working for an employer that participates in the retirement system?

No. Only members who terminate employment can withdraw their accumulated contributions. If a member's hours are reduced below the minimum required for active NHRS membership, the member's contributions to NHRS will cease. However, the member is not entitled to a refund or rollover of accumulated contributions while still employed by any employer that participates in the retirement system.

When may a terminated member apply for a refund of accumulated contributions?

1) Group I (Employee and Teacher): No sooner than 30 days after termination of employment, and only if the member does not become a contributing Group I member again during that 30-day period.

2) Group II (Police and Fire): At any time after termination of employment.

Note: Withdrawal of accumulated contributions will result in a cancellation of service credit and termination of NHRS membership; vested members will forfeit all right to benefits.

What action is required to initiate a refund or rollover of accumulated contributions?

Applying for a refund – The member must submit to NHRS a *Terminated Member's Application for Refund of Accumulated Contributions* and either a copy of the member's Social Security card or a completed IRS Form W-9. Employers are required to complete Section 4 of the application if the member terminated employment after January 1, 2012. Upon receipt of a properly completed application, NHRS is required by law to process the application within three months.

Applying for a direct rollover – In order to apply for a direct rollover, the member must submit to NHRS a *Terminated Member's Application for Refund of Accumulated Contributions* form electing a direct rollover, a *Terminated Member's Request for Trustee-to-Trustee Transfer* form, and either a copy of the member's Social Security card or a completed IRS Form W-9. NHRS also requires an acceptance letter from the financial institution to where the accumulated contributions are to be transferred.

Are accumulated contributions taxable when refunded?

After-tax contributions refunded to a member are not subject to Federal income tax. Pre-tax contributions and interest earnings are subject to Federal income taxes when received.

A terminated member may defer Federal income taxes otherwise due on pre-tax contributions and interest by electing a direct rollover. Any pre-tax contributions and interest which are not rolled over are subject to Federal income taxes in the year refunded by NHRS to the member. For Federal income tax purposes, NHRS is required by law to withhold 20 percent of currently taxable refunds. Taxable refunds received before the terminated member reaches age 59½ may also be subject to an additional 10 percent tax on premature distributions. NHRS does not withhold the 10 percent additional tax from refunds. The additional tax is reported and paid on the member's Federal income tax return for the year in which the refund was received. Members are encouraged to consult the IRS or a tax advisor and/or refer to IRS Publication 575 and IRS Form 5329 for additional information.

If a terminated member is experiencing financial difficulties, may they withdraw part of their accumulated contributions or borrow against their accumulated contributions?

No.

What if a terminated member withdraws his or her accumulated contributions and later becomes an NHRS contributing member again?

Upon returning to NHRS-covered employment, the individual will be required to complete an NHRS enrollment form as a new member and pay mandatory contributions to NHRS. After re-enrollment, the member may reinstate prior service of six months or more by paying back to NHRS his/her previously refunded accumulated contributions plus interest since the date of the refund.

Note: Several provisions of RSA 100-A are different for members who commenced NHRS-covered service on or after July 1, 2011. If a terminated member hired prior to July 1, 2011, withdraws his/her accumulated contributions, but later returns to active service and purchases prior withdrawn service, the member's effective date of hire for NHRS purposes will be the date the member returns to NHRS-covered employment.

If I terminate employment, do I have to withdraw my accumulated contributions?

No.

Where can I obtain refund or rollover forms?

All of the forms and instructions required to initiate a withdrawal of accumulated contributions are available under the heading "Refund Packet" in the member forms section of our website, www.nhrs.org. You may also contact NHRS at 603-410-3500 or info@nhrs.org to request that the forms be sent to you by mail.

New Hampshire Retirement System, 54 Regional Drive, Concord, NH 03301-8507
603-410-3500 or toll-free: 877-600-0158 ~ Web Site: www.nhrs.org

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