

Accepting Employer Plan Rollovers

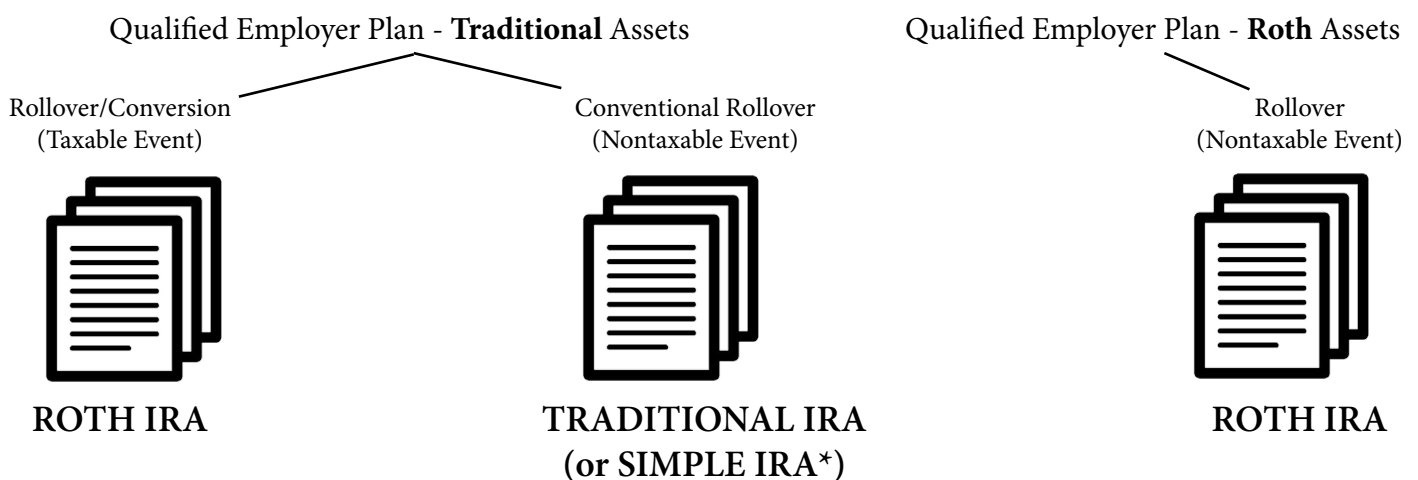
What is an Employer-Sponsored Plan to IRA Rollover?

An employer-sponsored retirement plan to IRA rollover transaction is the movement of employer plan assets to an IRA.

Comparing Direct and Indirect Rollovers

Issue	Direct Rollover	Indirect Rollover
Withholding	Not applicable	Automatic 20 percent withholding required NO WAIVING WITHHOLDING
Titling of check or investment	Paid directly to an eligible retirement plan for the benefit of the distributee	Paid directly to the distributee
Reporting	<ul style="list-style-type: none">Employer reports distributionReceiving financial organization reports the contribution	
Timing	Paid to the receiving plan as soon as administratively feasible	Deposit to the receiving plan generally within 60 days

What Can Roll Where?



*At least 2 years must have elapsed from the date of the SIMPLE IRA owner's first contribution under the employer's SIMPLE IRA plan.

Ineligible Rollover Distributions

- A distribution which is part of a series of substantially equal periodic payments made over the life or life expectancy of the participant, the joint lives or life expectancies of the participant and his or her beneficiary, or for a specified period of 10 years or more
- Distributions which represent required minimum distributions (RMDs)
- Returns of excess contributions and excess deferrals under IRC Sec. 401(a) plans
- Deemed distributions of P.S. 58 costs (costs of life insurance coverage)
- Certain loan amounts that are treated as taxable distributions (Treas. Reg. 1.402(c)-2(c)(3)(iv)), and
- Hardship distributions from a qualified plan



Who Can Roll

Spouse

- Spouse's own IRA
- Spouse as beneficiary of IRA established in name of deceased plan participant

Nonspouse Beneficiary

- Must be handled as direct rollover
- Rollover must be to "Inherited" Traditional or Roth IRA

How to Accept a Rollover Contribution

Accepting a direct rollover contribution

1. Collect irrevocable election – IRA Direct Rollover Request form
2. Establish receiving IRA (Traditional, Roth or SIMPLE) if one is not already established
3. Systematically flag transaction as a rollover contribution
4. Report to the IRS on Form 5498
5. Retain rollover documents, IRA documents and copy of the check

Accepting an indirect rollover contribution

1. Validate rollover contribution – IRA Rollover Certification Form
2. Establish receiving IRA (Traditional, Roth or SIMPLE) if one is not already established
3. Systematically flag transaction as a rollover contribution
4. Report to the IRS on Form 5498
5. Retain rollover documents, IRA documents and copy of the check

2025		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		
TRUSTEE'S or ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)	OMB No. 1545-0747	
		\$	2025	
TRUSTEE'S or ISSUER'S TIN		2 Rollover contributions	Form 5498	
		\$		
PARTICIPANT'S TIN		3 Roth IRA conversion amount	4 Recharacterized contributions	
		\$	\$	
PARTICIPANT'S name		5 FMV of account	6 Life insurance cost included in box 1	
		\$	\$	
Street address (including apt. no.)		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>	For filing information, Privacy Act, and Paperwork Reduction Act Notice, see the General Instructions for Certain Information Returns.	
		8 SEP contributions		9 SIMPLE contributions
City or town, state or province, country, and ZIP or foreign postal code		10 Roth IRA contributions	11 Check if RMD for 2026 <input type="checkbox"/>	
		\$		
Account number (see instructions)		12a RMD date	12b RMD amount	
		\$	\$	
		13a Postponed/late contrib.	13b Year	13c Code
		\$		
		14a Repayments	14b Code	
		\$		
		15a FMV of certain specified assets	15b Code(s)	
		\$		

Form 5498

Cat. No. 50010C

www.irs.gov/Form5498

Department of the Treasury - Internal Revenue Service

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Rollover Opportunities

- Termination of employment
 - Quit
 - Died
 - Fired
- Attainment of retirement age
- Disability
- In-service withdrawals
- Divorce
- Business
 - Closings
 - Downsizing
 - Mergers/acquisitions
- Life changes
 - Job change/loss
 - Retired/retiring
 - Divorce
 - Death of a loved one

Caution

- *Discernment is key – IRA owners don't always know what to ask for. Make sure to have adequate dialogue to ensure the goal is for retirement assets to be rolled to a Traditional IRA, Roth IRA or SIMPLE IRA*
- *To whom is the check made payable?*
- *Transactions forms can help to ensure compliant rollover transactions*

