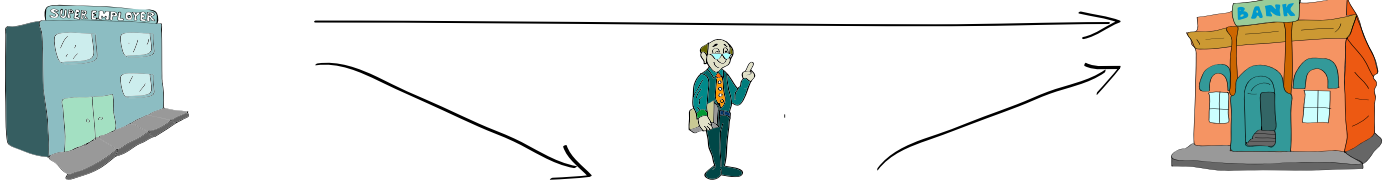


# Accepting Employer Plan Rollovers

## What is an Employer-Sponsored Plan to IRA Rollover?

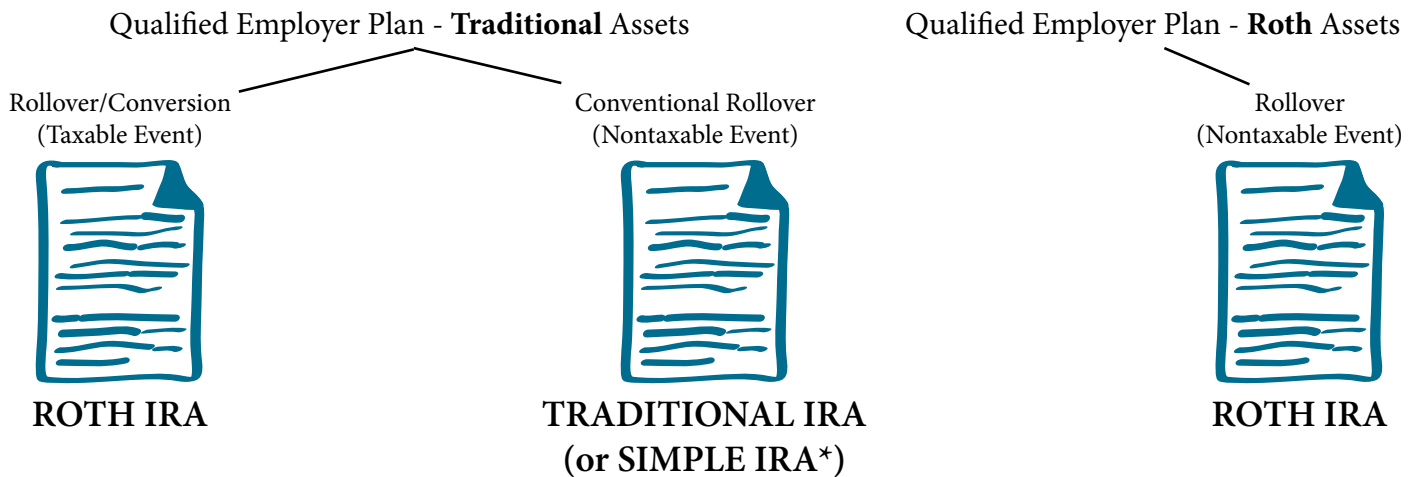
An employer-sponsored retirement plan to IRA rollover transaction is the movement of employer plan assets to an IRA.

## Comparing Direct and Indirect Rollovers



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

## What Can Roll Where?



\*At least 2 years must have elapsed from the date of the SIMPLE IRA owner's first contribution under the employer's SIMPLE IRA plan.

## Ineligible Rollover Distributions

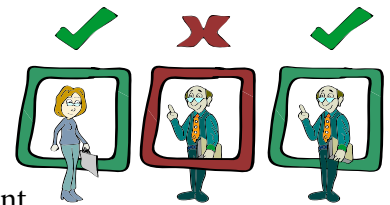
- A distribution which is part of a series of substantially equal periodic payments made over the life or life expectancy of the participant, the joint lives or life expectancies of the participant and his or her beneficiary, or for a specified period of 10 years or more
- Distributions which represent 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

- 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, Roth or SIMPLE) if one is not already established
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, Roth or SIMPLE) if one is not already established
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 or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)	OMB No. 1545-0747		<b>IRA Contribution Information</b>
		\$	2017		
TRUSTEE'S or ISSUER'S federal identification no.		2 Rollover contributions	Form 5498		<b>Copy B</b>
		\$	4 Recharacterized contributions		
PARTICIPANT'S name		3 Roth IRA conversion amount	6 Life insurance cost included in box 1		<b>For Participant</b>
PARTICIPANT'S social security number		\$	\$		
PARTICIPANT'S name		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>	9 SIMPLE contributions		This information is being furnished to the Internal Revenue Service.
Street address (including apt. no.)		8 SEP contributions	\$		
City or town, state or province, country, and ZIP or foreign postal code		10 Roth IRA contributions	11 If checked, required minimum distribution for 2018 <input type="checkbox"/>		
		12a RMD date	12b RMD amount		
		13a Postponed contribution	13b Year	13c Code	
		14a Repayments	14b Code		
		\$			
Account number (see instructions)		15a FMV of certain specified assets	15b Code(s)		
		\$			

Form 5498

(keep for your records)

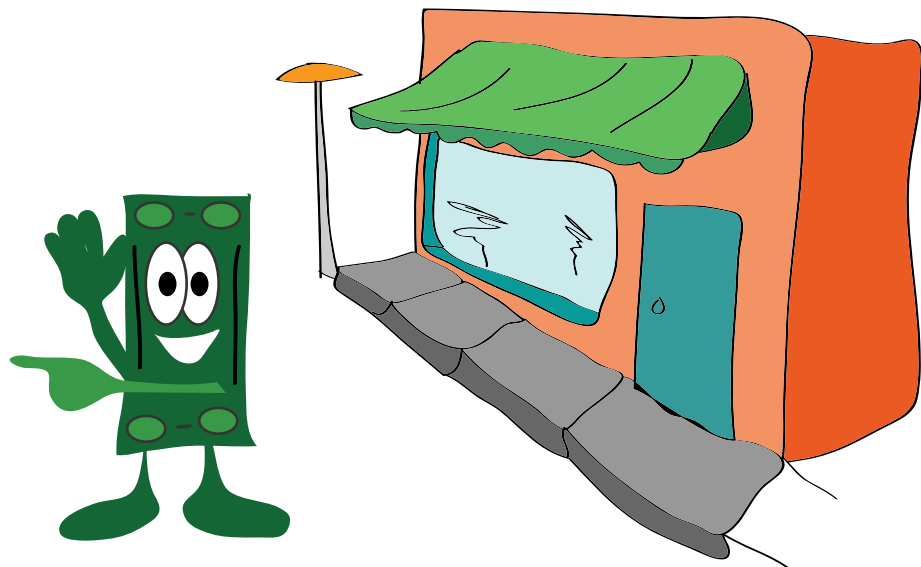
www.irs.gov/form5498

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 for retirement assets to be rolled to a Traditional IRA, Roth IRA or SIMPLE IRA*
- *To whom is the check made payable?*
- *Transactions forms can help to ensure compliant rollover transactions*

