{stdlongdate} Member ID: {stdMbrPERSLinkID}

{stdMbrFullName}

{stdMbrAdrCorStreet1}

{x stdMbrAdrCorStreet2}

{stdMbrAdrCorCity} {stdMbrAdrCorState} {stdMbrAdrCorZip}

**RE: Minimum Distribution DEADLINE**

Dear {stdMbrSalutation}:

According to the Internal Revenue Service (IRS) Code Chapter 104(a)(9), participants in retirement plans who have attained age 70 ½ (if you were born before July 1, 1949), age 72 (if you were born after June 30, 1949), or age 73 (if you were born on or after January 1, 1951) are subject to “minimum distribution” requirements. Since you have terminated employment and are not a vested employee, you must receive a refund or rollover distribution from NDPERS to avoid potential penalties from the IRS.

**Option 1: Refund Account Balance**

You may take a lump sum distribution of your retirement account. The amount in the account as of this date is {MemberAccountBalance }, of which {MemberAccountBalanceTaxableAmount } is taxable and {MemberAccountBalanceNonTaxableAmount } is non‑taxable. Any non-taxable income reflects after-tax employee contributions.

Because NDPERS is a qualified retirement plan, there are tax consequences imposed by the IRS if the lump sum is paid directly to you. Under the law, NDPERS is required to withhold 20% of the taxable amount for federal income tax. Therefore, NDPERS would withhold approximately {TaxableMemberAccountBalance20Percentage} for federal income tax. Please refer to the "Special Tax Notice Regarding Plan Payments" enclosed regarding the tax consequences for lump sum distributions.

**Option 2: Rollover Account Balance**

You may elect to have either the total or part of your retirement account rolled over into another qualified plan without tax liabilities. Federal law allows an individual to rollover both the taxable and non-taxable income into a Traditional/Roth IRA or eligible employer plan that will accept the income.

If you are rolling over any non-taxable income, a letter of acceptance is required from your financial institution indicating they will accept the funds and are able to provide the required separate accounting and record-keeping for the funds. Please check with your financial institution to make sure they can accept the funds and to request the letter of acceptance.

Any portion of the account not rolled over will be sent directly to you and subject to taxes as outlined in Option 1. Again, please refer to the "Special Tax Notice Regarding Plan Payments" regarding the rollover option.

You can obtain an Application for Refund or Direct Rollover SFN 53879 in the Refund/Rollover Forms packet on our website at <https://www.ndpers.nd.gov/sites/www/files/documents/forms/active-defined-benefit/refund-rollover-forms.pdf>. **Please return the form to NDPERS by** **{qu DueDateForRefundRolloverKitToNDPERS}.**

**If we receive your application by the deadline, your benefit will be paid** **{qu NextPossiblePaymentDate}.**

If NDPERS does not receive a benefit application from you, we will disburse your member account balance directly to you effective on April 1st of the calendar year following the calendar year in which you attain age 70½ (if you were born before July 1, 1949), age 72 (if you were born after June 30, 1949), or age 73 (if you were born on or after January 1, 1951).

If you have any questions, please call NDPERS at {stdNDPERSPhoneNumber} or {stdNDPERSTollFreePhoneNumber}.

Sincerely,

NDPERS Benefits Division

{tmp PER-0106}