COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
30 N 3RD STREET
SUITE 150
HARRISBURG, PA 17101-1716
800 633 - 5461
www.sers.state.pa.us

You are currently entitled to a lump sum payment from the State Employees' Retirement System. This lump sum payment may be directly transferred to IRA or another qualified plan. There are specific Internal Revenue Service rules that apply to direct transfers.

Enclosed is an **"Authorization for Direct Rollover"** form. Please read all the materials before you make a decision as to how you want your monies distributed. If SERS does not receive your Rollover forms within forty-five (45) days of your date of termination, we will process the payment to you withholding 20% for required federal taxes.

IMPORTANT INFORMATION YOU NEED TO KNOW ABOUT THIS TAXABLE DISTRIBUTION

- **DIRECT ROLLOVER** - The taxable monies are eligible for rollover to an IRA or other qualified plan by completing and filing an "**Authorization for Direct Rollover"** form.

  - **ROLLOVER TO A TRADITIONAL IRA OR OTHER QUALIFIED PLAN** - To qualify for continued tax-deferral, the money must be rolled directly from SERS to your financial institution via a "Trust to Trust" transfer. The money that you place in an Traditional IRA or other qualified plan, plus the interest it accrues, is not taxable until you withdraw it. If you withdraw your money prior to age 59 1/2, you may be subject to additional taxes or penalties.

  - **ROLLOVER TO A ROTH IRA** - If you choose to rollover your distribution to a Roth IRA, any taxable monies that you choose to roll will be considered taxable income in the year it is rolled over. However, if you withdraw your money prior to age 59 1/2, you will not be assessed any penalties or additional taxes unless you withdraw your monies from the Roth IRA within 5 years starting from January of the year of your rollover.

  The distribution rules of the IRA or other qualified plan, which you choose to rollover your taxable withdrawal, may differ from the rules that apply to SERS in their restrictions and tax consequences. However, SERS connot give you advice on which IRA or other qualified plan to roll your money into. We urge you to seek the advice of a qualified tax advisor or financial planner to assist you.

- **NO ROLLOVER** - If you do not roll the taxable monies into an IRA or other qualified plan, the tax law requires that 20% of the taxable portion be withheld for federal income taxes. The actual tax to be paid on the lump sum will be determined at the time you file your federal income tax return.

- **SELF-ROLLOVER** - If you receive the distribution of taxable monies from SERS, tax law requires that 20% of the taxable portion be withheld for federal income taxes. These taxable monies are still eligible for a rollover if you roll them into an IRA or other qualified plan within 60 days of receipt. The actual tax to be paid on the lump sum will be determined at the time you file your federal income tax return.

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◆ AUTHORIZATION FOR DIRECT ROLLOVER ◆

Instructions: **1. Member completes PART 1 and forwards to their Financial Institution.**
2. Financial Institution completes PART 2 and returns the form to SERS.

PART 1 - MEMBER AGREEMENT

SSN:	Date of Retirement: (if Applicable)	Telephone Number	Reason for Rollover (check one)
Name: First	Middle	Last	☐ Refund
Address			☐ Retirement
City	State	Zip Code	☐ Installment

The IRS has acknowledged the status of SERS as a governmental plan and treats SERS as qualified under Internal Revenue Code, Section 401 (a).

I hereby request and authorize the State Employees' Retirement System to directly rollover the following amount to the Financial Institution named in Part 2. (This rollover form pertains to the installment payment being made at this time.)

	All	Partial (Specific Amount)	
Taxable contributions and interest in my SERS account:	☐	☐	$_____
Pre-1987 previously taxed contributions in my SERS account:	☐	☐	$_____

The undersigned hereby affirms that the foregoing information is true and correct to the best of said person's knowledge and belief; said affirmation being made subject to the penalties prescribed by 18 Pa. C.S.A Section 4904 (un-sworn falsifications to authorities).

Member's Signature : _____ **Date Signed:** _____

PART 2 - FINANCIAL INSTITUTION AGREEMENT

Account Number - If blank, Social Security Number will be used.
(Must use a separate form for each separate account)

This account is a:

☐ TRADITIONAL IRA or Other Qualified Plan
☐ ROTH IRA

Required Information (check the appropriate box)

NOTE: Direct rollovers from option 4 payouts to the SERS Deferred Compensation Plan (DCP) Designated Roth Accounts are not permitted. Rollovers to the pre-tax DCP are permitted.

Name of Financial Institution (As you wish the Payee line to appear)			Date:
Street Address:			Branch Telephone Number:
City	State	Zip Code	FUNDS WILL NOT BE TRANSFERRED FOR 8-10 WEEKS AFTER THE MEMBER'S DATE OF RETIREMENT

Financial Institution Agreement: By the authorized signature below, we agree to accept the transferred assets to deposit them into a qualified IRA or other qualified plan. **SERS will only process a rollover when submitted on a completed SERS-254 rollover form. We understand that payment will not be made until the retirement account is processed. PART 2 must be completed and signed by qualified plan. Failure to complete will invalidate the rollover.**

Printed Name and Title	Authorized Signature