

**To: Custodian/Trustee**

Name \_\_\_\_\_ Date: \_\_\_\_\_  
 Address \_\_\_\_\_ Phone \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**From: Accountholder**

Name \_\_\_\_\_ Phone: Home \_\_\_\_\_  
 Home Address \_\_\_\_\_ Phone: Work \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ SSN \_\_\_\_\_  
 County \_\_\_\_\_ Date of Birth \_\_\_\_\_ Plan No. \_\_\_\_\_

**Re: Irrevocable election to make an IRA rollover contribution in the amount of \$ \_\_\_\_\_.**

**Furnish the name of the IRA Custodian and/or plan which distributed the funds and the financial entity servicing such IRA or plan:** \_\_\_\_\_

**The money, or assets, comprising this rollover is a: (check and complete one)**

- Distribution from an IRA for Rollover to an IRA.** I hereby certify that the cash or other property I contributed to the IRA referenced above qualifies as a rollover contribution pursuant to Internal Revenue Code section 408(d)(3) and the applicable regulations. I certify that I am making this rollover within 60 days after the day the funds were received, unless the special rule applies which authorizes a 120-day rollover period when the acquisition or construction of the first-time home has been delayed or cancelled. By checking here  I certify that I withdrew such funds for a first-time home purchase, that the acquisition or construction was delayed or cancelled, and that I qualify to use this special 120-day rule.  
 I received the IRA distribution which I am now rolling over on \_\_\_\_\_. I certify that I have not had another rollover from this originating IRA (see the reverse side) in the previous 12 months.
- Distribution from SIMPLE-IRA Funds for Rollover to an IRA.** I hereby certify that the cash or other property I contributed to the IRA referenced above qualifies as a rollover contribution pursuant to Internal Revenue Code section 408(d)(3)(G) and the applicable regulations, if any. I certify that I am making this rollover within 60 days after the day the funds were received. I received this distribution on \_\_\_\_\_. I also certify that I have not had another rollover from the originating SIMPLE-IRA in the previous 12 months. I also certify that the distribution of SIMPLE-IRA funds is not subject to the 25% tax of Internal Revenue Code section 72(t)(6). That is, the distribution from the SIMPLE-IRA which I am rolling over occurred after the two-year period which commenced on the date I first participated in the related SIMPLE plan, or occurred when I am age 59½ or older, or one of the other exceptions as set forth in section 72(t) applies.
- Distribution from an Eligible Employer Plan for Rollover to an IRA.** I hereby certify that the cash or other property I contributed to the IRA referenced above qualifies as a rollover contribution pursuant to Internal Revenue Code sections 402(c), 403(a)(4), 403(b)(8) or 457(e)(16) and the applicable regulations. I certify that I am making this rollover within 60 days of the date I received the distribution. I received this distribution on \_\_\_\_\_. As the basis for my certification:
  - (a) I have attached a written notice from the plan administrator, or my tax or legal advisor, that certifies these funds are eligible for rollover to an IRA.
  - (b) I have **not** attached a written statement from the plan administrator, or from my tax advisor or legal advisor, stating that these funds are eligible for rollover to an IRA. I certify that I have been instructed that the information on the back of this form is for informational purposes only and may **not** be relied on by me to determine that this distribution is eligible for rollover.
- Distribution from an Eligible Employer Plan for Direct Rollover to an IRA.** I instructed my former employer/plan administrator to send you, as my IRA custodian/trustee, a direct rollover contribution. The plan administrator has either furnished you or me with a check made payable to you as the IRA custodian. You now have possession of this check and/or other similarly titled assets. The plan administrator:
  - (a) has; or
  - (b) has not sent you any additional administrative information certifying that the assets which were sent are eligible to be rolled over. I expressly assume all responsibility for the determination that the assets which are sent are eligible to be rolled over.

*I acknowledge that you have instructed me to consult with my legal or tax advisor because of the complexity and importance of this matter. I acknowledge I have read the reverse side. I expressly assume all responsibility for this rollover contribution. I also certify that I am not rolling over any part of a required minimum distribution (i.e. distributions required for the year you attain age 70½ and for each subsequent year). I understand that the tax consequences related to depositing funds in an IRA which do not qualify for rollover treatment are extremely harsh and I hold you harmless if I do. I understand my rollover election or instruction is irrevocable. I also expressly acknowledge that if I have rolled over any after-tax employee contributions into my IRA that I am solely responsible to account for such contributions now and in the future.*

Signature of Accountholder \_\_\_\_\_ Date \_\_\_\_\_

Signature of Acknowledgment of Custodian/Trustee \_\_\_\_\_ Date \_\_\_\_\_

# General Discussion of IRA Rollover Rules

## In general, funds may be rolled over to an IRA from five possible sources:

- Another IRA plan described in Code Section 408(a) or (b);
- A SIMPLE-IRA plan;
- A qualified plan described in Code Section 401(a) or 403(a);
- A tax-sheltered annuity plan described in Code Section 403(b); or
- A governmental deferred compensation described in Code Section 457.

**Why would I want to roll over funds from a plan into an IRA?** You will avoid paying current taxes which is the normal result when a distribution is received. That is, you avoid paying current taxes on the distribution amount plus the 10% excise tax which would apply if you were not yet age 59½ unless a special exception applied.

Note: These recontributed funds plus related earnings will continue to compound or grow tax-deferred until distribution commences.

**Whether a rollover is permissible depends upon meeting numerous and very technical requirements.** If these requirements are not completely satisfied, the rollover is impermissible and would constitute an excess contribution subject to the pertinent penalties (6% annual excise tax and inclusion in income when withdrawn unless a special statutory relief provision 408(d)(4) or 408(d)(5) applies).

The IRS requires an individual to irrevocably elect to make a rollover contribution. The election must be made in writing to the trustee or issuer at the time of the contribution. This form serves that purpose.

## Rollover from an IRA to another IRA.

If a person receives a distribution (i.e. the check is made payable to the IRA accountholder) of all or a part of his or her IRA, he or she can redeposit the funds into an IRA without being taxed on the receipt of the funds, if:

- The funds are rolled over (i.e. redeposited) within 60 days after the day the funds were received.
- The funds were not a required minimum distribution, and
- The person has not rolled over a previous distribution from the IRA within the last year. The one-year period commences on the date the person received the previous distribution and not on the date of the redeposit, and
- Special Explanation—If you have two IRA plan agreements, IRA-1 at institution #1 and IRA-2 at institution #2 and you roll over assets of IRA-1 into a new IRA-3, you may also roll over assets from IRA-2 into IRA-3 or any other IRA within one year after the distribution from IRA-1. These distributions are both eligible to be rolled over since you are allowed one rollover per separate IRA. However, you cannot, within the one-year period, again roll over the assets you rolled over into IRA-3 into any other IRA.

**When does the 60-day rollover period end?** The IRS has never formally stated that a person has until the following business day to make his or her rollover if the 60th day ended on a Saturday, Sunday or holiday. Therefore, the conservative approach is to complete the rollover on or before the 60 days without extension. You accept full responsibility if you make such a contribution. Beginning with distributions after December 31, 2001, the IRS may waive the 60-day requirement where it would be against equity or good conscience not to do so.

There is an exception to the 60-day rule. If your distribution deposit was put into an institution which has had its deposits “frozen,” then you may have longer than 60 days to complete the rollover. Refer to IRS Publication 590.

**Special Rule for SAR-SEPs.** If you make a transfer or a distribution from your SEP-IRA before the nondiscrimination test has been satisfied (ADP test), the distribution will be subject to regular income tax and the 10% excise tax for pre-age 59½ distribution, if applicable.

**Rollover to an IRA from a SIMPLE-IRA.** The general rules which apply for IRA-to-IRA rollovers also apply in this situation. In addition, a rollover from a SIMPLE-IRA to a regular IRA is only permissible if the distribution from the SIMPLE which you are rolling over occurred after the two-year period which commenced on the date you first participated in the related SIMPLE plan, or you are age 59½ or older, or one of the other exceptions as set forth in Internal Revenue Code section 72(t) applies.

## Rollover and Direct Rollover to an IRA from an Employer's Plan.

### A. General Discussion

An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

The distribution of any portion of your qualified plan, tax-sheltered annuity account balance or certain section 457(b) account balances will be eligible to be rolled over, except the following types of distributions do not qualify.

Once you reach age 70½, you must start taking distributions from your account each year. These are not eligible to be rolled over or transferred. Also, you are not eligible to roll over annuities paid over life or life expectancy (single or joint) or any distribution which is one of a series of substantially equal periodic payments (i.e. installments) for a period spanning ten years or more. Also, corrective distributions of excess deferrals and contributions, defaulted loans and hardship distributions may not be rolled over.

For distributions after December 31, 2001, you can rollover both the taxable and nontaxable part of a distribution from a qualified plan into a traditional IRA. If you

have both deductible and nondeductible contributions in your IRA, you will have to keep track of your basis so you will be able to determine the taxable amount once distributions from the IRA begin.

The plan administrator must generally withhold 20% of the amount of any distribution which is eligible to be rolled over to the extent it is taxable.

Also the rules provide that if the funds are directly rolled over to certain types of plans, there will be no 20% withholding.

### B. Definition of “Direct Rollover.”

Under the new rules, a “direct rollover” is a distribution from a pension plan that would be eligible to be rolled over, but is instead paid directly to another retirement plan. The transaction must be executed for the benefit of the person entitled to receive the distribution from the pension plan.

A direct rollover may be accomplished by any reasonable means of direct payment to an eligible retirement plan. If payment is made by check, the check must be negotiable only by the trustee of the eligible retirement plan. If payment is made by wire transfer, it must be directed only to the trustee. It is permissible that the plan furnish you with a check if you are instructed to deliver the check to the trustee and the check is made payable as indicated above solely to the trustee.

### C. Explanation by the plan administrator.

The plan administrator is required to determine and inform you what portion of a distribution is eligible to be rolled over and what portion is not eligible.

A plan administrator shall, within a reasonable period of time before making a distribution that qualifies to be rolled over, provide a written explanation to the recipient (you the participant, your beneficiary or an alternate payee) —

- of the provisions in the plan document under which the recipient may have the distribution directly transferred to another eligible plan.
- of the provision in the plan document which requires the withholding of tax on the distribution if it is paid to you, the recipient (not directly transferred).
- of the provisions of the federal tax law under which the distribution will not be subject to tax if rolled over to another eligible plan within 60 days after the date on which the recipient received the distribution.
- If applicable, an explanation of 10-year averaging, and capital gain tax treatment.

After being furnished this information you can decide whether to be paid these funds (and to have automatic withholding of 20%) or to directly roll over the payment to another eligible plan or to do a combination – some paid to you and some directly rolled over.

Special rule. If your distributions during the year are reasonably expected to total less than \$200, then the plan administrator need not offer you the right to directly roll over the funds.

### D. Additional rules applying to rollovers and direct rollovers.

- You must roll over the property you received unless you sell it. If you sell the property, you may roll over the proceeds of the sale. You CANNOT roll over any life insurance to an IRA.
- You must complete the rollover within 60 days of its distribution. If there are multiple distributions, in general, the 60 days start to run from the date of the last distribution.
- If you die, your surviving spouse may roll over all or part of a distribution, but the rules discussed above must be satisfied.
- Often in divorce, one spouse (i.e. the alternate payee) is given by court order the right to be paid the other spouse's pension benefits. Any amount paid to a spouse or former spouse pursuant to a qualified domestic relations order is eligible to be rolled over if the distribution would qualify under the above-described rules if the spouse or nonspouse was substituted for the employee.
- Amounts Not Rolled Over.** Generally, The amount you choose to keep and not roll over must be included in your gross income as ordinary income in the year in which you receive it. In addition, unless a special exception applies, you will be subject to the 10% excise tax if you have not attained age 59½.
- Missing the 60-Day Requirement.** If you roll over any funds after the 60-day period, this will constitute an improper rollover and will be treated as a regular contribution subject to the lesser of \$4,000/\$4,500 or 100% of compensation limitation. Any additional amount will be considered an excess contribution.

### E. Special understanding if funds were paid from a Section 457 Plan or a Section 403(b) Plan.

There are some special rules which apply to distributions from section 403(b) plans and section 457(b) which do not apply to distributions from qualified plans. Therefore, you and your employer or former employer are solely responsible if the amount you rollover or directly roll over is not eligible for such treatment. For example, you should be aware that an annuity contract qualifies as a section 403(b) annuity contract only if the contract is written so that distributions attributable to contributions made pursuant to a salary-reduction agreement can be paid only if the annuitant has attained age 59½, separated from service, died or became disabled, or, in the case of hardship, the distribution was received on or before December 31, 1998.