1. What happens to contributions an employee has made to the retirement system if they are employed less than 5 years (non-vested) and are no longer employed by the City of Norfolk?
   The employee has 3 options to elect from regarding the refund of contributions: (1) They can receive the refund paid directly to them; (2) rollover the contributions into a qualified IRA account or (3) a combination of a refund and rollover.

2. How much time is given to the employee to make an election?
   An employee has 30 days from their last day of employment with the City of Norfolk to fill out the Request for Refund / Rollover of Contributions Form.

3. What happens if the employee doesn’t make an election regarding the refund of contributions within 30 days?
   If an election is not made within 30 days of receiving the refund election options, and the distribution exceeds $1,000.00, the refund will be processed as a direct rollover into an individual retirement plan designated by the Retirement System, otherwise the System will refund the contributions to the employee, minus withholding applicable taxes.

4. What are the tax implications if the retirement contributions are refunded directly to the employee?
   If the employee receives a lump sum payment, a mandatory 20% federal tax and 4% state tax (if they are a Virginia resident) will be withheld from the refund. In addition, if the lump sum payment is considered an Early Distribution (employee is under the age of 59 ½), the payment may be subject to an additional 10% tax penalty assessed by the IRS.

5. If a direct rollover to an IRA is elected, what retirement plans can the employee choose from?
   The employee can choose from an IRA, 401(a) (including 401(k)), 403(b), or a 457.

6. What are the tax implications if the retirement contributions are refunded as a rollover into an IRA account?
   If a direct rollover into an IRA or qualified plan is elected, no federal or state taxes will be withheld from the refund at the time of the rollover.

7. What do I need to do once I have elected a refund of contribution option?
   Once a decision has been made, the “Request for Refund / Rollover of Contributions” form must be completed and returned to the Norfolk Employees’ Retirement System, 810 Union Street, Suite 309 Norfolk, VA 23510 or emailed to retirement@norfolk.gov.

8. How long does it take to process my refund of contributions once I have submitted the request?
   You can anticipate your refund of contributions to be processed within approximately 60 days from the date of receipt of your request.

You may wish to consult a professional tax advisor before selecting a refund of contributions option. Please refer to the Retirement Office Website http://www.norfolk.gov/retirement for additional information and to access the required "Request for Refund / Rollover of Contributions form."