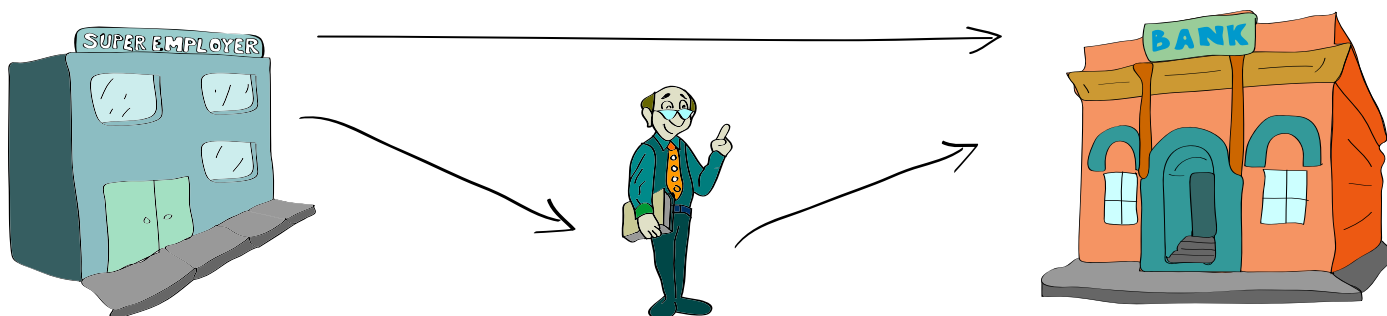


Capturing Employer Plan Rollovers

What is an Employer-Sponsored Plan to IRA Rollover?

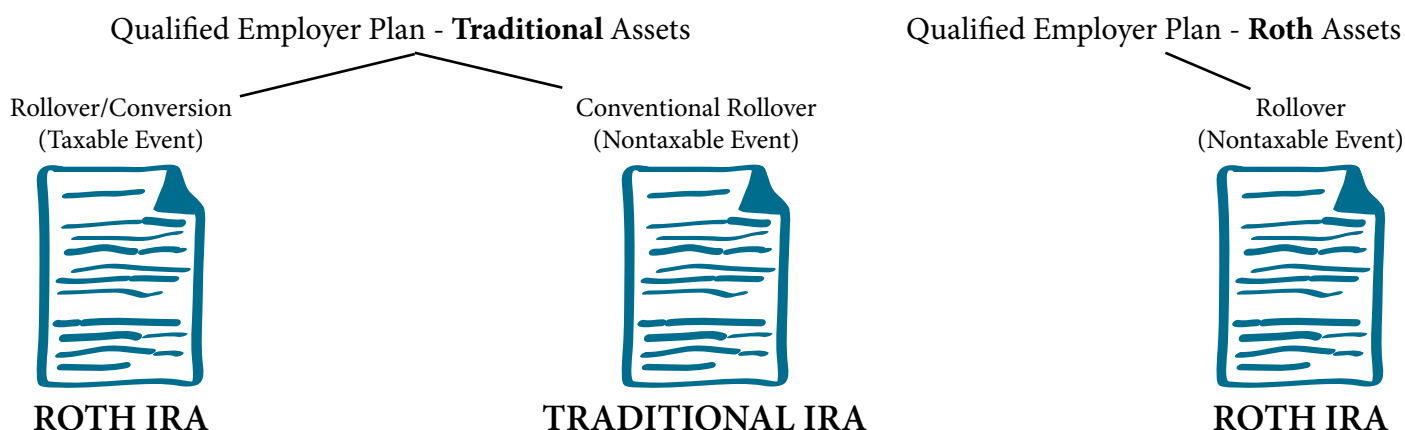
An employer-sponsored retirement plan to IRA rollover transaction is the movement of employer plan assets to an IRA.

Comparing Direct and Indirect Rollovers



Issue	Direct Rollover	Indirect Rollover
Withholding	Not applicable	Automatic 20 percent withholding required NO WAIVING WITHHOLDING
Titling of check or investment	Paid directly to an eligible retirement plan for the benefit of the distributee	Paid directly the distributee
Reporting	<ul style="list-style-type: none"> Employer reports distribution Receiving financial organization reports the contribution 	
Timing	Paid to the receiving plan as soon as administratively feasible	Deposit to the receiving plan within 60 days

What Can Roll Where?



Ineligible Rollover Distributions

- A distribution which is part of a series of substantially equal periodic payments made over the life or life expectancy of the participant, the joint lives or life expectancies of the participant and his or her beneficiary, or for a specified period of 10 years or more,
- Distributions which represent required minimum distributions (RMDs),
- Returns of excess contributions and excess deferrals under IRC Sec. 401(a) plans,
- Deemed distributions of P.S. 58 costs (costs of life insurance coverage),
- Certain loan amounts that are treated as taxable distributions (Treas. Reg. 1.402(c)-2,A-4), and
- Hardship distributions from a qualified plan.

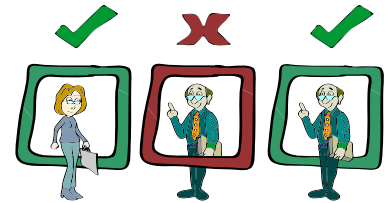


Who Can Roll

Spouse

Spouse's own IRA

- Spouse as Beneficiary of IRA established in name of deceased plan participant



Nonspouse

- Mandatory plan provision
- Must be handled as direct rollover
- Rollover must be to "Inherited" Traditional or Roth IRA

How to Accept a Rollover Contribution

Accepting a direct rollover contribution

1. Collect irrevocable election – IRA Rollover Certification Form
2. Establish receiving IRA (Traditional or Roth)
3. Systematically flag transaction as a rollover contribution
4. Report to the IRS on Form 5498
5. Retain rollover documents, IRA documents and copy of the check

Accepting an indirect rollover contribution

1. Validate rollover contribution – IRA Rollover Certification Form
2. Establish receiving IRA (Traditional or Roth)
3. Systematically flag transaction as a rollover contribution
4. Report to the IRS on Form 5498
5. Retain rollover documents, IRA documents and copy of the check

☐ CORRECTED (if checked)

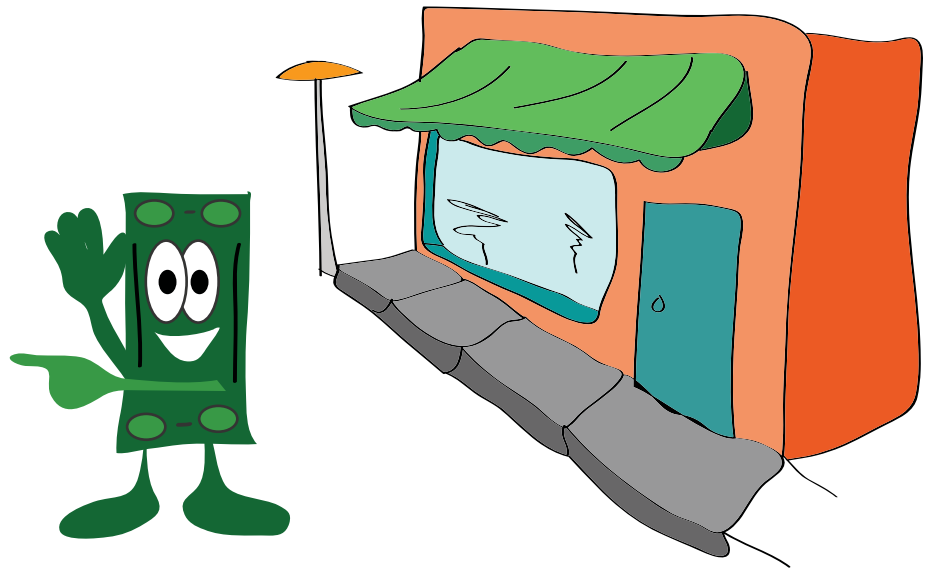
TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)	OMB No. 1545-0747		IRA Contribution Information	
		\$	2010			
		2 Rollover contributions	Form 5498			
		\$	3 Roth IRA conversion amount	4 Recharacterized contributions	Copy B For Participant	
		\$	\$	\$		
TRUSTEE'S or ISSUER'S federal identification no.	PARTICIPANT'S social security number	5 Fair market value of account	6 Life insurance cost included in box 1			
		\$	\$			
PARTICIPANT'S name Street address (including apt. no.) City, state, and ZIP code		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>	This information is being furnished to the Internal Revenue Service.			
		8 SEP contributions				9 SIMPLE contributions
		\$				\$
		10 Roth IRA contributions				11 If checked, required minimum distribution for 2011. <input type="checkbox"/>
		\$				
		12a RMD date				12b RMD amount
		\$				\$
		13a Postponed contribution	13b Year	13c Code		
		\$				
		14a Repayments	14b Code			
		\$				
Account number (see instructions)						

Form **5498** (keep for your records) Department of the Treasury - Internal Revenue Service



Rollover Opportunities

- Termination of employment
 - Quit
 - Died
 - Fired
- Attainment of retirement age
- Disability
- In-service withdrawals
- Divorce
- Business
 - Closings
 - Downsizing
 - Mergers/acquisitions
- Life changes
 - Job change/loss
 - Retired/retiring
 - Divorce
 - Death of a loved one



Caution

- *Discernment is key – IRA owners don't always know what to ask for. Make sure to have adequate dialogue to ensure the goal is to be rolled to an IRA*
- *To whom is the check (large or small) made payable?*
- *Transactions forms can help to ensure compliant rollover transactions*

