



Refund of Retirement Contributions

In order to apply for a refund of your employee contributions (without interest or investment earnings), you must complete Form 2-1 *Refund of Accumulated Contributions* with your last LASERS employer when you leave state service.

LASERS will process your refund application only after all of your contributions have been submitted by your employing agency. When you accept a refund of your contributions, your membership terminates and you automatically forfeit all service credit and accrued rights in LASERS. The system does not pay interest on any amounts refunded. LASERS processes most refunds approximately 90 days after receiving all completed documents.

If you receive a refund of your contributions and return to work in a LASERS eligible position on or after July 1, 2006, you will be considered a newly hired employee under the provisions of La. R.S. 11:441 (A)(2). In addition to other changes, you should be aware that as a newly hired employee the only eligibility requirement for retirement is 10 or more years of service at age 60 or thereafter.

The amount of contributions sheltered from federal income tax (amounts paid after January 1, 1984) are subject to federal taxes when refunded, unless the sheltered refund amount is rolled over into another qualified retirement plan or an IRA. If not rolled over, these funds are subject to a 20 percent federal withholding tax. You may also be subject to a 10 percent federal early withdrawal penalty. LASERS is not required to withhold Louisiana taxes on your refund. An IRS tax notice is attached to each refund application (Form 2-1 *Refund of Accumulated Contributions*). You should read this tax notice carefully before applying for a refund. The tax notice is a summary and should not be taken as tax advice. LASERS encourages you to contact a tax consultant to determine if the provisions are applicable to your specific situation.

Return of Contributions

At a minimum, LASERS will pay you, your survivors, your beneficiary, or your estate an amount equal to your total employee contributions (without interest or investment earnings).

Repayment of Refunds (La. R.S. 11:537)

In order to repay a prior refund, you must return to state employment and earn the minimum of 18 months service credit. To restore your prior service credit, you must repay the refund amount plus 8.25 percent interest compounded annually from date of refund until payment is made. Your refund repayment must be made in a lump sum unless you are making a partial repayment of your refund. You may repay a refund at any time prior to the date of your retirement, or entering DROP. Complete and submit an Application for Repayment of Refunded Service (Form 2-11) to LASERS to obtain an invoice to repay a refund.

Partial Repayment of Refunds (La. R.S. 11:537)

The partial payment regulations are in effect. It is important to understand that partial payment does not mean installment payments. You will still have to make a lump-sum payment for the portion being repaid. Calculation is at no cost to you for up to three invoices within a 12-month period. However, each additional invoice is subject to a \$75.00 calculation fee.

LASERS will provide invoices based on the date of the request. It is highly recommended that an invoice be requested several months prior to the date needed. All purchases must be completed prior to retiring or entering DROP.

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REFUND FAQs (Frequently Asked Questions)

If I leave state service, how can I obtain my retirement contributions?

Upon leaving state service, you may apply for a refund by completing a Refund of Accumulated Contributions form (Form 2-1). This form may be obtained from your employing agency's Human Resources department. Form 2-1 includes your certified termination date and is signed by the agency human resources director. All information on Form 2-1 must be completed. An incomplete form will delay the refund check disbursement. (For example, if you submit an uncertified form or do not attach a signed Social Security card, the form will not be processed.) A copy of your Social Security card must be attached to the form, unless a copy is already on file with LASERS. The refund check cannot be issued until it is received. You should retain a copy for your records.

Can I "roll over" my employee contributions?

LASERS members are allowed to "roll over" sheltered employee contributions to another qualified tax annuity plan, such as an IRA. In order for LASERS to roll your contributions over, you must have established the new account prior to your refund distribution.

Your institution should attach a letter to Form 2-1 verifying your account. The letter should include the following information:

- Your name;
- Social Security number;
- Account number for the rollover;
- Verification of tax deferred status of account;
- Certification of plan qualifications;
- Name of rollover payee; and
- Mailing address of the issuing institution.

When will I get my refund?

The average processing time for a refund is approximately 90 days from the day LASERS receives all completed necessary documents. It is not necessary to contact LASERS. Once the completed form is processed, you will be notified by mail if any additional information is required.

Your refund of employee contributions will be mailed to the address indicated on Form 2-1. However, if your address changes after LASERS receives the form, you should contact us immediately, in writing. You should also submit a Change of Address form (Form 1-2) to LASERS. Your copy of Federal Form 1099R will be mailed to you at the end of the year to your address on file with LASERS.

Contact the LASERS Membership Refund section for additional refund information at (225) 922-0600 in the Baton Rouge area, or toll free at (800) 256-3000.

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