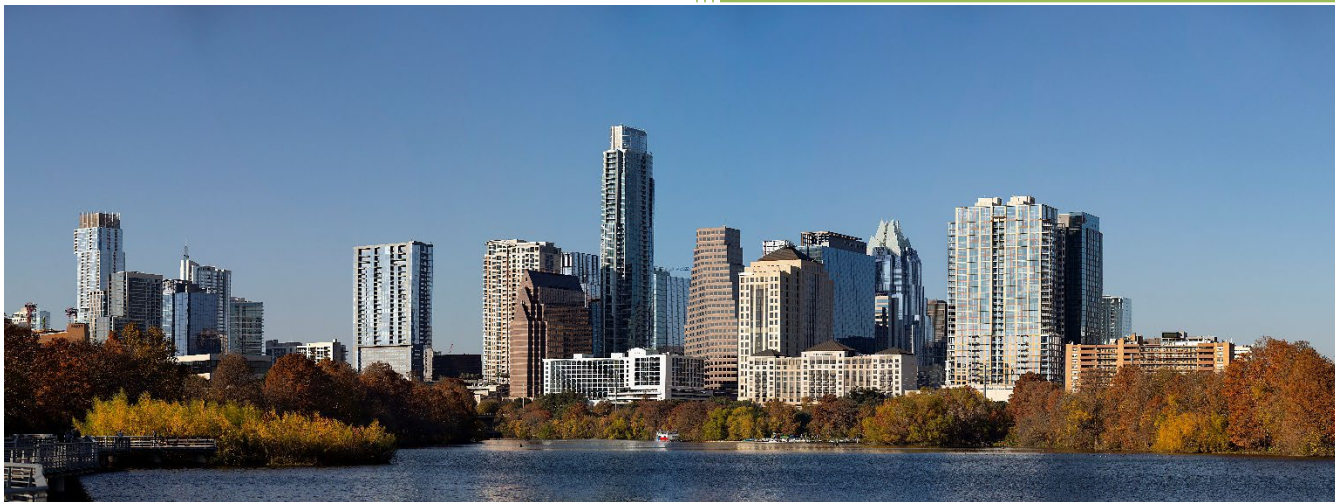


APRS Member Benefit Guide



A guide to the
Austin Police Retirement System as of
September 2023

Contents

Introduction	2
How to Contact APRS.....	2
Mission Statement	2
Membership.....	4
Contributions	4
Creditable Service	5
Proportionate Retirement Program.....	6
Vesting	8
Beneficiary	8
Retiring.....	9
Retirement Benefit Life Annuity Calculation	10
Retirement Benefit Options.....	11
Retroactive Deferred Retirement Option (Retro DROP).....	13
Forward Deferred Retirement Option (Forward DROP)	13
Applying for Retirement or Enrollment in DROP	15
Post Retirement Option Plan (PROP).....	16
Post Retirement Option Plan (PROP) Monthly Annuity Deferral Program.....	16
Retiree Health Insurance	17
HELPS Provision for Retired Public Safety Officers	17
Post Retirement Information Changes	18
Divorce	19
Disability Retirement Benefits	20
Death and Survivor Benefits	22
Termination of Employment / Refunds	23


Introduction

The Austin Police Retirement System (APRS) is pleased to offer this guide to APRS pension benefits. This guide has been prepared to help members better understand how the pension plan works in summary. APRS is governed by its pension statute, Article 6243n-1, Vernon's Texas Civil Statutes.

While this guide sets forth most of the facts about the plan, it does not attempt to describe all provisions or limitations as they apply in individual situations. In case of any conflict between the guide and the statute, the statute will prevail. Please feel free to visit, phone, or e-mail us when we may be of assistance.

The System is established as a tax-qualified "defined benefit" plan under Section 401(a) of the Internal Revenue Code in order to provide retirement, death and disability benefits to its members. Group and individual counseling are provided to members by this office. Prior to retirement, the Benefit Services team will prepare a benefits calculation under each of the options and assist in preparations to retire.

How to Contact APRS

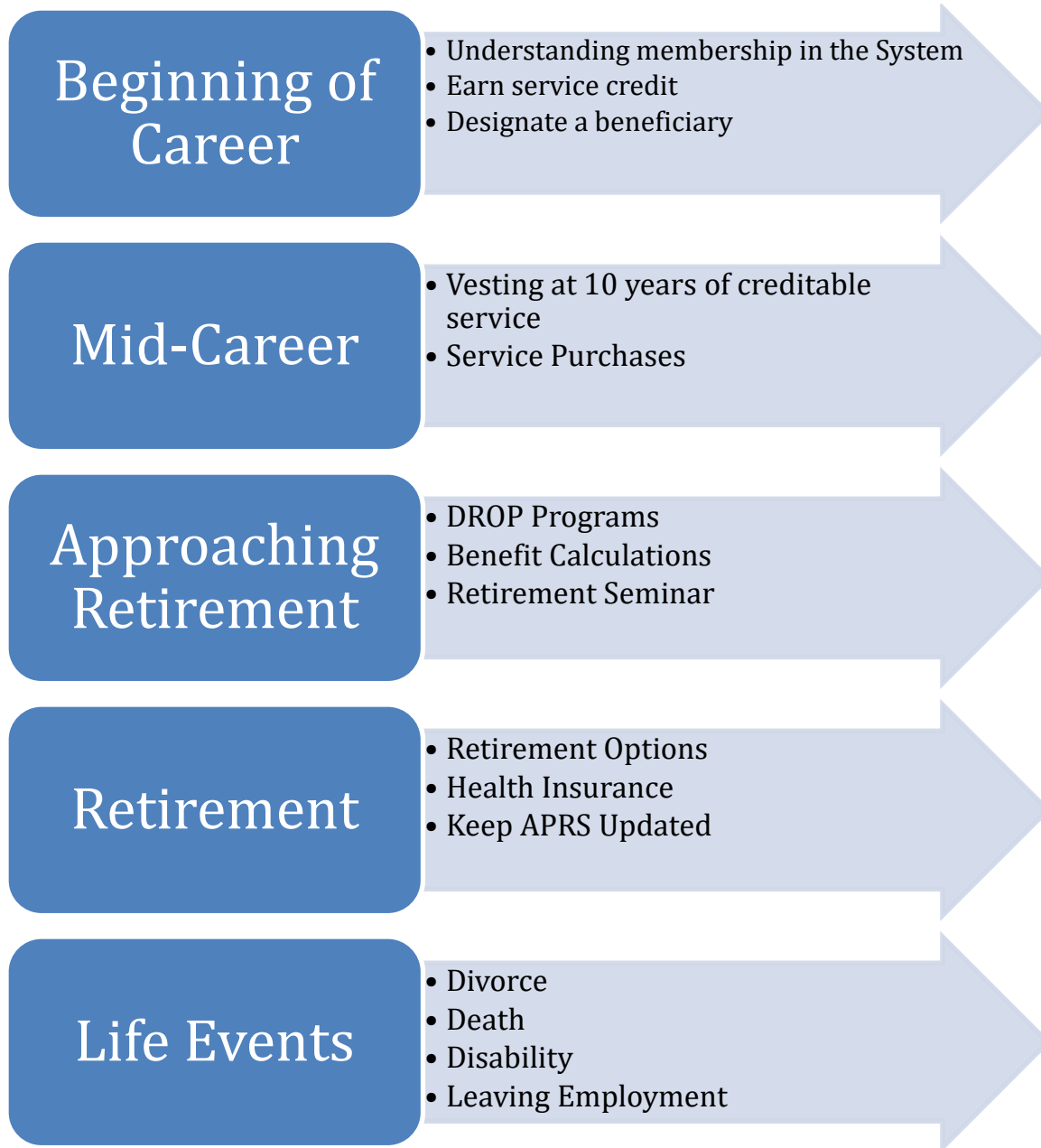


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Mailing Address	•P.O. Box 40609, Austin, TX 78704
Phone	•(512) 416-7672
Fax	•(512) 416-7138
Website	• www.ausprs.org

Mission Statement

To serve the APRS membership and protect the retirement benefits for the past, present and future members of the System.

APRS Milestones



Membership and Creditable Service

Membership

All cadets upon enrollment in the Austin Police Academy, and commissioned law enforcement officers employed by the City of Austin Police Department, as well as full time employees of APRS (after serving a 6-month probationary period); become members of APRS at the date of employment.

Contributions

Each member of the system contributes 15% of base pay bi-weekly and annual longevity pay through payroll deduction. Overtime or special pay is not included. Contributions continue unless a member is on leave of absence or withdraws by terminating and/or retiring.

The City of Austin contributes a percentage determined annually by the System's actuary of every member's base pay bi-weekly and longevity pay annually.

- Once it becomes a part of the retirement fund, the City's contribution is invested for the benefit of all active employees and made available to pay benefits at retirement.
- Member deposits are deducted from pay before taxes, so they are not taxed until they are received as an APRS benefit payment.
- By law, members cannot borrow from their member account; nor can they use it as collateral for a loan. When a member leaves employment covered by APRS before becoming eligible for retirement, all member contributions and interest are returned, however contributions made by the city of Austin remain with the System as required by applicable laws.
- Members receive an 'Annual Statement' from APRS in January each year which provides information on total accumulated deposits and interest along with total creditable service. With the final paycheck, one final contribution will be made to the retirement fund. After that check is issued, the exact amount of refundable contributions can be determined.
- The Board of Trustees annually determines the amount of interest paid on vested members' accumulated deposits.
- If the Board of Trustees approves the payment of interest, it is paid on December 31st, based on the amount each member has in their APRS account on January 1st of the same calendar year.

Creditable Service

Creditable service is service that is used in computing retirement benefits. There are seven types of creditable service:

Membership Service

- Eligible service during employment period where a member makes payroll contributions to the fund.

Probationary Service

- Eligible service purchased from commission date to retirement system start date in the event it has not been credited.

Military Service

- Eligible service purchased for up to two years for previous active federal duty military service, prior to employment. A member is not eligible to use this type of military service credit when it has been used as creditable service in another federal or statutory public retirement system in Texas. Members employed after February 1, 2016 will be eligible to purchase benefits by paying the full actuarial cost at the time of retirement.

Uniformed Leave of Absence Service

- Eligible service for military leave of absence granted from City employment and purchased within five years of reemployment with the City.

Reinstated Forfeited Service

- Eligible service for prior APRS membership service that was forfeited by withdrawal of accumulated deposits, and repurchased after 24 consecutive months of membership service after police reemployment. An interest charge of 8% per year is made to the System to reinstate the forfeited service credit.

Cadet Service

- Eligible service purchased from the date of cadet class enrollment to commission date in the event it has not been credited. Since 1998 Cadets have been contributing to the System during their Cadet service so this purchase is not necessary.

Permissive Service Credit

- Eligible service that can be purchased at the full actuarial cost by Group A members with at least 20 years of creditable service, excluding pre-membership military service, for up to 60 months with immediate retirement and by Group B members who have attained age 50 and have at least 22 years of creditable service. Surviving spouses of deceased members may purchase up to 60 months to attain the required years of service the member needed to attain eligibility. *Cannot be used in conjunction with the Deferred Retirement Option Plans (DROP).

Deferred Retirement Permissive Service Credit

- Eligible service of up to 36 months (60 months for surviving spouses of deceased active members) that can be purchased with a delayed monthly annuity, excluding pre-membership military service, at full actuarial present value cost. *Cannot be used in Deferred Retirement Option Plans (DROP). Group A members can purchase at 20 years of service.

Proportionate Retirement Program

Participating systems include:

Austin Police Retirement System (APRS)

City of Austin Employees' Retirement System (COAERS)

The El Paso City Employees' Pension Fund

El Paso Firemen and Policemen's Pension Fund

Employees Retirement System of Texas (ERS)

Judicial Retirement System of Texas I & II

Teacher Retirement System of Texas (TRS)

Texas Municipal Retirement System (TMRS)

Texas County and District Retirement System (TCDRS)

Other Texas retirement systems covering municipal employees who have qualified plans and have elected to participate in the Proportionate Retirement Program

Participating systems recognize service from other participating systems. A member with eligible service credit in more than one participating retirement system may be eligible to combine that service to satisfy the length of service requirements used to determine eligibility for service retirement. Please note that proportionate service counts for eligibility purposes only and does not add to additional service credit years for pension calculation purposes.

- Retirement benefits will be paid separately from each system, based only on the service performed in that system.
- Military service purchases may only be used once in determining the amount of the member's combined service credit.
- A member of a participating retirement system who forfeited membership service by withdrawing their deposits may re-establish credit for service earned in another participating proportionate retirement system.

Under Texas Government Code Chapter 803, TMRS and TCDRS are not required to recognize service with APRS. It is strongly encouraged that the member contact the system in which they previously had membership to determine eligibility requirements to re-establish service credit and/or continued membership. A member should determine their proportionate retirement eligibility before withdrawing member deposits in any of these systems. APRS will obtain additional formal verification from the other system(s) of eligible service prior to APRS retirement. Funds must remain on deposit at the participating proportionate system(s) (except TMRS and TCDRS) to use that time for APRS retirement eligibility.

To declare service in another proportionate retirement system:

- To obtain a proportionate service credit application, go online to www.ausprs.org/actives/active-forms/ and download the Active Member Proportionate Service Credit Application. Fill out the form and upload it to the Member Portal on the website or mail it to the System. If the service was with TCDRS, please also send a Statement of Retirement Service Credits from that system.

Vesting

When a member reaches ten (10) years of creditable service (excluding pre-membership military service) which may include approved Proportionate Service Credit if applicable, they become a vested member of the retirement system.

This means that the member has a right to receive a monthly annuity upon retirement eligibility. Even if the member leaves APRS-covered employment before reaching eligibility, if they are vested, they can decide to leave their contributions in the system and begin drawing an annuity when they meet the age and service requirements for retirement eligibility.

Beneficiary

A beneficiary is the person(s) the member chooses to receive death benefits from the System account if the member dies. This is not to be confused with the survivor for pension benefits, which is chosen at the time of retirement. Although members choose a beneficiary when they are hired, reviewing and updating the beneficiary designation is extremely important to do if any changes occur. The City of Austin beneficiary designation form does not designate beneficiaries for APRS retirement benefits and cannot be used by APRS to pay out death benefits.

Members can designate a minor as a beneficiary; however, APRS does not pay benefits to minors, therefore a legal guardian of the minor must be the recipient. To avoid the complexities of obtaining a court-appointed guardian to receive APRS benefits, Texas law allows members to appoint a custodian to receive APRS funds for any beneficiary who is under 21 years old.

Retirement

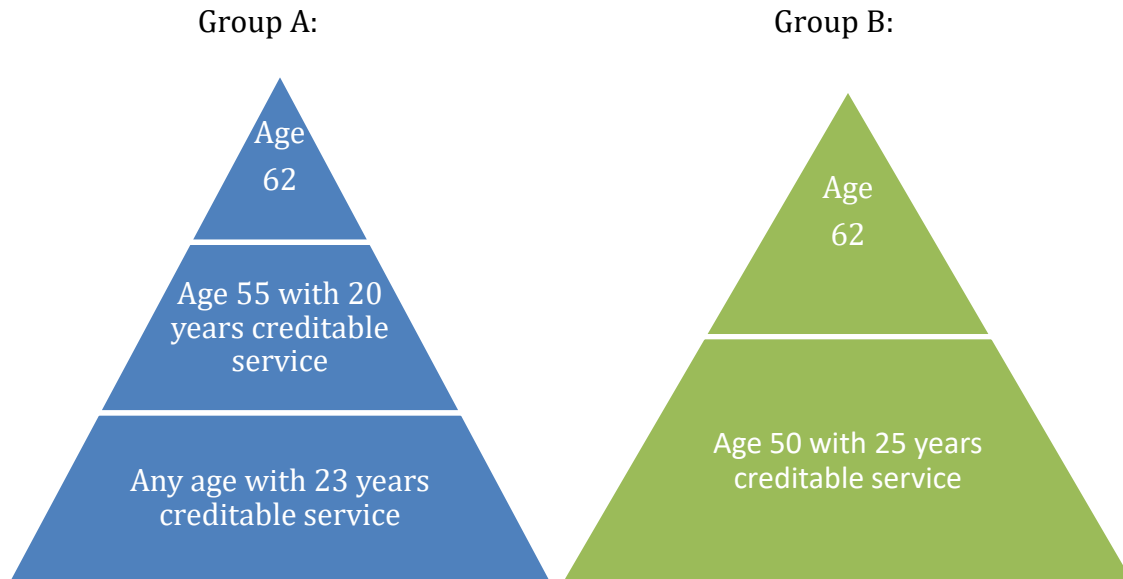
Group

Group A	Group B
Hired on or before 12/31/2021	Hired on or after 1/1/2022

Note: In the case of a member being rehired, dates can affect Group designation. Members should check with the System upon rehire to determine Group.

Retiring

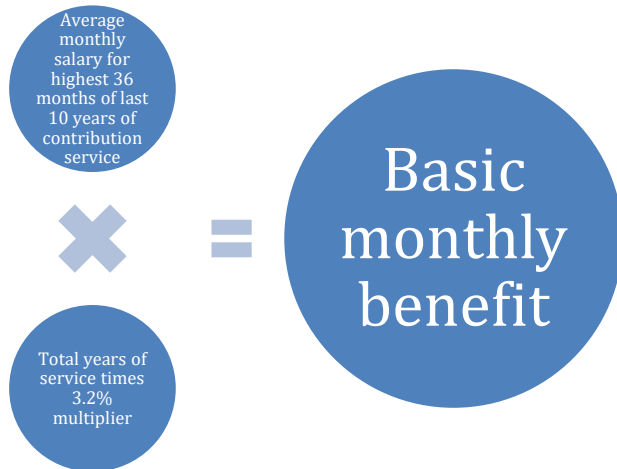
Members are eligible for normal, retirement when they meet one of the following age and service requirements, excluding pre-membership military service:



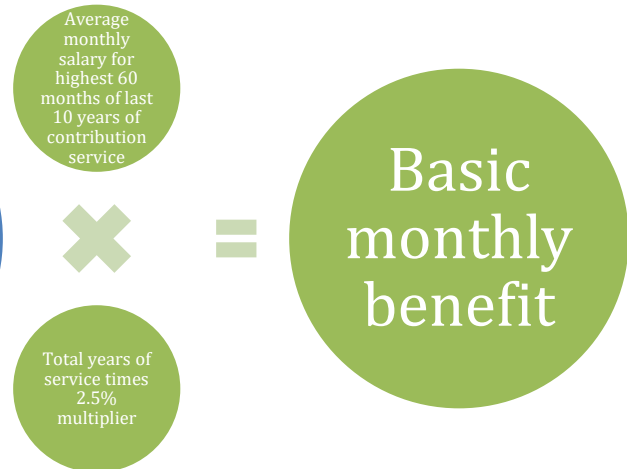
Retirement Benefit Life Annuity Calculation

The basic retirement benefit Life Annuity is calculated by using the following formula. The monthly annuity benefit payment begins the month following the member's retirement from the System. The formula is the multiplier times the years of creditable service times the average monthly salary for the highest number of months assigned within the group for the last ten (10) years of contributing service. Example:

Group A:



Group B:



Although the separation date from employment may be any day throughout the month, pension benefits are paid on the last day of every month beginning at the end of the month following the month of retirement.

Retirement Calculations

- To run a retirement calculation, go to the online calculator www.ausprs.org.
- Alternatively, to fill out a Benefit Calculation Request Form, go online to www.ausprs.org/actives/active-forms/ and download the Benefit Calculation Request Form. Once completed, you may mail or e-mail it to the System.

Retirement estimates from APRS will be gross figures. The net payment will deduct Federal Income Tax and health insurance premiums if the retiree elects to obtain insurance from the City of Austin.

Retirement Benefit Options

APRS provides several options under which monthly benefits may be paid. The options below require verifiable information to be submitted to the System for calculation. **Please note: A member may not change their chosen option or survivor after they have already retired.**

Life Annuity

- Retirement annuity payable monthly only to the member for life with no survivor benefits.

100% Joint and Survivor Annuity

- Retirement annuity payable monthly as long as the member lives. Upon the member's death, the designated survivor will receive the same annuity amount until the time of their death.

50% Joint and Survivor Annuity

- Retirement annuity payable monthly as long as the member lives. Upon the member's death, the designated survivor will receive one-half the annuity amount until the time of their death.

66-2/3% Joint and Survivor Annuity

- Retirement annuity payable monthly as long the member lives. Upon the member's death, the designated survivor will receive two-thirds the annuity amount until the time of their death.

Joint and 66-2/3% Last Survivor Annuity

- Retirement annuity payable monthly as long the member lives. At either the member's death or the death of their survivor, the last survivor of the two will receive two-thirds of the annuity amount until the time of their death.

Fifteen Year Certain and Life Annuity

- Retirement annuity payable monthly as long as the member lives. If their death occurs before they have received 180 payments, their designated survivor or estate will receive the remaining monthly payments. If the member is still living after receiving the 180 payments, payments will continue until their death.

The options that include benefits to a survivor are calculated according to the ages of both member and survivor included in the plan.

A member's benefit is permanently reduced if an option is chosen that provides survivor benefits. This reduction is applied to the member's basic benefit relative to the option the member chooses.

The reduction of member benefits is necessary to pay for the continued benefits the survivor is expected to receive.

If a member selects the Life Annuity, the monthly benefit stops at the death of the member. At that time, an amount equal to the excess, if any, of the member's accumulated deposits over the amount of payments made to the member will be paid in a lump sum to the member's designated beneficiaries or estate.

If the member chooses an option providing benefits to a survivor, then at the member's death the benefit specified in the option will be paid to the designated survivor for life. If the designee does not survive the member, monthly benefits cease upon the death of the member. The amount equal to the excess, if any, of the member's accumulated deposits over the amount of payments which have been made to both the member and the survivor combined will be paid in a lump sum to other designated beneficiaries, or to the estate of the deceased member.

Member's may pre-select a survivor option within one year prior to their retirement eligibility date by filing an Annuity Option Election Form with the System. The member may change that election until the date of retirement. In the event of the member's death before retirement but after becoming eligible for retirement, the survivor benefit will be calculated as if the member had retired and selected such option.

Retroactive Deferred Retirement Option (Retro DROP)

Effective April 1, 2015, the Retro DROP program will only apply to members with 23 years of credible service as of April 1, 2015.

The retroactive deferred retirement option plan, referred to as Retro DROP, is a one-time benefit paid at retirement to a member with a subsequent associated reduced monthly annuity. To be eligible a member must qualify with a normal service retirement of 23 years at any age, excluding pre-membership military or permissive service credit. The maximum amount of service to be used in computation of the Retro DROP after normal service retirement of 23 years is 36 months.

On the election of Retro DROP, and the selection of the Retro DROP benefit computation date, the member's monthly retirement option is computed as if the member had retired on the chosen Retro DROP benefit computation date. The Retro DROP benefit balance will include the accumulated monthly benefits after 23 years with retiree COLA'S, multiplier increases, member contributions and a 5% simple interest calculation on December 31st for balances on deposit as of January 1st of the same calendar year.

A member who elects Retro DROP receives a one-time benefit with a reduced monthly retirement benefit at retirement date. Permissive Service Credit purchase is not allowed in combination with this DROP program.

Certain selections of options and beneficiary designations other than a surviving spouse may have adverse consequences under the Internal Revenue Code of 1986, which may cause a reduction in the amount of benefit payable. Members are urged to consult their attorney or tax advisor prior to a final selection of an option.

Forward Deferred Retirement Option (Forward DROP)

The Forward DROP allows active members to freeze their retirement benefit calculation, but continue working and drawing a paycheck, while their retirement annuity is deferred into a DROP account on their behalf at the retirement system. To be eligible a Group A member must qualify with a normal service retirement of 23 years at any age and a Group B member who has attained the age of 50 years and has 25 years of creditable service as of the date of their election to participate in the Forward DROP.

Group A Membership with 23 years of creditable service as of February 17, 2016:

A member's election to participate in the Forward DROP is irrevocable. The maximum amount of service to be used in computation of the Forward DROP after normal service retirement of 23 years, excluding pre-membership service credit and permissive service credit, is sixty (60) months. The minimum participation period is 90 days. During the period

that a member participates in Forward DROP, retirement contributions shall be made to the member's Forward DROP account. The Forward DROP benefit balance will include the accumulated monthly benefits during Forward DROP participation, member contributions and a 5% simple interest calculation on December 31st for balances on deposit as of January 1st of the same calendar year. Effective July 31, 2015, the interest rate for new DROP member's interest will be the same as PROP.

Group A Membership with 23 years of creditable service after February 17, 2016:

A member's election to participate in the Forward DROP is irrevocable. The maximum amount of service to be used in computation of the Forward DROP after normal service retirement of 23 years, excluding pre-membership service credit and permissive service credit, is eighty-four (84) months. The minimum participation period is 90 days. During the period that a member participates in Forward DROP, employee contributions will be collected but not credited to the member's Forward DROP account. There will be no interest applied to the member's Forward DROP account. In addition, a fee is applied to the participant's monthly Forward DROP amount.

Graduated fee structure:



Certain selections of options and beneficiary designations other than a surviving spouse may have adverse consequences under the Internal Revenue Code of 1986, which may cause a reduction in the amount of benefit payable. Members are urged to consult their attorney or tax advisor prior to a final selection of an option.

Applying for Retirement or Enrollment in DROP






To apply for APRS retirement or to enroll in one of the DROP programs, the member will need to contact APRS no less than 15 days and no more than 90 days prior to retirement.

Remember that retiring from APRS and notifying the member's employer (i.e., APD) of intent to retire are separate processes. Please check with APD HR for their requirements.

The APRS effective retirement date will always be the last day of the month. The first pension payment will be made at the end of the month following the retirement month.

Retirement Checklist

The following forms will need to be provided to APRS at the retirement appointment. If a survivor option is chosen, APRS will need these documents for the survivor as well:

-  Texas drivers' license
-  Marriage Certificate
(if applicable)
-  Social Security Card
-  Bank Document or voided check
-  QDRO (if applicable)

Post Retirement Option Plan (PROP)

Instead of receiving a single lump-sum payment, a member may elect to receive partial payments from the member's RETRO or Forward DROP account by transferring the funds into a PROP account, in an amount elected by the member.

- The APRS Board of Trustees may establish procedures concerning partial payments, including limitations on timing and frequency of those payments. A member who elects partial payments may, at any time, elect to receive the member's entire remaining account balance in a single lump-sum payment, with the payment to be made under rules adopted by the board.
- Partial payments are limited to two (2) distributions per calendar year. If a third distribution is requested, the full PROP balance must be paid, and the account must be closed.
- The member's PROP account may be credited with interest calculated annually by the actuary and approved by the board in accordance with board policy.
- Retirees who are in the PROP and wish to take a distribution from the account should contact the System.
- The IRS requires a minimum distribution from the PROP once members reach the IRS RMD age.

Post Retirement Option Plan (PROP) Monthly Annuity Deferral Program

The PROP Monthly Annuity Deferral plan allows retired members to defer receipt of a minimum of \$250 of their monthly annuity in order to defer the taxation of the deferred payments and to have the monthly benefits accumulate for later disbursement and later taxation in a Post Retirement Option Plan account.

- Special rules provide for a one-time period of deferral that would cease at the earliest of: (1) the date payment on the monthly benefit is requested, or (2) when the member has attained the age at which the IRS requires minimum distributions to begin.
- Making an election to defer a member's monthly annuity into PROP or revoking that election could have adverse tax consequences in some situations, especially if the member terminated active service before the year in which they attained age 50. Therefore, the election should not be made until the member has discussed the matter with a professional financial planner or tax advisor who is knowledgeable about the tax treatment of distributions from tax-qualified retirement plans.
- Retirees wishing to enroll in this program or change their deferral amounts should contact the System.
- Participants are allowed to change their deferral amount twice per calendar year.

Retiree Information

Retiree Health Insurance

Basic medical and dental insurance coverage is available through the City of Austin.

Retirees have several choices of insurance carriers and coverage options. Any questions about carriers and plan coverage choices should be directed to the City of Austin Benefits Office at <http://www.austintexas.gov/retirees> or One Texas Center, 505 Barton Springs Rd., Suite 600, Austin, Texas 78704, or by phone at (512) 974-3284.

HELPS Provision for Retired Public Safety Officers

The federal Pension Protection Act of 2006 allows eligible retired public safety officers to exclude up to \$3,000 of their retiree health insurance premiums from their gross taxable income each year, as long as the premiums are deducted from their retirement benefit. The premiums can be for coverage of the retiree, their spouse, or dependents. The amount used to pay these premiums will remain taxable until the retiree makes the election to exclude these premiums on the personal income tax returns. Retirees can check their annual IRS Form 1099 for the amount they have paid for health insurance premiums. The IRS Form 1040 will contain special codes for the retiree to indicate that they are electing to exclude the health insurance premiums from their taxable income. Retirees should consult with their tax advisor or the IRS to determine if they can use this provision when they file their federal income tax returns.

Post Retirement Information Changes

Many retirees relocate or change their information after retirement. It is important to keep APRS updated with any changes.

Address Changes

- Go online to northerntrust.com/bppweb or call Northern Trust at (866)252-5395 to update your address. Retirees who defer their entire annuity into the PROP will need to contact the System directly to make the change as they will not have Northern Trust accounts.

Bank Account Changes

- Go online to northerntrust.com/bppweb or call Northern Trust at (866)252-5395 to update your bank account. Retirees who defer their entire annuity into the PROP will need to contact the System directly to make the change as they will not have Northern Trust accounts.

Tax Withholding Updates

- Go online northerntrust.com/bppweb or call Northern Trust at (866)252-5395 to update your tax withholding. Retirees who defer their entire annuity into the PROP will need to contact the System directly to make the change as they will not have Northern Trust accounts.

Legal Name Changes

- Go online to www.ausprs.org/retirees/retiree-forms/ and download the Legal Name Change Form. Once the form is completed, the form shall be uploaded electronically through the APRS member portal found at www.ausprs.org or mailed to the System. Be sure to include the necessary proof of this change that is listed on the form.

Beneficiary Updates

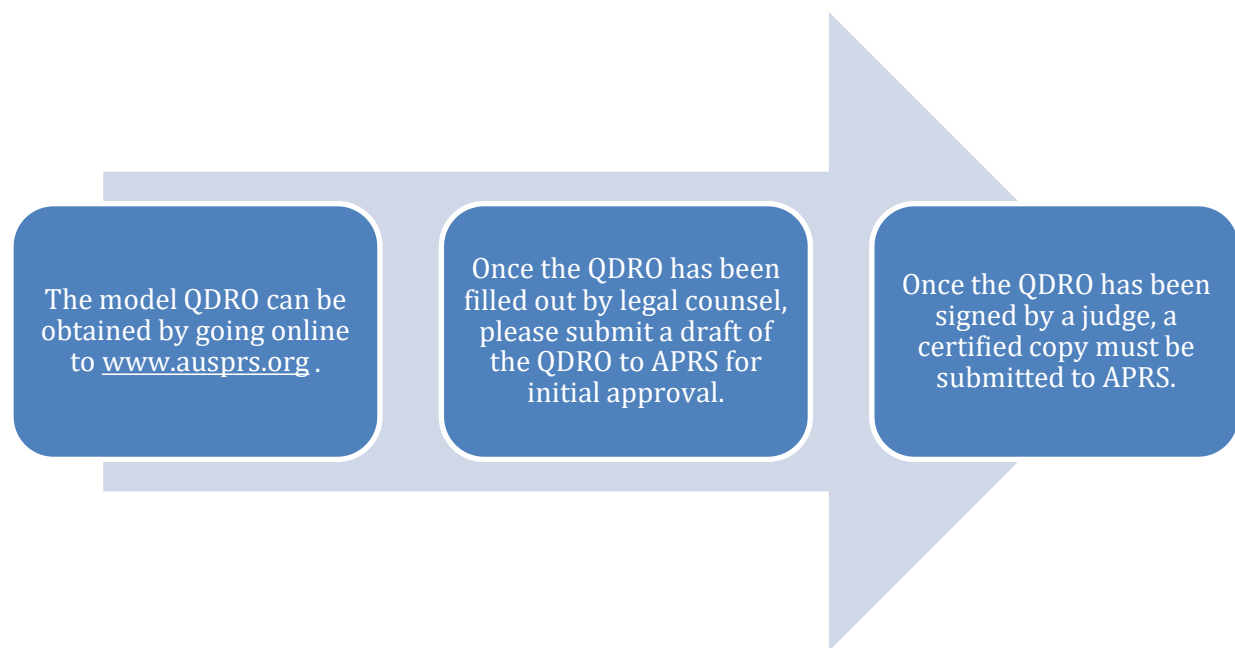
- Go online to www.ausprs.org/retirees/retiree-forms/ and download the Beneficiary Designation Form for Death Benefits. Once the form is completed, the form shall be uploaded electronically through the member portal found at www.ausprs.org or mailed to the System.
- The Beneficiary Designation Form can also be updated electronically and submitted online. Go online to www.ausprs.org and complete the corresponding fields and hit submit.
- Forward DROP and PROP beneficiaries are designated on separate forms. Contact the System to update the beneficiary(ies) for these programs.

Life Events

Divorce

A Qualified Domestic Relations Order (“QDRO”) means an order which creates or recognizes the existence of an alternate payee’s right or assigns to an alternate payee the right to receive all or a portion of the benefits payable with respect to a member or retiree under APRS. It directs the System to disburse benefits to the alternate payee. Texas is a community property state, so any APRS benefits earned during a marriage may be divided by a court in a divorce proceeding. If, during a divorce proceeding, it is determined that the member will keep 100% of their retirement benefit, APRS does not need any paperwork from the member. However, if it is determined that the member and their spouse will be dividing the APRS benefit, a QDRO must be submitted. An “Alternate payee” means a spouse, former spouse, child, or other dependent of a member or retiree who is recognized by the domestic relations order as having a right to receive all or a portion of the benefits payable by a public retirement system. The System will establish an account for the alternate payee to receive payment(s) as ordered by the Court in the QDRO document. APRS can only abide by the Court-approved instructions in a QDRO and does not use a divorce decree for guidance.

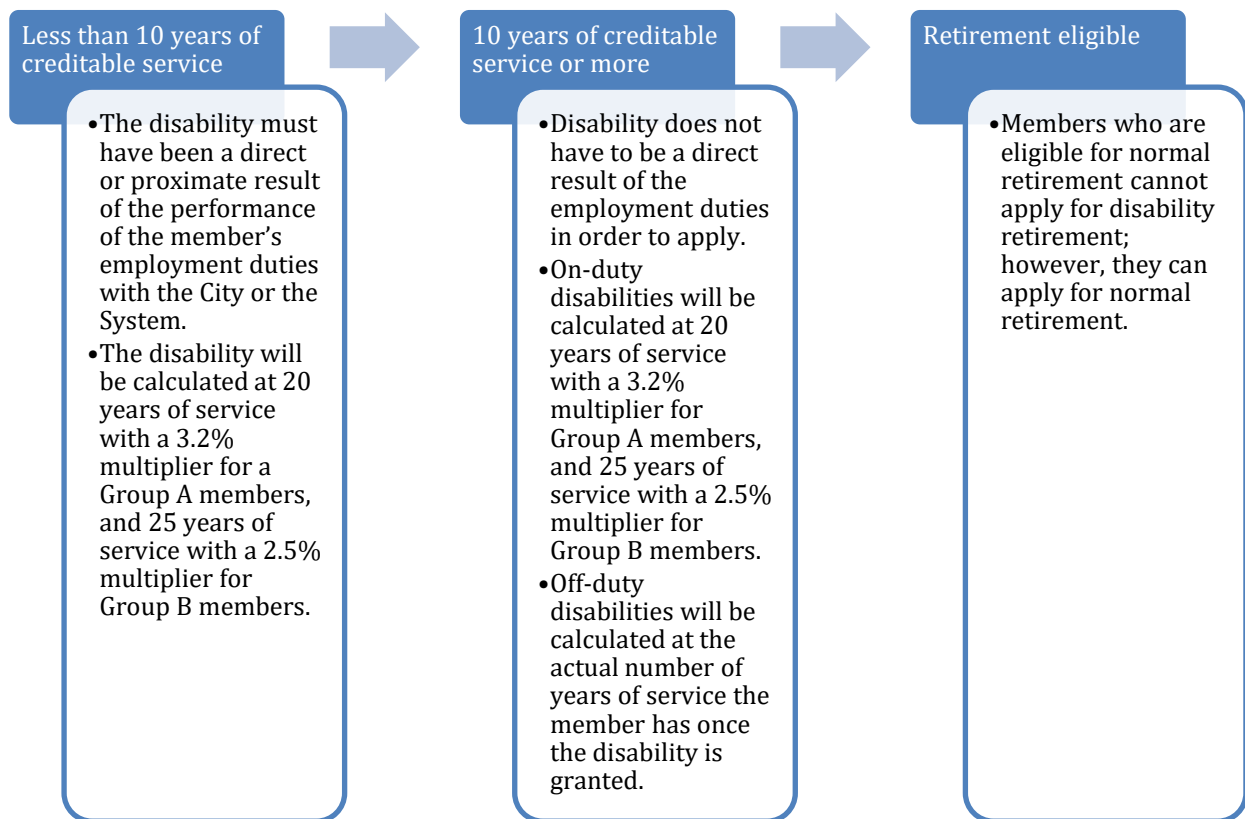
For APRS to pay benefits to the alternate payee, the QDRO must meet specific requirements. If it does not meet those requirements, it will not be honored, which could result in delays and additional legal costs. It is recommended that the APRS model QDRO is used, and that a draft be reviewed by the System before it is presented to the Court.



Disability

Disability Retirement Benefits

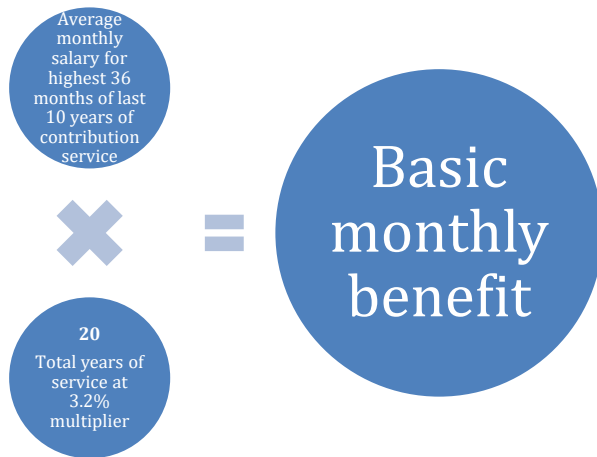
To be eligible for disability retirement, the applicant must be unable to perform employment duties due to becoming physically or mentally incapacitated. The disability must be considered a permanent job performance disability. The disability must also be subsequent to the member's effective date of membership AND,



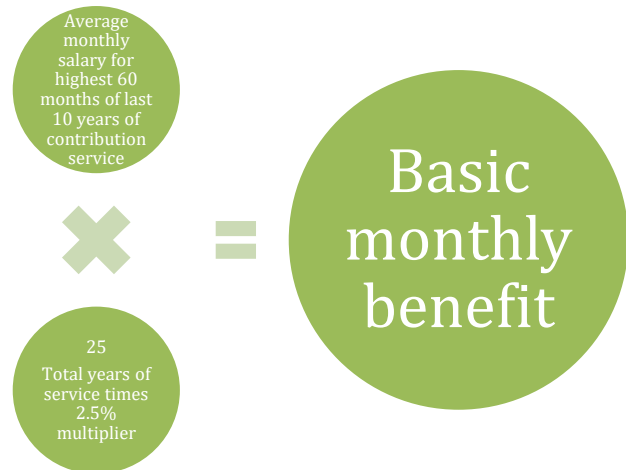
- Application made by or on behalf of a member must show that the incapacity is likely to result in the member's inability to perform the duties of a position offered in the police department, or any other department in the City, that pays as much or more than the current pay of the position the member was holding on the date of the member's disability.
- Disability applications are presented to the Disability Committee of the System's Board of Trustees, whose recommendations are reported to the Board. The Board has the final authority in granting disability retirement benefits.

On-duty disability retirement benefits are calculated using the following formula: multiplier times years of creditable service times average monthly salary according to Group of the last ten (10) years of contributions by payroll deduction. Example:

Group A:



Group B:



Disability retirees are required annually to provide proof of continued disability to the Board of Trustees.

Each member who is receiving disability retirement benefits from the System is subject to periodic reviews of the member's continued eligibility for disability retirement benefits, including annual reviews and a two and one-half (2 ½) year review, in accordance with Section 7.03 of the Act until the member reaches the age of 62 years or otherwise becomes eligible for a service retirement benefit under the Act. After the disabled member has received disability benefits from the system for at least two and one-half (2 ½) years, the board shall review the disability benefit to determine if the member is reasonably suited by education, training, or experience to perform the duties of any occupation.

Death and Survivor Benefits

Death and Survivor Benefits

Active or vested member death

- Designated beneficiary(ies) are entitled to a lump sum payment of twice the members accumulated contributions.
- Minimum \$10,000.

Active or vested member eligible to retire

- The designated survivor will be entitled to receive monthly payments under a retirement option in lieu of a lump sum death benefit.
- In the event a member who is eligible for service retirement dies without making a written option selection, and the member leaves a surviving spouse, the surviving spouse may select a retirement option in the same manner as the member would have made or may select a lump sum payment equal to twice the members accumulated deposits. Surviving spouses may purchase up to 60 months of permissive service credit in order to attain eligibility.
- If there is no surviving spouse, the deceased member's designated beneficiary may elect to receive payment under Option V, a Fifteen Year Certain and Life Annuity, which will pay monthly benefits for a period of fifteen years, or a lump sum payment equal to twice the member's accumulated deposits. The beneficiary designation must be to a sole beneficiary in order for the desingated beneficiary to be able to choose Option V as APRS cannot split a survivor benefit.
- When monthly benefits are payable in lieu of a lump sum, a \$10,000 taxable death benefit will be paid to the beneficiary(ies).

Death of a retiree

- A tax-free death benefit of \$10,000 (or a proportionate amount if the member retired under the Proportionate Retirement Program) is paid to the designated beneficiary(ies) or estate.
- If the member has a PROP or DROP account at the time of their death, those funds are paid to the designated beneficiary(ies) for those programs.
- If a survivor option was chosen, the elected survivor begins to receive the elected portion of the annuity. If the Life Annuity was chosen, the monthly benefits cease.

Leaving the System

Termination of Employment / Refunds

When a member leaves APRS-covered employment, they will be required to fill out a Designation of Retirement Deposits form electing an option to receive retirement contributions and where to send them. The form can be obtained by going online to www.ausprs.org/actives/active-forms/ and download the Designation of Retirement Deposits Form. Once completed, the form shall be uploaded electronically through the member portal found at www.ausprs.org or mailed to the System

Non-vested members of the System must request a refund of their deposits by the seventh (7th) anniversary of their separation date unless they have declared their status as a Proportionate Retirement Program Member. Failure to request the refund will result in the permanent forfeiture of their deposits and creditable service with the System.

Refund choices are as follows:

Take a direct refund of the contributions

- A retirement contribution refund can be issued approximately two weeks after the final employment check is issued. It will be direct deposited to the account you provide with the form.
- Federal Income Tax will be withheld on all untaxed contributions and interest at 20% of the total taxable amount.

Rollover the contributions

- Member contributions can be transferred to another I.R.S. qualified retirement plan through a direct rollover by submitting a letter of transfer to the System.
- Federal Income Tax will not be withheld but the funds will be moved to the qualified retirement plan on the member's behalf.

Declare vested status

- A member can choose to take advantage of their vested right to an annuity when they reach retirement eligibility.
- If the member indicates that they want to vest their benefits, member contributions will remain in the retirement system until the member reaches retirement eligibility and requests receipt of the monthly annuity.

Declare proportionate retirement program status

- Member contributions may be left in the System if the member is eligible to do so under the rules of the proportionate retirement program.

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