

Direct Rollover Acknowledgment Form

DO YOU NEED TO COMPLETE THIS FORM?

You need to complete this form if:

- you are purchasing credit for past service rendered and you wish to pay for your purchase via a direct rollover of funds from an eligible plan, or
- you wish to pay your RetirementPlus accelerated cost via a direct rollover.

SEE PAGE TWO OF THIS FORM FOR MORE INFORMATION.

M T R S U S E O N L Y

TO BE COMPLETED BY MEMBER

Social Security number . . . _____ MTRS Member number *(if known)* _____

Name (first, middle, last) . . . _____

Mailing address _____

Phone number(s) Day (_____) _____ Evening (_____) _____

I, the member named above, understand that:

- The Massachusetts Teachers' Retirement System has agreed to permit the rollover of employee assets in order to enable me to pay for all or part of my other allowable retirement service credit purchase OR my RetirementPlus accelerated cost, in accordance with the provisions of M.G.L. c. 32.
- The amount to be rolled over must be equal to or less than the amount of my service purchase or RetirementPlus accelerated cost.
- The acceptance by the Massachusetts Teachers' Retirement System of this rollover for this purpose in no manner constitutes any acknowledgment or representation by the Massachusetts Teachers' Retirement System with respect to the current tax status of the amount received for my purchase of allowable service OR my RetirementPlus accelerated cost.
- I am responsible for any and all tax liability.

I intend to rollover the following amount from my account. \$ _____

Signature _____ Date _____

PLEASE SUBMIT THIS FORM TO YOUR FINANCIAL INSTITUTION FOR COMPLETION OF PART 2

TO BE COMPLETED BY FINANCIAL INSTITUTION MAKING A DIRECT ROLLOVER

Name of financial institution _____

Name of contact person . . . _____

Title _____

Mailing address _____

Phone number (_____) _____ Fax number (_____) _____

I, the contact person named above, hereby certify that the amount is an eligible rollover distribution, and that the rollover is being made from *(check one only)*:

- A qualified trust as described in Internal Revenue Code Section 401(a) A "conduit" or "rollover" IRA
- A Code Section 403(b) account or annuity A traditional IRA
- A Code Section 457(b) governmental plan

The distribution is as follows:

Untaxed contributions \$ _____
 (The MTRS can only accept untaxed contributions.)

TOTAL DISTRIBUTION \$ _____

The date of distribution of these funds is _____

Signature _____ Date _____

Part
1

Part
2

A Note on the MTRS and the New Tax Law (EGTRRA)

The Massachusetts Teachers' Retirement System is a defined benefit plan that operates as a qualified employer plan under Section 401(a) of the Internal Revenue Code. Through December 31, 2001, we were only able to accept, as tax-free transactions, eligible rollover distributions from other 401(a) retirement plans and certain other eligible plans to purchase service credit.

On January 1, 2002, the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) became effective. This new law greatly expands the portability of your retirement plans by

allowing you, in certain circumstances, to roll over funds between certain defined contribution plans and government pension plans. As a result, we can accept an eligible rollover distribution for any purpose—the purchase of service credit, repayment of a refund or RetirementPlus accelerated payments. Typically a rollover is a transfer of funds from a plan that you are no longer contributing to, such as an IRA or another state's retirement plan.

For your reference, below is the relevant excerpt from the System's regulation regarding rollovers.

807 CMR 12.00

Rollover Distributions and Trust to Trust Transfers under the federal Economic Growth and Tax Relief Reconciliation Act of 2001

12.02 Rollovers into the Plan.

(a) The Board may accept any portion of an Eligible Rollover Distribution in payment of all or a portion of a member's purchase of service credit or service buybacks under sections 1 through 28 of chapter 32, or of a member's accelerated Retirement Plus contributions. The Board may accept an Eligible Rollover Distribution paid directly to the system in a Direct Rollover. Rollovers from other permissible sources will be allowed to the extent permitted by law, subject to any conditions, proofs, or acceptance the Board or its designee deems appropriate.

The following definitions shall apply to this 807 CMR 12.02:

(b) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the member from an Eligible Retirement Plan. An Eligible Rollover Distribution does not include:

- (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the member or the joint lives (or joint life expectancies) of the member and the member's designated beneficiary, or for a specified period of ten (10) years or more;
- (2) any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code ("Code");
- (3) any distribution which is made upon hardship of the member; or
- (4) the portion of any distribution that is not includable in gross income.

(c) An "Eligible Retirement Plan" is any program defined in Code Sections 401(a)(31) and 402(c)(8)(B), from which the member has a right to an Eligible Rollover Distribution, as follows:

- (1) an individual retirement account under Code Section 408(a);
 - (2) an individual retirement annuity under Code Section 408(b) (other than an endowment contract);
 - (3) a qualified plan under Code Sections 401(a) or 403(a);
 - (4) an eligible deferred compensation plan under Code Section 457(b) which is maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state; and
 - (5) an annuity contract under Code Section 403(b).
- (d) A "Direct Rollover" is a payment from an Eligible Retirement Plan specified by the member to the system.