

DEFINED BENEFIT PLAN AUTHORIZATION FOR DIRECT ROLLOVER



SERS Member: Complete PART I and then forward the form to your financial institution.

Financial Institution: Complete PART II and return the form to SERS.

PART I - MEMBER INFORMATION			
Member SSN	Date of Retirement (if Applicable)	Telephone Number	Reason for Rollover (check one)
Member Full Name (First, Middle, Last)			<input type="checkbox"/> Refund <input type="checkbox"/> Retirement <input type="checkbox"/> Installment
Member Address			
Member City, State, Zip			
I hereby request and authorize the State Employees' Retirement System to directly roll over the following amount to the financial institution named in Part II. (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:	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Non-Taxable contributions in my SERS account:	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
I hereby affirm that the information entered above is true and correct to the best of my knowledge and belief, subject to the penalties prescribed by 18 Pa. C.S. §4904 (un-sworn falsifications to authorities).			
Member's Signature		Date	
PART II - FINANCIAL INSTITUTION AGREEMENT			
Account Number If blank, Social Security number will be used. (Must use a separate form for each separate account.) <input style="width: 50%; height: 20px;" type="text"/>			
Account Type (Must check one)		<input type="checkbox"/> Traditional IRA or Other Qualified Plan <input type="checkbox"/> Roth IRA	
NOTE: Direct rollovers of withdrawn pension plan contributions and interest are permitted to the Deferred Compensation Plan; however, tax law prohibits direct rollovers to the pre-tax Roth option of the plan.			
Name of Financial Institution (As you want the payee line to appear)		Date	
Street Address		Branch Telephone Number	
City, State, Zip		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 <i>Defined Benefit Plan Authorization for Direct Rollover</i> form. We understand that payment will not be made until the retirement account is processed. PART 2 must be completed and signed by a qualified plan. Failure to complete will invalidate the rollover.			
Printed Name & Title		Authorized Signature	

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

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You are currently entitled to a lump sum payment from the State Employees' Retirement System. There may be tax benefits to rolling the money into an IRA or other qualified plan, like the Deferred Compensation Plan. Specific IRS rules apply, so please read all the information on this sheet, the enclosed *Defined Benefit Plan Authorization for Direct Rollover* form, and talk with a qualified tax advisor or financial planner before you make a decision about how you want us to distribute the money.

If you decide that a rollover is right for you, we must receive your completed rollover form **within 45 days of your employment termination date** or your payment minus the required 20% for federal taxes will be paid directly to you.

Taxable Distributions From Your SERS Pension Plan

If you would like to defer taxes on the taxable portion of your payment, the money must be rolled directly from SERS to your financial institution through a "Trust-to-Trust" transfer:

- **Rollover to Traditional IRA or other Qualified Plan**

The money you transfer plus the interest it accrues is not taxable **until you withdraw it**. If you withdraw your money **prior to age 59½**, you may be subject to additional taxes or penalties. While you may roll over any withdrawn contributions and interest you made toward your pension into a Deferred Compensation Plan account (traditional pre-tax option); rollovers to the deferred comp Roth option are not permitted by tax law.

- **Rollover to Roth IRA**

The taxable money you roll into a Roth option will be considered taxable income in the year in which it is rolled over. If you withdraw the money prior to age 59½, you will not be assessed any penalties or additional taxes unless you withdraw the money within five years of rolling it into your Roth option.

The distribution rules of your IRA or other qualified plan may differ from the rules that apply to SERS. We cannot give you advice on which IRA or qualified plan is best for your individual situation. Please talk with a qualified tax advisor or financial planner.

Other options:

- **No Rollover**

If you do not roll the taxable money into an IRA or other qualified plan, the IRS requires us to withhold 20% of the taxable portion for federal income taxes. The full amount of taxes owed on the money that will be determined at the time you file your federal income tax return.

- **Self-Rollover**

If the money is distributed to you, the IRS requires that we withhold 20% for federal income taxes. The taxable amount is still eligible for a rollover, if you roll it into an IRA or other qualified plan **within 60 days** of receiving it. Your actual tax liability on the lump sum will be determined at the time you file your federal income tax return.