



Employer Provisions

Administrative Rule 601: Vesting and Survivor Election

Benefits Plan References

Article IV Defined Benefit Pension Plan

Original Date

01/2017

Revision Date

01/2024

Forfeiture of non-vested pension credits

A member who terminates Defined Benefit Pension Plan participation before satisfying the vesting requirements permanently forfeits all non-vested pension credits unless he or she continues in Eligible Service or resumes within one year. If they resume Eligible Service after one year, the forfeited pension credits will not be restored, but their years of eligible service, both in and out of the Benefits Plan, will count toward the three-year vesting requirement.

For vesting purposes, Eligible Service requires a member to work a minimum of 20 hours per week.

Lump-sum distributions

Lump-sum distributions are one-time payments that represent the single-sum present value of accrued pension credit payable to terminated vested members. Any lump-sum distribution requires consent; members will have 60 days from the date of the letter to respond to the Board.

2007 preretirement survivor election

For active and terminated vested members who had Option II and Option IV in effect December 31, 2006, these options may provide larger survivor benefits than the preretirement survivor benefit provided to all members effective January 1, 2007. These members will be allowed to choose one of the following:

- Waive the option as of January 1, 2007, and accept the survivor benefit that is provided to all plan members. At retirement or death, there will be no reduction in pension benefits for the period during which the option was actually in place.

- Retain the option with a reduced pension benefit at retirement. The option would be retained under the terms and conditions of the plan in effect December 31, 2006.