Introduction
Pre-Tax Rollover Acknowledgement Form

The Retirement System is a defined benefit plan that operates as a qualified employer plan under Section 401(a) of the Internal Revenue Code. On January 1, 2002, the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) became effective. This law greatly expands the portability of your retirement accounts by allowing you, in certain circumstances, to roll over funds between certain defined contribution plans and governmental pension plans. As a result, we can accept an eligible rollover distribution for the purchase of service credit.

It is important to remember that the regulations which implement the law **do not establish new eligibility provisions for purchase of creditable service**. These regulations only expand the sources of funds from which a member can pay for such purchases.

Before you roll over your funds from another plan, you should check with that plan's administrator to understand what rights and/or benefits, if any, you may be forfeiting by transferring your funds.

Below is the regulation promulgated by the Public Employee Retirement Administration Commission (PERAC) regarding pre-tax rollovers.

840 CMR 13.01: Acceptance of Pre-tax Rollovers from "Eligible Retirement Plans"

The following provisions are intended to implement the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and to enable public employees in Massachusetts to take advantage of the expanded tax-deferred roll-over opportunities permitting the purchase of creditable service from assets held in other tax-deferred retirement plans.

(1) A Retirement 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 pursuant to M.G.L. c 32 §§1 through 28. A Retirement 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 Retirement Board deems appropriate.

(2) The following definitions shall apply to 840 CMR 13.08:

Direct Rollover is a payment from an Eligible Retirement Plan specified by the member and made directly to the Retirement System.

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:
(a) an individual retirement account under Code Section 408(a);
(b) an individual retirement annuity under Code Section 408(b) (other than an endowment contract);
(c) a qualified plan under Code Sections 401(a) or 403(a);
(d) 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
(e) an annuity contract under Code Section 403(b).

(Continued on next page)

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:
(a) 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 years or more;
(b) any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code("Code");
(c) any distribution which is made upon hardship of the member; or
(d) the portion of any distribution that is not includible in gross income.

Regulatory Authority

840 CMR 13.00 M.G.L. c. 7, § 50, c. 32, § 21.

Pre-Tax Rollover Acknowledgement Form

Retirement Board: Please place your address and phone number here. ▸	Reading Retirement Board 2 Haven Street/Unit 307 Reading, MA 01867 (781)942-9007

To be Completed by Member:

Member's Name (print)

Street and Number | City/Town | State | Zip

Department | SS#

I, the member named above understand that:

- The Retirement System has agreed to permit the rollover/transfer of employee assets in order to enable me to purchase credit for all or part of other allowable retirement service in accordance with the provisions of M.G.L. c. 32.
- The amount to be transferred must be equal to or less than the amount of my service purchase cost.
- The acceptance by the Retirement System of this rollover/transfer for this purpose in no manner consitutes any acknowledgement or representation by the Retirement System with respect to the current tax status of the amount received for my purchase of allowable service.
- I am responsible for any and all tax liability.

I intend to transfer the following amount from my account: $

Signature: _____ Date: _____

To be Completed by the Financial Institution Performing Pre-Tax Rollover:

Name of Financial Institution | Name of Contact Person/Title

Street and Number | City/Town | State | Zip

Phone Number | Fax Number

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

- ☐ an individual retirement account under Code Section 408(a)
- ☐ an individual retirement annuity under Code Section 408(b) (other than an endowment contract)
- ☐ a qualified plan under Code Sections 401(a) or 403(a)
- ☐ an eligible governmental deferred compensation plan under Code Section 457(b)
- ☐ an annuity contract under Code Section 403(b)

The distribution is as follows:

Untaxed Contributions: $

(The Retirement System can only accept untaxed contributions.)

The date of distribution of these funds is:

Signature: _____ Date: _____

A check, made payable to the Retirement System, should be mailed to the Retirement System together **with a copy of this form**