



ADMINISTRATIVE RULES OF MONTANA

2.43.4017 DISTRIBUTION OF DROP BENEFIT

- (1) The DROP benefit will be distributed upon the participant's termination of employment. The participant may request to receive the DROP benefit in a lump sum, or in a direct rollover to another eligible plan, as allowed by the Internal Revenue Service (IRS).
- (2) To make a direct rollover of the DROP benefit, the participant must make arrangements with the other plan and provide any necessary information to MPERA.
- (3) A participant must designate a distribution method within 60 days after termination of employment; otherwise MPERA will pay the DROP benefit to the participant in a lump sum. Any required federal or state withholding will reduce the amount of the payment.
- (4) MPERA will distribute the DROP benefit as soon as administratively feasible once all appropriate documents are filed with MPERA.
- (5) Upon a DROP participant's death, the participant's DROP benefit will be paid to the participant's survivors or, if no survivors exist, then to the participant's designated beneficiaries. The DROP benefit will be paid in a lump sum, unless the recipient chooses to receive the DROP benefit in a direct rollover to another eligible retirement plan, as allowed by the IRS.

Authorizing statute(s): 19-2-403, 19-6-1003, MCA

Implementing statute(s): 19-6-1003, 19-6-1006, 19-6-1008, MCA

History: NEW, 2015 MAR p. 2244, Eff. 12/25/15.