

411.23 Withdrawal of contributions — repayment — automatic refund.

1. Commencing July 1, 1990, if an active member, in service on or after that date, terminates service, other than by death or disability, the member may elect to withdraw the member's contributions under [section 411.8, subsection 1](#), paragraphs "f" and "h", together with interest thereon at a rate determined by the board of trustees. If the member is married at the time of the application for withdrawal, the application is subject to the consent of the member's spouse unless the amount to be withdrawn does not exceed the amount that may be withdrawn without consent as established by section 401(a) of the federal Internal Revenue Code. If a member withdraws contributions as provided in [this section](#), the member shall be deemed to have waived all claims for other benefits from the system for the period of membership service for which the contributions are withdrawn.

2. A layoff for an indefinite period of time shall be deemed to be a termination of service for the purposes of [this section](#). A member who withdraws the member's contributions as provided in [this section](#) following a layoff for an indefinite period of time and who is subsequently recalled to service may repay the contributions. The contributions repaid by the member for such service shall be equal to the amount of contributions withdrawn, plus interest computed based upon the investment interest rate assumption established by the board of trustees as of the time the contributions are repaid. However, the member must make the contributions within two years of the date of the member's return to service. The period of membership service for which contributions are repaid shall be treated as though the contributions were never withdrawn.

3. *a.* Commencing July 1, 2006, a member's contributions shall be refunded to the member by the system if the following conditions are met:

(1) The member was a member of the system for less than four years.

(2) The member terminated service four or more years prior to the date of the refund.

(3) The amount to be refunded does not exceed five thousand dollars, or such other amount as may be established under section 401(a) of the Internal Revenue Code.

b. In the event a refund is made in accordance with [this subsection](#) without the member's consent, the system shall pay the distribution in a direct rollover to an individual retirement plan designated by the system unless the member elects to have such distribution paid directly to an eligible retirement plan specified by the member in a direct rollover in accordance with [section 411.6B](#) or elects to receive the distribution directly. The system may, by rule, implement a de minimus exception to the automatic rollover provision of [this subsection](#), subject to the limitations of the Internal Revenue Code and any applicable internal revenue service regulations.

[90 Acts, ch 1240, §84; 93 Acts, ch 44, §19; 2006 Acts, ch 1092, §18; 2013 Acts, ch 20, §10](#)

Referred to in [§97A.17, 411.6, 411.6C, 411.38](#)