



In-Plan Roth Conversion Form

Instructions

IN-PLAN ROTH CONVERSIONS

Provided that your plan allows for Roth deferrals and permits in-plan Roth conversions, you can use the *In-Plan Roth Conversion Form* to request a Roth conversion within your ICMA-RC 457 or 401(k) plan. **Prior to submitting your request, you should carefully review the information in this packet.**

Other Withdrawal Requests

The *In-Plan Roth Conversion Form* should only be used to request an in-plan Roth conversion. For all other requests, you should contact ICMA-RC for the appropriate withdrawal forms.

Mail *or* Fax the completed form to ICMA-RC:

Mail: ICMA-RC
ATTN: Workflow Management Team
P.O. Box 96220
Washington, DC 20090-6220

or

Fax: ICMA-RC
ATTN: Workflow Management Team
202-682-6439

TAX LIABILITY AND WITHHOLDING

The assets you elect to convert to Roth assets are generally subject to federal and state income tax in the year of the conversion. However, no taxes will be withheld as part of the conversion, and you will be responsible for paying any applicable taxes on the conversion amount.

Please review the *Special Tax Notice Regarding Plan Payments* for additional information regarding tax withholding and your ability to roll-over assets to another eligible plan. ICMA-RC recommends that you consult with a qualified tax advisor before making a decision to execute an in-plan Roth conversion.

EARLY WITHDRAWAL PENALTIES

457 Plans – Assets that remain in a 457 plan until paid are not generally subject to the 10% early withdrawal penalty tax. However, if you roll assets into your 457 plan from another type of account (401, 403(b), or IRA), the rolled-in assets are

subject to the 10% early withdrawal penalty tax if withdrawn prior to age 59½, unless an exception to the penalty applies.

401 Plans – Assets are subject to a 10% early withdrawal penalty tax if withdrawn from your account prior to age 59½, unless an exception to the penalty applies. Assets that are converted to Roth assets through an in-plan Roth conversion are not subject to an early withdrawal penalty at the time of the conversion. However, the amount of the conversion and associated earnings may be subject to an early withdrawal penalty when distributed to you at a later date, unless the requirements for a qualified distribution of Roth assets are met, and five taxable years have passed since the date of the conversion.

Please review the *Special Tax Notice Regarding Plan Payments* for additional information regarding to the 10% early withdrawal penalty.

REQUIRED SIGNATURES

Participant Signature – The law requires you to wait a “reasonable period” (currently 30 days) after receiving the information in this packet before receiving a distribution from your plan, but your signature in Section 5 of the form waives this requirement.

Employer Signature – If this is your initial request for a withdrawal or conversion from this account, an authorized employer signature is required. Failure to obtain the required employer signature could delay the processing of your request.

SPECIAL CIRCUMSTANCES

IRS Required Minimum Distributions (RMDs)

After you attain the age of 70½ (or separate from service with your employer, *if later*), the IRS requires that you withdraw at least a minimum amount from your account each year. The amount of your RMD is not eligible to be rolled over to another retirement plan, and may not be eligible for an in-plan Roth conversion. After the conversion, Roth assets in your retirement plan account remain subject to IRS imposed RMD rules.

If you are required to withdraw an RMD for the year, and you request an in-plan Roth conversion, the amount of your RMD for the year will be paid to you automatically when your conversion is processed.

Current Roth Assets

If you have made Roth contributions to your 457/401(k) plan, the contributions and associated earnings are not eligible for the in-plan Roth conversion (because the assets are already Roth assets).

Outstanding Loan Balances

Any outstanding plan loans will be excluded from in-plan Roth conversion requests. Loan repayments will be made to the same source the amounts came from and can later be converted to Roth assets if you so desire.

After Tax Assets – 401(k) Plans Only

If you have made after-tax contributions to your 401(k) plan, your after-tax assets are also eligible to be converted to Roth assets through an in-plan Roth conversion. If you convert after-tax assets to Roth assets, the associated earnings can

be withdrawn tax free, provided that the requirements for a qualified distribution of Roth assets are met.

Additionally, since taxes have already been paid on your after-tax contributions, the conversion of after-tax assets will result in a smaller tax liability than a conversion of the same amount of pre-tax assets. With that being the case, when processing your request, any after-tax assets in your account will be converted to Roth assets before any pre-tax assets, unless you request otherwise in Section 2 of the *In-Plan Roth Conversion Form*.

SUMMARY DESCRIPTION

This publication provides a summary of the rules governing in-plan Roth conversions, as they apply to your ICMA-RC retirement plan account. The actual rules governing your plan are contained in state retirement laws and the federal tax code. This publication is a summary, written in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.



In-Plan Roth Conversion Form

1. Use this form to request a Roth conversion within your ICMA-RC 457 or 401(k) plan. Please note that your plan must allow for Roth deferrals and permit Roth conversions, or ICMA-RC will be unable to process your request.
2. Read the instructions carefully before completing this form. Please print legibly in blue or black ink.

<p>1 Participant Information</p>	<p>Employer Plan Number _____ Employer Plan Name _____ Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Single</p> <p>Social Security Number _____ Date of Birth _____ Daytime Phone Number _____ _____ / _____ / _____ Month / Day / Year Area Code _____</p> <p>Full Name of Participant (Last, First and Middle Initial) _____ Last First M.I.</p> <p>Permanent Mailing Address/Street _____ _____ City State Zip Code _____</p>
<p>2 Conversion Amount</p>	<p>Please select (a) OR (b) below.</p> <p>(a) – 100% Conversion</p> <p><input type="checkbox"/> I wish to convert my entire account balance or the entire amount that is eligible to be converted, if less.</p> <p>(b) – Partial Conversion</p> <p><input type="checkbox"/> I wish to convert the following specified portion of my account (please attach a separate sheet if additional instructions are needed):</p> <p><input type="checkbox"/> \$ _____ to be converted pro-rata across all of the investments in my account.</p> <p><input type="checkbox"/> _____ % to be converted pro-rata across all of the investments in my account.</p> <p>(b)(2) – Source Order (401(k) Plans Only)</p> <p><input type="checkbox"/> After-Tax Assets First. (Default if no option is selected)</p> <p><input type="checkbox"/> Pre-Tax Assets First. I request that the pre-tax assets in my account be converted to Roth assets before my after-tax assets. I understand that the conversion of pre-tax assets will result in a higher tax liability than the conversion of after-tax assets.</p>
<p>3 Conversion Date</p>	<p>Date to process the requested Roth conversion. (Select one)</p> <p><input type="checkbox"/> As soon as possible <input type="checkbox"/> ____ / ____ (month/year)</p>
<p>4 Tax Liability and Withholding Information</p>	<p>IMPORTANT NOTE REGARDING TAXATION: The assets you elect to convert to Roth assets are generally subject to federal and state income tax in the year of the conversion. However, no taxes will be withheld as part of the conversion, and you will be responsible for paying any applicable taxes on the conversion amount. You will receive an IRS Form 1099R in January of the calendar year following the year of the conversion. We encourage you to refer to the IRS Web site or speak with your tax advisor for information on how to report conversion amounts for tax purposes.</p> <p>ICMA-RC recommends that you consult with a qualified tax advisor before making a decision to execute an in-plan Roth conversion.</p>

