**MSRS will be open in the event of a government shutdown.**

The Legislative Session ended May 23 without a budget agreement. If a budget agreement is not reached by June 30, 2011, parts of state government will shutdown. Since MSRS is not an Executive Branch agency and does not receive appropriations to pay its administrative expenses or monthly benefits, MSRS St Paul and greater Minnesota offices will remain open. The July 1 payments will be processed at the end of June, and we have made arrangements to pay the August 1 and all future payments in the event of a lengthy shutdown.

**In the event of a state government shutdown, will MSRS be closed?**

No, MSRS will continue to process payments and answer any questions that you may have regarding your retirement plan accounts.

**If I decide to retire just prior to or during a shutdown, will MSRS be able to process my retirement check?**

Yes, but you will have to terminate state service. In addition, you will need to complete a retirement application and provide a birth record for you and your survivor.

**Important:** If you return to state employment after cashing your first payment, you can no longer contribute to MSRS and will be subject to an earnings restriction (currently $14,160). If your earnings exceed the restriction, your monthly retirement benefit will stop and will be held in an account with MSRS until one year after your severance from employment or age 65, whichever is earlier.

**How long will it take to get my first retirement check?**

Generally, first retirement checks are processed within four to six weeks after retirement. The first payment amount is retroactive to your termination date.

As a result of the 2010 Early Retirement Incentive and the potential shutdown, we have received a larger number of retirement applications in June and July. Please expect the normal processing of the first check to be six to eight weeks.

**I am scheduled to retire later this year, but want to change my retirement date. How do I do that?**

Please call MSRS at 651-296-2761 or 1-800-657-5757 and we will change your retirement date. Please keep in mind that your HR department must be notified of the change to complete necessary transactions for retirement. MSRS will need a confirmed retirement date from the HR department prior to completing the first benefit payment.

Please note: Changing your retirement date may have an impact on your monthly retirement benefit amount.
If there is a state government shutdown, will I be eligible to apply for a refund of my MSRS contributions?

If you are unable to work because of a shutdown, it is considered a layoff and you are eligible to apply for a refund. The earliest refunds checks will be issued is August 15, 2011. If you apply for a refund, but return to work prior to your refund being processed, your refund application will be canceled.

Loans and partial refunds are not an option with your MSRS retirement plan. If you have more than one MSRS plan, you may choose to take a refund from just one of the plans.

**Important:** If you elect to apply for a refund, you will receive only your employee contributions plus interest. You will forfeit the employer contributions and all service credit for that period, unless you repay the refund plus 8.5% interest after returning to state service for at least six months.

In addition, the refund is taxable and you may be subject to a 10% penalty from the IRS if you are taking a refund under age 59 ½.

Will a shutdown impact my future retirement benefit?

Maybe. Your future MSRS retirement benefit is calculated with a formula that uses your high-five salary, your length of service and your age at retirement. The financial impact on your future retirement benefit is dependent on the length of the shutdown, your salary, and your years of service.

If you are currently in your high-five salary period, your benefit will be impacted because you will not receive salary during the shutdown period. MSRS' high-five salary is based on the highest sixty, consecutive month period (five years). If the shutdown falls during this period, it could reduce the amount of your monthly benefit.

If you are a full time employee, you will receive service credit for the month of July. Employees receive full service credit for every month that they are paid 40 hours or more in at least one pay period ending during that month. In the event of shutdown on July 1, 2011, during the pay period ending July 5th full time employees will have 56 hours if they work June 22nd through June 30th; resulting in full service credit for July.

Can I access my Minnesota Deferred Compensation Plan (MNDCP) account?

**You may be eligible for an unforeseen emergency withdrawal from your MNDCP.** In the event of a shutdown, MSRS will begin accepting hardship withdrawal applications in July, however they will not be processed until July 15th. A check will be prepared and mailed two to three business days following the processing date. IRS regulations for an emergency withdrawal require that a person applying provide any supporting documentation showing that their
financial situation is severe, unforeseeable and they do not have any other resources (may include applying for a loan) to meet the need.

In the event a shutdown you must provide your layoff notice as supporting documentation. **Important:** The IRS does not permit contributions to MNDCP for six months following an unforeseeable emergency withdrawal.

If the shutdown lasts beyond August 1, you may begin taking normal distributions from MNDCP. More information will be added to this page if a shutdown persists further into July.

MNDCP does not offer a loan provision.

How much can I receive for an unforeseen emergency withdrawal from MNDCP?

For State employees who apply, MSRS will authorize withdrawal up to:

21 days \( \times \) daily hours worked (8 hours, if full-time) or other (if part-time) \( \times \) hourly pay rate

Example: \( 21 \times 8 \times \$28.50 = \$4,788 \)

Laid off State employees who apply for unemployment benefits will be paid 65% of their approval amount

Example: \( \$4,788 \times 65\% = \$3,112 \)

Should I stop my MNDCP salary contributions?

Maybe. Please keep in mind that if you are paid salary for a partial pay period, your full salary deferral contribution will be deducted and deposited in your MNDCP account. You may wish to consider changing your salary deferral contribution amount if there is a state government shutdown.

I have a balance in my Health Care Savings Plan (HCSP) account with MSRS; can I access those funds for reimbursement?

Yes, employees who are laid off and have existing funds in their HCSP account may request reimbursement for expenses incurred during the period of shutdown/layoff. Expenses incurred prior to shutdown/layoff are not reimbursable.

Please note: You cannot be reimbursed for the same expense from your pre-tax medical dental account or Benny card and HCSP.
I usually receive a statement from MSRS in the summer; when should I expect to receive my statements?

MNDCP, HCSP, Unclassified Plan and Hennepin County Supplemental Retirement Plan participants will receive their quarterly statements in July.

MSRS General Plan, Correctional Plan, State Patrol Plan and Judges Plan members will receive their pension statements mid-August.

Deferred members who are not currently active in one of the MSRS pension plans will receive their statements in September.