

ROLLOVER ELIGIBILITY REQUIREMENTS

When you sign this form, you will be making an irrevocable election, therefore it is extremely important that you read all applicable sections to ensure that funds are eligible for rollover.

ROLLOVER TO A TRADITIONAL OR SEP IRA

- Amounts from one Traditional or SEP IRA can be rolled over into another Traditional or SEP IRA.
- The rollover must be completed within 60 days from the day of receipt.
- Generally, you may make only one rollover during a 365-day period with respect to distributions from a single IRA. Direct transfers between IRA custodians are not subject to this limitation.
- The same property you receive in a distribution must be the same property you roll over into the IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be rolled over into the IRA. You cannot sell the stock from an IRA distribution and rollover the cash proceeds.
- If you are an IRA beneficiary, upon death of the participant, you may not roll over this IRA into your own IRA unless you are the spouse of the decedent, but the IRA may be eligible to remain in the name of the decedent with you, the beneficiary, taking lifetime payouts. Check with your tax advisor for more information.
- If you are age 70 1/2 or older, your Required Minimum Distribution (RMD) is not eligible for rollover.

ROLLOVER FROM A QUALIFIED RETIREMENT PLAN TO A TRADITIONAL, SEP OR INHERITED IRA

- If you have elected to receive a distribution from a qualified retirement plan, 457 Plan, or tax sheltered 403(b) plan in the form of a "direct rollover," the distribution will be transferred directly to an IRA from a qualified retirement plan, 457 Plan, or a tax sheltered 403(b) plan by the plan trustee.
- A Direct Rollover is a reportable distribution from a qualified retirement plan to an IRA or another QRP.
- You must be a participant in a qualified retirement plan or a tax sheltered 403(b) plan, the surviving beneficiary of a deceased participant in such plan, or an alternate payee under a qualified domestic relations order (QDRO) to be able to rollover a distribution.
- If you are a non-spouse beneficiary, the distribution is eligible for rollover into an Inherited IRA account only. The Inherited IRA will be titled in the name of the deceased plan participant with you named as the beneficiary. The assets cannot be rolled over into your own IRA.
- The distribution must be from a Qualified Retirement Plan, 457 Plan, or 403(b) plan to be eligible for rollover. Examples of the most common Qualified Retirement Plans are pension, profit sharing, 401(k), and stock bonus plan. CREF funds under teacher retirement plans may be eligible for rollover.
- Most distributions from qualified plans, 457 Plans, and 403(b) plans are eligible for rollover treatment; however, there are exceptions. They are: (1) substantially equal periodic payments over life or life expectancy, (2) installment payments over a period of ten years or more, (3) required minimum distributions, and (4) certain corrective payments and deemed distributions.
- A rollover contribution must consist only of the cash distributed, the specific property distributed, or the proceeds from the sale of the distributed property. The rollover contributions may not contain any death benefit exclusion amounts.
- A rollover contribution may contain both pre-tax and after-tax contributions.

ROLLOVER TO ROTH IRA

- You are not eligible to make a rollover to a Roth IRA if either (a) your modified adjusted gross income exceeds \$100,000 or (b) you are married and filing a separate federal income tax return.
- Amounts held in Traditional, SEP, SIMPLE or Roth IRAs are eligible for rollover into a Roth IRA. Amounts held in qualified retirement plans or tax sheltered 403(b) plans are NOT eligible for rollover into a Roth IRA. They must first be rolled over to a Traditional IRA, then they may be converted to a Roth IRA.
- If you are age 70½ or older you can make rollover contributions from Traditional, SEP or SIMPLE IRAs to Roth IRAs; however, you cannot rollover the required minimum distribution for that year.
- If you have started taking substantially equal periodic payments from an IRA, you can convert the amounts in the IRA to a Roth IRA and then continue the periodic payments. The 10% additional tax on early distributions will not apply as long as they are part of a series of substantially equal periodic payments. See your tax or legal professional for more information.
- You may make only one rollover contribution in the same 365-day period from a single Roth IRA. However, there is no limit on rollovers from Traditional, SEP or SIMPLE IRAs to Roth IRAs or on trustee-to-trustee Roth IRA transfers.
- A spousal beneficiary may rollover an inherited IRA to their own Roth IRA.

ROLLOVER TO SIMPLE IRA

- Only amounts withdrawn from other SIMPLE IRAs can be rolled into a SIMPLE IRA.
- Rollover contributions to a SIMPLE IRA may NOT be made from a qualified plan, 403(b) or 403(b)(7) plan.
- A rollover from a SIMPLE IRA to another type IRA cannot be made within the first 2 years. This 2-year period begins on the first day on which contributions were deposited into the participant's SIMPLE IRA. If, during the 2 year period funds are withdrawn from the SIMPLE IRA, a 25% tax will apply. After the 2-year period, a distribution from a SIMPLE IRA may be rolled over to any type IRA maintained by the individual. A tax-free rollover from one SIMPLE IRA into another SIMPLE IRA is not subject to the 25% penalty.
- The Rollover must be completed within 60 days from the day of receipt.
- You may have only one such rollover during a 365-day period. Direct transfers between IRA Custodians are not subject to this limitation.
- The same property you receive in a distribution must be the same property you roll over. For example, if you receive a distribution from a SIMPLE IRA of property, such as stocks, that same stock must be rolled over into the SIMPLE IRA. You cannot sell the stock from a SIMPLE distribution and rollover the cash proceeds.
- If you are the Beneficiary of the SIMPLE IRA, upon death of the participant, you may not roll over this SIMPLE IRA into your own IRA unless you are the spouse of the decedent, but the IRA may be eligible to remain in the name of the decedent with you, the beneficiary, taking lifetime payouts. Check with your tax advisor for more information.
- If you are age 70 1/2 or older, your Required Minimum Distribution (RMD) is not eligible for rollover.

EDUCATION SAVINGS ACCOUNT TO EDUCATION SAVINGS ACCOUNT ROLLOVER

- In 2001, after the passage of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), Education IRAs were re-named "Coverdell Education Savings Accounts" but are commonly referred to as "Education Savings Accounts".
- Only amounts withdrawn from other Education Savings Accounts/Education IRAs can be rolled into an Education Savings Account.
- Rollover contributions to an Education Savings Account may NOT be made from a qualified plan, 403(b) or 403(b)(7) plan, or from any other type of IRA that is not an Education Savings Account.
- The Rollover must be completed within 60 days from the day of distribution. (Not the date of receipt.)
- You may have only one such rollover during a 365-day period. In accordance with the FCC Education Savings Account Custody Agreement, direct transfers between IRA custodians are not permitted.
- The same property you receive in a distribution must be the same property you roll over. For example, if you receive a distribution from an Education Savings Account of property, such as stocks, that same stock must be rolled over. You cannot sell the stock from an Education Savings Account distribution and rollover the cash proceeds.
- Amounts may be withdrawn from an Education Savings Account and rolled over to another Education Savings Account for the benefit of the same designated beneficiary (child) or a member of the designated Beneficiary's family. This may be done only if the new designated beneficiary is under age 30 on the date of the rollover contribution.
- If the "Designated Beneficiary" of an Education Savings Account dies before reaching age 30, the remaining assets must generally be distributed within 30 days after the date of death. The assets can only be distributed to the estate of the designated beneficiary/child (if no beneficiary is named) or to the beneficiary named by the "Designated Beneficiary" on the FCC Education Savings Account Cash Agreement, Enrollment and Change of Beneficiary form. Only a surviving spouse or other family member under age 30 may inherit the Education Savings Account and transfer it into an Education Savings Account in their own name.

This information may answer some of your questions, but it is not intended as a comprehensive analysis of this complex topic. We periodically provide clients with information concerning retirement planning. No one should infer that because of this service, we assume any fiduciary duties. In addition, such service should not be relied upon as your only source of information. Competent tax and legal advice should always be obtained.