



ADMINISTRATIVE RULES OF MONTANA



2.43.3545 DISTRIBUTION TO PARTICIPANT

- (1) A DCRP participant is entitled to receive the participant's vested accounts upon termination of service in a PERS-covered position, whether for retirement or for other purposes.
- (2) The participant shall, within 120 days after the participant terminates service in a PERS-covered position, notify MPERA of the date upon which the participant wants distribution of the accounts to start.
 - (a) Distribution must start no later than April 1 of the calendar year following the later of the calendar year:
 - (i) in which the participant reaches age 70 $\frac{1}{2}$ if born before July 1, 1949; or
 - (ii) in which the participant reaches age 72 if born after June 30, 1949, and before January 1, 1951; or
 - (iii) in which the participant reaches age 73 if born after December 31, 1950; or
 - (iv) in which the participant retires from service in a PERS-covered position.
 - (b) If the participant does not select the date upon which distributions are to start, distributions will start 120 days after termination of service from a PERS-covered position.
 - (c) Once selected, the participant may change the distribution date provided the date continues to meet the requirements of (2)(a).
- (3) The participant shall also, no later than 30 days before the start of the distribution of the accounts, select a payment option.
 - (a) 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;
 - (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 participant's life expectancy, determined annually.
 - (b) A payment option may only be selected if the amounts payable to the participant 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) If the participant does not select a payment option, the vested accounts will be paid in a lump sum, less applicable taxes.
- (4) If the participant fails to choose a payment option or a distribution time, a lump-sum distribution with 20% withheld for federal taxes will occur 120 days after termination of service from a PERS-covered position.

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

Implementing statute(s): 19-2-303(22), 19-2-1007, 19-3-2123, 19-3-2124, MCA

History: NEW, 2002 MAR p. 1884, Eff. 7/12/02; AMD & TRANS, from ARM 2.43.1045, 2008 MAR p. 2467, Eff. 12/1/08; AMD, 2011 MAR p. 1678, Eff. 8/26/11; AMD, 2024 MAR p. 2051, Eff. 8/24/24.