

Rules And Conditions Applicable To Rollovers

GENERAL INFORMATION

A rollover is a way to move money or property from one eligible retirement plan (e.g., IRA or Qualified Retirement Plan (QRP)) to another eligible retirement plan. The Internal Revenue Code (IRC) limits how many distributions may be rolled over, how quickly rollovers must be completed and how the Trustee or Custodian must report the transaction. By properly completing this form you are certifying to the Trustee or Custodian that you have satisfied the rules and conditions applicable to a rollover and that you are making an irrevocable election to treat the transaction as a rollover.

TRADITIONAL IRA OR SIMPLE IRA ROLLOVER REQUIREMENTS (Option One)

1. TIMELINESS

The funds you receive from the distributing IRA must generally be deposited into another IRA within 60 days after you receive them. However, this period is 120 days for certain rollovers relating to first-time home purchases. When counting the 60 (or 120) days include weekends and holidays. The IRS has the authority to grant extensions to the 60 (or 120) day rule in cases where a hardship occurs (e.g., casualty, disaster, etc.). Receipt generally means the day you actually have the funds in hand. For example, the 60 days would begin on the day following the day you pick up the check from the Trustee or Custodian or when you receive the check in the mail.

2. RMD ROLLOVER RESTRICTION

If this rollover is being made during or after the year for which you are required to begin receiving distributions, you cannot roll over any distribution to the extent that it is a required minimum distribution from the distributing plan. If the deceased IRA holder died after his or her required beginning date and you are the spouse beneficiary of a deceased IRA holder and you are rolling this IRA into your own IRA, you must make sure that the deceased's required minimum distribution for the year of death is removed from his or her IRA assets prior to the completion of the rollover.

3. TWELVE MONTH RESTRICTION

You are entitled to one distribution per year per IRA which may be rolled over. Twelve (12) months must pass after receipt of one distribution which you roll over before you may take another distribution from the same IRA to roll over. An IRA is created by executing a plan agreement, not by depositing a contribution into a separate investment within an existing IRA.

You are entitled to roll over the same assets only once in a twelve (12) month period. Twelve (12) months must elapse between the time you receive a distribution of the assets to be rolled over until you receive another distribution of those same assets for rollover purposes.

4. SIMPLE IRA ROLLOVER RESTRICTIONS

You may roll funds from one SIMPLE IRA to another SIMPLE IRA if the timeliness and 12 month restriction discussed above have been met. In addition, a SIMPLE IRA may be rolled over to a Traditional IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer.

EMPLOYER-SPONSORED RETIREMENT PLAN TO TRADITIONAL IRA ROLLOVER REQUIREMENTS (Option Two)

1. ELIGIBLE PERSON

Only an eligible person may roll funds from a QRP, 403(a) Plan, 403(b) Plan, or eligible 457(b) Deferred Compensation Plan into an IRA. You will only be an eligible person if you were or are a participant in the distributing plan, the surviving spouse beneficiary of a deceased participant, or the alternate payee identified in a Qualified Domestic Relations Order (QDRO). A QDRO is a domestic relations order issued in a divorce proceeding which meets certain conditions and grants to an alternate payee (e.g., exspouse) the right to receive all or a portion of a participant's benefits under a QRP. If the alternate payee is a spouse or former spouse, the alternate payee can roll over all or a portion of the amount received to an IRA. A nonspouse beneficiary may only roll over to an inherited IRA. A rollover to an inherited IRA must be done as a direct rollover from an eligible retirement plan.

2. ELIGIBLE RETIREMENT PLAN

A distribution will not be eligible to be rolled over unless that distribution is made from an eligible retirement plan. An eligible retirement plan is a plan that is qualified under IRC Section 401(a), 403(a), 403(b), or 457(b). Eligible retirement plans include defined benefit plans, profit sharing plans, money purchase pension plans, 401(k) plans, tax-sheltered annuities, eligible 457(b) deferred compensation plans, and employee stock ownership plans.

3. ELIGIBLE ROLLOVER DEPOSIT

Only certain types of eligible retirement plan distributions, called "eligible rollover distributions," may be deposited into an IRA. Eligible rollover distributions include most distributions from eligible plans except the following:

Required Minimum Distributions - Distributions which represent required minimum distributions paid during a participant's first distribution calendar year or later may not be rolled over.

Substantially Equal Periodic Payments - For purposes of determining an eligible rollover distribution, substantially equal periodic payments are defined as a series of substantially equal distributions made not less frequently than annually and calculated 1) over the life (or life expectancy) of the individual or the joint lives (or life expectancies) of the individual and the individual's beneficiary or 2) for a specified period of 10 years or more.

Death Benefit Exclusion Amounts - If you are a surviving spouse beneficiary and your spouse died before August 21, 1996, a portion of your distribution may qualify for the Death Benefit Exclusion Allowance. You may not roll over any portion of your distribution which qualifies for the Death Benefit Exclusion Allowance.

P.S. 58 Costs - If you received distribution of a life insurance policy from a plan, the amounts attributable to the cost of life insurance purchased by the plan which have been previously taxed to the participant may not be rolled over.

Property Distributions - If property other than cash is distributed, only the same property or the proceeds from its sale may be rolled over. If you receive property but wish to roll over cash, you must actually sell the property and roll over the proceeds.

Hardship Distributions - Distributions taken on account of financial hardship are not eligible to be rolled over.

Roth 401(k) or 403(b) Amounts - Distributions of elective deferrals from a Roth 401(k) or 403(b) plan are not eligible to be rolled over to a Traditional IRA.

4. TIMELINESS

If the check is payable to you, the funds you receive from the distributing plan must be deposited in an IRA within 60 days after you receive them. When counting the 60 days include weekends and holidays. The IRS has the authority to grant extensions to the 60 day rule in cases where a hardship occurs (e.g., casualty, disaster, etc.). Receipt generally means the day you actually have the funds in hand.

5. CAUTION ABOUT COMMINGLING FUNDS

If you are rolling over funds from certain eligible retirement plans, you may be eligible to take advantage of favorable tax treatment if the IRA is maintained as a conduit IRA and the funds are subsequently rolled back over, to another eligible retirement plan. See your tax professional for additional information.