

Direct Rollover/ Trustee-to-Trustee Transfer of Funds for the Purchase of Additional Service Credit



Explore Your Benefits

Public Employees' Retirement System (PERS)

Teachers' Pension and Annuity Fund (TPAF)

Police and Firemen's Retirement System (PFRS)

State Police Retirement System (SPRS)

Judicial Retirement System (JRS)

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Who Should Complete this Application?

This application is for use by members who are purchasing additional pension service credit and who wish to pay for this additional service by rolling over funds from another qualified retirement savings plan. **Do not** complete this rollover request unless you have already received a *Purchase Cost Quotation Letter* from the New Jersey Division of Pensions & Benefits (NJDPB) that indicates the type, amount, and cost of any service you are eligible to purchase.

To obtain a *Purchase Cost Quotation Letter* you must first file an Application to Purchase Service Credit via the Member Benefits Online System (MBOS).

GENERAL INFORMATION

Please read this booklet carefully before completing the *Rollover/Transfer Request* form.

This booklet contains:

- information on the types of funds that can be rolled over;
- instructions on how to complete the *Rollover/Transfer Request* form for the various types of qualified plans; and
- the *Rollover/Transfer Request* form.

If you have a *Purchase Cost Quotation Letter* and wish to pay for your service credit by rolling over funds from another retirement plan, continue reading to determine if your plan is eligible for rollover and how to complete the application.

ELIGIBLE PLANS

Only certain types of distributions are eligible for transfer/rollover treatment and it is your responsibility to ensure such eligibility.

The types of plans eligible for direct rollover or trustee-to-trustee transfer are:

- 401(a) - Qualified plan (including 401(k) plan) and 403(a) qualified annuity
- 403(b) - Tax-Sheltered Annuity Plan
- 457(b) - State and Local Government Deferred Compensation Plan
- IRA - With tax-deferred funds
 - Traditional IRA
 - SIMPLE IRA (must be over 2 years old)
 - Simplified Employee Pension Plan (SEP)
 - Conduit IRA
 - Rollover IRA

Note: The NJDPB cannot accept rollovers from a Roth IRA or a Coverdell Education Savings Account (formerly known as an education IRA).

If you are unsure if your plan is an eligible plan, see your financial institution or disbursing plan's administrator.

INSTRUCTIONS FOR COMPLETING THE DIRECT ROLLOVER/TRUSTEE-TO-TRUSTEE TRANSFER OF FUNDS FORM

The procedures for a direct rollover or trustee-to-trustee transfer vary depending on the type of plan from which the funds are being transferred and are listed separately by type. After you have received your *Purchase Cost Quotation Letter*, follow the instructions described below that apply to the type of transaction you are requesting.

If You Are Using Tax-Deferred Contributions from the New Jersey State Employees Deferred Compensation Plan

The New Jersey State Employees Deferred Compensation Plan (NJSEDCP) is an eligible 457(b) Plan. If you are a member of the NJSEDCP, you may use your tax-deferred contributions for the full or partial payment of a purchase. You should verify the balance of the funds you have available for use as a direct transfer prior to completing the *Rollover/Transfer Request* form by contacting the NJSEDCP at (609) 292-3605.

After you have received a valid *Purchase Cost Quotation Letter*, complete Sections B, C, and E of the *Rollover/Transfer Request* form. This will authorize the transfer of your funds from the NJSEDCP to pay for either a portion or the entire cost of your purchase.

You should select "Direct Transfer from the NJSEDCP" in Section C of the *Rollover/Transfer Request* form and submit the completed form – and if applicable a check for any personal funds you are using to pay for the purchase – to the attention of the **Cash Receipts Section, Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295**.

If the amount you indicate in Section C on the *Rollover/Transfer Request* form – along with any check if you also submit personal funds – does not satisfy the entire cost of the purchase, the remaining balance due on the purchase will be scheduled as payroll deductions with interest.

To ensure proper handling of your purchase, please make sure the *Rollover/Transfer Request* form and any checks are attached together.

If you have applied for multiple periods of service credit and received more than one *Purchase Cost Quotation Letter*, include a copy of the quotation letter(s) for the purchase that you wish to authorize along with your *Rollover/Transfer Request* form. This will ensure that the funds are credited to the correct period of service.

Note: A member is unable to specify the NJSEDCP investment fund from which the monies will be transferred for the payment of the purchase. The transfer of funds from the NJSEDCP is based on the relative value of each investment alternative to the total value of your account. For example, if your investments are distributed equally between two of the investment funds, and you specify \$2,000 to be transferred for the cost of the purchase, then \$1,000 will be transferred from each of the two investment funds.

If You Are Using Tax-Deferred Contributions from a 401(A), 401(K), 403(A), 403(B), Or 457(B) Plan

Funds to be rolled over or transferred **must be tax-deferred** and from one of the following types of qualified or eligible plans:

- 401(a) - Qualified plan (including 401(k) plan) and 403(a) qualified annuity
- 403(b) - Tax Sheltered Annuity Plan
- 457(b) - State and Local Government Deferred Compensation Plan

Note: No check will be accepted for a direct rollover or trustee-to-trustee transfer unless the completed *Rollover/Transfer Request* form accompanies the check. For this reason, it is critical that you coordinate the information required to complete the rollover with the disbursing plan or financial institution that will be issuing the check (any rollover/transfer check submitted directly to this office from the disbursing plan or financial institution will be returned).

After you have received a valid *Purchase Cost Quotation Letter*, complete Sections B, C, and E of the *Rollover/Transfer Request* form. This will authorize the transfer of your funds from your disbursing plan or financial institution to pay for a portion or the entire cost of your purchase. When rolling over or transferring funds from a tax-deferred plan, you should select — depending on the type of plan — either “Direct Rollover from a 401(a), 401(k), or 403(a) Plan” or “Direct Rollover/Transfer from a 403(b) Annuity or 457 Plan (other than the NJSEDCP)” in Section C of the *Rollover/Transfer Request* form.

Forward the *Rollover/Transfer Request* form to your disbursing plan or financial institution for the completion of Section D. **The disbursing plan or financial institution must return the completed *Rollover/Transfer Request* form and distribution check directly to you.**

The direct rollover/transfer check should be made payable to:

Name of Retirement System*
FBO** Participant’s Name

* From Section B of *Rollover/Transfer Request* form.

** “For the benefit of”

Note: The participant’s Social Security number must be on all checks.

You should submit the completed *Rollover/Transfer Request* form you receive from your disbursing plan or financial institution, the distribution check — and, if applicable, a check for any personal funds you are using to pay for the purchase — to the attention of the **Cash Receipts Section, Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295.**

If the checks you submit do not satisfy the entire cost of the purchase, the remaining balance due on the purchase will be scheduled as payroll deductions with interest.

To ensure proper handling of your purchase, please make sure the *Rollover/Transfer Request* form and any checks are attached together.

If you have applied for multiple periods of service credit and received more than one *Purchase Cost Quotation Letter*, include a copy of the quotation letter(s) for the purchase that you wish to authorize along with your *Rollover/Transfer Request* form. This will ensure that the funds are credited to the correct period of service.

If You Are Using Tax-Deferred Contributions from an Individual Retirement Account (IRA)

Funds to be rolled over from an IRA must be tax-deferred and from one of the following types of IRAs:

- Traditional IRA
- SIMPLE IRA (must be over 2 years old)
- Conduit IRA
- Rollover IRA

The NJDPB **cannot** accept rollovers from a Roth IRA or a Coverdell Education Savings Account (formerly known as an education IRA).

Note: No check will be accepted for a direct rollover unless the completed *Rollover/Transfer Request* form accompanies the check. For this reason, it is critical that you coordinate the information required to complete the rollover with the disbursing plan or financial institution that will be issuing the check (any rollover check submitted directly to this office from the disbursing plan or financial institution will be returned).

After you have received a valid *Purchase Cost Quotation Letter*, complete Sections B, C, and E on the *Rollover/Transfer Request* form. This will authorize the rollover of your funds from your disbursing plan or financial institution to pay for a portion or the entire cost of your purchase. When rolling over funds from an IRA, you should select “Direct Rollover from an IRA” in Section C on the *Rollover/Transfer Request* form.

Forward the *Rollover/Transfer Request* form to your disbursing plan or financial institution for the completion of Section D. **The disbursing plan or financial institution must return the completed *Rollover/Transfer Request* form and distribution check directly to you.**

The direct rollover check should be made payable to:

Name of Retirement System*

FBO** Participant's Name

* From Section B of *Rollover/Transfer Request* form.

** "For the benefit of"

Note: The participant's Social Security number must be on all checks.

You should submit the completed *Rollover/Transfer Request* form you received from your disbursing plan or financial institution, the distribution check — and, if applicable, a check for any personal funds you are using to pay for the purchase — to the attention of the **Cash Receipts Section, Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295.**

If the checks you submit do not satisfy the entire cost of the purchase, the remaining balance due on the purchase will be scheduled as payroll deductions with interest.

To ensure proper handling of your purchase, please make sure the *Rollover/Transfer Request* form and any checks are attached together.

If you have applied for multiple periods of service credit and received more than one *Purchase Cost Quotation Letter*, include a copy of the quotation letter(s) for the purchase that you wish to authorize along with your *Rollover/Transfer Request* form. This will ensure that the funds are credited to the correct period of service.

FOR MORE INFORMATION

Information regarding the purchase of service credit is available on our website at www.nj.gov/treasury/pensions. If you have further questions about the purchase of service credit or the direct rollover/trustee-to trustee transfer of funds after reading this booklet and visiting our website, you can contact the NJDPB Office of Client Services at (609) 292-7524, by email at: pensions.nj@treas.state.nj.us, or by sending correspondence to the Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295.



State of New Jersey • Department of the Treasury

DIVISION OF PENSIONS & BENEFITS

P.O. Box 295, Trenton, NJ 08625-0295

ROLLOVER/TRANSFER REQUEST FOR THE PURCHASE OF SERVICE CREDIT

SECTION A — INSTRUCTIONS

1. **Please type or print clearly in black ink.**
2. Complete sections B, C, and E (refer to booklet instructions).
3. Send this completed form to the disbursing plan's administrator and request a rollover/transfer of your funds to the fund indicated in Section B. Your disbursing plan administrator must complete and sign Section D.
4. The participant must return this form along with all checks to the Division of Pensions & Benefits at the address above. Checks from participating financial institutions must be made payable to the fund indicated in Section B, FBO (participant's name). The participant's name and Social Security Number must be noted on all checks.

SECTION B — PARTICIPANT INFORMATION

Name _____
First Middle Initial Last

Address _____
Street City State Zip Code

Social Security Number _____ Phone Number _____

Indicate Retirement System (check one) Public Employees' Retirement System **Pension Member Number**
 Teachers' Pension and Annuity Fund State Police Retirement System _____
 Police and Firemen's Retirement System Judicial Retirement System

SECTION C — DIRECT ROLLOVER/TRANSFER OPTIONS

Type of Distribution (check one)

- Direct Transfer from the New Jersey State Employees Deferred Compensation Plan (NJSEDCP)
- Direct Rollover from a 401(a), 401(k), or 403(a) Plan Direct Rollover from an IRA
- Direct Rollover/Transfer from a 403(b) Annuity or 457 Plan (other than the NJSEDCP)

Type of Transaction Requested (check one)

- I am using rollover/transfer funds only:** My disbursing plan will issue a check for the amount of \$ _____ for this purchase.
- I wish to use rollover/transfer funds along with personal funds:** My disbursing plan will issue a check for the amount of \$ _____ for the partial payment of this purchase and I am including a check in the amount of \$ _____ for the balance.

Note: If the checks you submit do not satisfy the entire cost of the purchase, the remaining balance due on the purchase will automatically be scheduled as payroll deductions with interest.

SECTION D — DISBURSING PLAN CERTIFICATION (to be completed by plan administrator)

Name of Disbursing Plan or Financial Institution _____

Type of Plan (Internal Revenue Code Section) _____

Plan Mailing Address _____
Street City State Zip

I certify that the funds are being or have been distributed from an eligible retirement plan as defined in IRC Section 402(C)(8)(B).

Specify Dollar Amount \$ _____ Authorized Plan Administrator Signature _____

SECTION E — PARTICIPANT CERTIFICATION AND AUTHORIZATION

I certify that the funds meet the requirements for a rollover or transfer. I assume responsibility for any tax consequences that may result if these requirements are not met. I certify that the information provided on this form and on any attached forms is true, correct, and complete to the best of my knowledge. I authorize my disbursing plan to send me a check (except in the case of a direct transfer from the NJSEDCP) completed as indicated in Section A of this form for the amount indicated in Section C of this form.

Signature of Participant _____ Date ____/____/____