

Can I withdraw my retirement contributions?

Upon termination of employment a member may withdraw all contributions credited to the member's account along with all refundable interest. Interest is refundable based upon years of membership (date of first contribution) and in accordance with the following schedule:

Up to 16 years of membership 50% of accumulated interest

At least 16 years but less than 21 years 60% of accumulated interest

At least 21 years but less than 26 years 75% of accumulated interest

26 years or more 90% of accumulated interest

Note: Since July 1981, the interest rate set by the Board of Trustees is 8% compounded annually.

How soon may I receive my withdrawal of contributions and interest?

If you leave the job that qualified you for OTRS membership and are not employed or contracted for employment within any education system/agency in Oklahoma, you may receive a refund of your contributions and refundable interest on or after the 20th day of the fourth month after your last physical day on the job. This waiting period is mandatory and cannot be waived.

After I terminate employment in Oklahoma public education, what are my options concerning my account with OTRS?

Your options depend on whether your account is vested (have 5 years of service credit) or non-vested.

Vested Account Options: If you are vested and leave covered employment, your contributions may remain in the System. With as few as 5 years of Oklahoma contributory service you will be eligible for reduced monthly benefits at age 55, or unreduced benefits at age 62. You could be eligible for unreduced benefits when your age and total credited service equal 80 (provided you joined OTRS prior to July 1, 1992) or when age and total service equal 90 (if your OTRS membership date was after June 30, 1992). If you joined on or after November 1, 2011, and have as few as 5 years of service, you could be eligible for reduced monthly benefits at age 60, and unreduced benefits at age 65. You could be eligible for unreduced benefits when your age and years of service equal 90.

Alternatively, you may withdraw your contributions and interest at any time after the four month waiting period. Since your account is vested, your funds will continue to draw interest as long as they remain at OTRS. If you make the decision to withdraw, you have two options. You may have the check issued to you and pay the applicable tax and Internal Revenue Service penalty. The second option is to roll over your funds

directly to another eligible retirement plan. When you withdraw your funds, all OTRS service credit is forfeited.

Non-Vested Account Options: If your account is not vested, you may remove your funds from OTRS on or after the four month waiting period. As an inactive member, you are not required to withdraw your funds; however, your account will only accrue interest for up to five years. Generally, you should consider withdrawing your deposits and applicable interest unless you plan on returning to covered employment within five years. If you make the decision to withdraw, you will have two options. You may have the withdrawal check issued to you and pay the applicable tax and Internal Revenue Service penalty. The second option is to roll over your funds directly to another eligible retirement plan. When you withdraw your funds, all OTRS service credit is forfeited.

If you return to qualifying employment, you may redeposit your withdrawn account after you contribute to OTRS for 12 months. Redepositing your withdrawn contributions reinstates your initial membership date. If you do not redeposit your withdrawn contributions, your official membership date will be the date you rejoined OTRS.

What is the process to withdraw my funds?

You may contact OTRS by phone at 405-521-2387 or 1-877-738-6365.

Do optional members (support personnel) have different withdrawal provisions?

Only optional members (support personnel) may terminate membership in OTRS without terminating employment. If you are an optional member, you may stop contributions, thus terminating your membership at any time. Your service credit with OTRS up to that point will be forfeited because you are terminating your membership. Please keep in mind, that your pre-tax funds cannot be withdrawn until you terminate employment, or turn age 62 (this is an IRS rule). Any after-tax contributions may be refunded when you terminate your membership. If you continue working for your employer after terminating your membership, you may rejoin OTRS, however you become a new member as of the date you rejoin without the right to purchase prior service or reinstate prior membership.

If you do terminate your membership, and have at least five years of service credit with OTRS, your account will continue earning interest until you remove your funds. If you have less than five years of service credit when you terminate your membership, your account will continue to draw interest for up to five years.

If you wish to terminate your membership, please contact OTRS by phone at 405-521- 2387 or 1-877-738-6365.