

# Distributions

After retirement or separation from service

MRT Administrative Manual



Upon retirement or termination of employment with all employers participating in MRT, a participant may take a total or partial distribution from all accounts in the Mennonite Retirement Trust.

Terminated or retired employees are not required to withdraw or transfer funds and may leave them in the Plan. Terminated employees cannot contribute to the Plan other than through transfers or rollovers from other plans.

Upon the later of retirement or reaching age 72 (70½ for participants born June 30, 1949, or earlier), participants are required by the IRS to begin taking required minimum distributions (RMDs) from the Plan. If the participant has both a 401(a) and 403(b) account, RMDs must be taken from each account.

## Methods of distribution

A participant may elect to receive benefits under one of the following options:

- Lump sum or partial payment. A \$50 distribution fee will apply.
- Installment payments.

## The distribution process

*Employee responsibilities:*

- Contact an Everence® representative to discuss distribution options.
- Complete the appropriate distribution form, call Empower Customer Service, or request the distribution online.
- Review the Special Tax Notice Regarding Plan Payments.
- If the participant is eligible for a housing allowance in retirement, complete the Housing Allowance Withdrawal Request form.

*Employer responsibilities:*

- After final payroll file submission of all salary/wages, provide Empower with the participant's termination date.

*Everence responsibilities:*

- Approve the distribution form.

*Empower Retirement responsibilities:*

- Review the completed distribution election form for accuracy and process, withholding appropriate taxes.
- Mail the check to the employee at their address of record or send to the participant's bank account via ACH. If periodic distributions are requested, adjust employee's account in the Mennonite Retirement Trust to reflect the ongoing distribution.
- In January of the year following the distribution, prepare IRS Form 1099-R and send to the employee and the IRS.

## Additional information

**Pre-retirement death benefits:** If a participant dies while there is still money in the participant's retirement account, the participant's beneficiary(s) may request a distribution or rollover of the participant's account balance. Contact Empower Retirement or Everence for more information.

**Suspension of distributions upon re-employment:** A participant receiving installment payments from the Plan may elect to suspend such payments if re-employed by a participating employer. When the employee again retires or separates from service, the employee can choose to receive a distribution of the entire account balance, including any contributions made during re-employment, or may resume installment payments.