

# Rollover Savings Accounts from Outside Plans

Indiana Public Employees' Retirement Fund

IC: 5-10.2-3-10: first implemented in April 2005

## **Am I eligible to establish a Rollover Savings Account (RSA) at PERF?**

Any non-retired active member who receives an eligible rollover distribution from a qualified retirement plan may contribute that distribution to a new RSA at PERF to the extent allowed by the IRS. Once a member leaves PERF-covered employment, PERF cannot accept any new or additional RSA contributions.

## **What types of funds can I use to create an RSA?**

PERF can accept rollover contributions from:

- 1) A qualified plan described in Section 401(a) or Section 403(a) of the Internal Revenue Code.
- 2) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

3) An eligible plan maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457 (b) of the Internal Revenue Code.

4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code.

**Members should check with the financial institution currently holding the funds to verify whether those funds are eligible for a PERF RSA. Members are urged to check distribution regulations carefully before making any assumptions about eligibility for RSAs.**

## **How are RSAs maintained?**

Each RSA established by a member will be maintained separately from his or her Annuity Savings Account (ASA).

A separate quarterly statement will be issued for each RSA.

**Members are not required to withdraw either RSA or ASA assets if they leave PERF-covered employment prior to applying for retirement benefits.**

## **What investment options are available for RSAs?**

Contributions made into the RSAs may NOT be invested in the Guaranteed Fund.

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Members should check with the financial institution currently holding the funds to verify whether those funds are eligible for a PERF RSA. Members are urged to check distribution regulations carefully before making any assumptions about eligibility for RSAs.

## Continued Information on Rollover Savings Accounts

Members considering the RSA option should make arrangements well in advance of leaving PERF-covered employment as this choice is available only to active members.

RSAs may be invested in any or all of the other PERF investment options. Those options are the Money Market Fund, Fixed Income Fund, Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Inflation-Linked Fixed Income Fund and Target Date Funds.

### **When can RSA assets be withdrawn or received?**

**Prior to Retirement:** a member may withdraw RSA

funds at any time, regardless of employment in a PERF-covered position. Payments may be taken as a lump sum distribution or rolled into a non-PERF plan qualified according to IRS regulations. **(Note:** Members may only withdraw their ASA when they separate from PERF-covered employment.)

**At Retirement:** a member may choose among the same retirement options available for the ASA, including combining

RSA assets into a monthly retirement benefit, or taking a distribution. The member may also choose not to withdraw these funds until he or she reaches the mandatory distribution age of 70 1/2.

**After Retirement:** a member may choose any of the distribution options, including retirement payment options, available at the time the rollover funds are actually withdrawn.

**Tax implications vary with options chosen. Members are advised to check with tax advisors before making distribution decisions.**

### **How is an RSA opened?**

Rollover application forms and instructions are available on PERF's Web site at <http://www.in.gov/perf/2324.htm>, or by calling our customer service center toll-free at (888) 526-1687. Members considering the RSA option should make arrangements well in advance of leaving PERF-covered

employment as this choice is available only to active members.

### **Can PERF answer any other questions about these accounts?**

PERF's customer service representatives are available weekdays from 8 a.m. to 5 p.m. (except on state holidays). Please feel free to call (888) 526-1687 with any questions. You can also e-mail inquiries to [questions@perf.in.gov](mailto:questions@perf.in.gov) or you may visit our offices at 143 West Market Street, directly east of the statehouse, in downtown Indianapolis.