Options for your MRT retirement plan

Upon leaving employment

Everence

For employees leaving before retirement

If you are leaving your employer before retirement, you have several options for handling the money in your account:

- **Leave your money with MRT.** The plan will continue to operate just as it had before, except there will be no new contributions from your former employer. If you leave the money in your MRT account until you are ready to retire, you will have all the same options that a normal retiree would have (see below). You may also choose to move your money to another retirement plan at some point in the future.
- **Withdraw your money from MRT.** You may withdraw all or part of your money. However, the distribution will be considered taxable income. You will owe taxes on the portion you withdraw in the tax year the withdrawal occurs. You may also be subject to a 10 percent penalty tax, especially if you are under age 59½. Consult your tax advisor for details.
- **Roll the money into another retirement account.** This preserves your funds for retirement, and you avoid taxes and penalties. There are two types of rollovers:
  - A direct rollover, in which the money is transferred directly into a new retirement account. This can be into a traditional IRA (not a Roth, SIMPLE, or Coverdell Education IRA) or into a plan sponsored by a new employer, if the new employer's plan will accept a rollover. There are no taxes or penalties assessed.
  - A rollover paid to you. If the payment is made directly to you, it is subject to 20 percent income tax withholding. You must roll the money into a new retirement plan within 60 days or the payment will become taxable to you. To avoid tax withholding, use the direct rollover option.

See your Everence representative for advice tailored to your circumstances.

For employees leaving at retirement

If you are leaving due to retirement, you have several options for handling the money in your account:

- **Leave your money with MRT.** The plan will continue to operate just as it had before, except there will be no new contributions from your former employer. You are required to begin taking distributions by April 1, following the year you retire from your employer or when you reach age 70½, whichever occurs later.
- **Use all or part of the money to receive periodic payments** from your account for a fixed amount, a fixed period of time, or for as long as you live. There are many options available to tailor a payment plan that meets your needs.
- **Receive only the minimum required distributions** from your MRT account. MRT will calculate the required distribution for you.
- **Withdraw all or part of the money as a lump sum.** Such a withdrawal will be subject to income tax.
- **Roll all or part of the money into another retirement account.** There are two types of rollovers.
  - A direct rollover, in which the money is transferred directly into a new retirement account. This can be into a traditional IRA (not a Roth, SIMPLE, or Coverdell Education IRA) or into a plan sponsored by a new employer, if the new employer's plan will accept a rollover. There are no taxes or penalties assessed.
  - A rollover paid to you. If the payment is made directly to you, it is subject to 20 percent income tax withholding. You must roll the money into a new retirement plan within 60 days or the distribution will be considered taxable income. To avoid tax withholding, use the direct rollover option.

See your Everence representative for advice tailored to your circumstances.

Mennonite Retirement Trust is sponsored by Mennonite Church USA and is available to other Anabaptist congregations and organizations.
It is administered by Everence. 1110 N. Main St., PO Box 483, Goshen, IN 46527, (800) 348-7468, (574) 533-9511, www.everence.com/mrt

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