



## **Employer Provisions**

### **Administrative Rule 601: Vesting and Survivor Election**

#### **Benefits Plan References**

Article IV Defined Benefits Pension Plan

#### **Original Date**

01/2017

#### **Revision Date**

01/2022

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### **Forfeiture of non-vested pension credits**

A member who terminates Benefits Plan participation before satisfying the vesting requirements permanently forfeits all non-vested pension credits unless he or she resumes plan membership within one year. If they resume plan membership 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.

### **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.