



ADMINISTRATIVE RULES OF MONTANA

2.43.3546 DISTRIBUTION UPON DEATH OF PARTICIPANT

- (1) If a DCRP participant dies prior to the start of the distribution of the participant's benefits, the participant's beneficiary, provided the beneficiary is the participant's spouse, has the same payment options as the participant would have had.
 - (a) Those payment options include:
 - (i) a lump sum distribution of the participant's vested accounts, less applicable taxes;
 - (ii) a direct trustee-to-trustee rollover of the participant's vested accounts to an eligible retirement plan, a traditional or Roth individual retirement account, or an annuity;
 - (iii) a regular rollover of the participant's vested accounts to an eligible retirement plan;
 - (iv) periodic payments of a fixed amount; or
 - (v) periodic payments based on the beneficiary's life expectancy, determined annually.
 - (b) A payment option may only be selected if the amounts payable to the beneficiary are expected to be at least equal to the minimum distribution required under section 401(a)(9) of the Internal Revenue Code and satisfy the minimum distribution incidental benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.
 - (c) The beneficiary must select the payment option prior to 60 days after the receipt by the board of the satisfactory proof of the participant's death.
 - (d) If the beneficiary does not select a payment option, the vested accounts will be paid in a lump sum, less applicable taxes.
- (2) If the beneficiary is not the member's spouse, the beneficiary may elect to rollover only to an individual retirement account or individual retirement annuity that is treated as an inherited individual retirement account or annuity.
- (3) Unless the participant's beneficiary is the participant's spouse, the payment of benefits must start within 60 days after receipt by the board of satisfactory proof of the participant's death.
- (4) If the beneficiary is the participant's spouse, the spouse may, within 60 days of the participant's death, elect to defer distribution until a date no later than the date the participant would have attained:
 - (a) age 70 1/2 if the participant was born before July 1, 1949;
 - (b) age 72 if the participant was born after June 30, 1949, and before January 1, 1951; or
 - (c) age 73 if the participant was born after December 31, 1950.

Authorizing statute(s): 19-2-403, 19-3-2104, MCA

Implementing statute(s): 19-2-1007, 19-3-2124, 19-3-2125, MCA

History: NEW, 2002 MAR p. 1884, Eff. 7/12/02; AMD & TRANS, from ARM 2.43.1046, 2008 MAR p. 2467, Eff. 12/1/08; AMD, 2024 MAR p. 2051, Eff. 8/24/24.