



Incoming Rollover Processing

OVERVIEW

A rollover is a type of transaction used to transfer assets from one retirement plan to another. When incoming rollovers are allowed by the Plan, participants may:

- Take an eligible rollover distribution from their previous retirement Plan (originating Plan) or from their Individual Retirement Account (IRA).
- Deposit into their current retirement Plan (receiving Plan).

A rollover from a qualified Plan is considered a Plan distribution and can only take place:

- After the participant has terminated employment.
- If still employed, when the participant is eligible for an in-service withdrawal.

When assets are rolled into the Plan, incoming rollover contributions:

- Do not count towards the IRS Code section 402(g) Annual Contribution limit.
- Maintain their tax-deferred status.
- Are invested according to participant direction.

NOTE: If a participant does not provide investment direction, the money is invested into the participant's investment elections and allocations at the time the rollover is processed. If current elections and allocations are not on file, then into the Plan's designated default investment option.

Types of Rollovers

There are two types of rollovers distinguished by how the assets from the prior Plan are distributed.

Rollover Type	Description
Indirect Rollovers (60-day rollover)	<ul style="list-style-type: none">• Proceeds are sent directly to the participant and made payable to the participant.• Participants may endorse and submit the indirect rollover check (with the check stub) or submit a bank check up to the full amount of the distribution to Empower for processing.• Assets must be deposited into the receiving Plan no later than 60 days after the participant receives the assets from the originating Plan or IRA, unless an exception exists.• A rollover of amounts treated as a loan offset must be executed by the tax filing deadline for the tax year in which the loan was offset.• Indirect Rollovers are considered a taxable event and applicable taxes are withheld from the transfer amount.
Direct Rollovers	<ul style="list-style-type: none">• Proceeds are sent either directly to the participant or to the recordkeeper.• NOTE: When sent to the recordkeeper, proceeds are made payable to the recordkeeper for the benefit of (FBO) the participant.• Direct Rollovers are not considered a taxable event and no taxes are withheld from the transfer amount.

Initiating an Incoming Rollover Request

Participants may initiate an incoming rollover via the following channels:

Request Channel	Description
Incoming Rollover/Transfer Form	<ul style="list-style-type: none">• Participants download, complete, and sign the Incoming Rollover/Transfer form, certifying that the assets are eligible for a rollover into the receiving Plan.• Obtain prior Plan certification and additional supporting documentation as described above• For Indirect Rollovers, participants must provide proof that the assets were distributed in the last 60 days from a qualified retirement Plan or IRA or certify that they qualify for an exception to the 60-day indirect rollover deadline.• Submit request to Empower as directed on the form along with the required documentation and the incoming rollover contribution check, if issued to the participant.
Roll-in Consultant Paperless Direct Rollover	<ul style="list-style-type: none">• Participants contact a Roll-in Consultant who can assist with completing an incoming rollover request.• Participants can also submit an online request to have a Roll-in Consultant contact them at a convenient time.• A Roll-in Consultant assists the participant with:<ul style="list-style-type: none">– Collecting required rollover information.– Contacting the originating institution to collect required information.– Completing any distribution paperwork required by the originating institution.– Submitting the incoming rollover request for processing over a recorded line.

Rollovers of Roth Contributions

When rolling in Roth contributions, the following additional information is required:

Required Information	Description
First Roth contribution date	<ul style="list-style-type: none">• The date from which the 5-taxable-year non exclusion period is determined.• If not provided, then the first Roth contribution date is the incoming rollover processing date.
Cost basis	<ul style="list-style-type: none">• The non-taxable amount contributed by the participant to Roth (excluding any earnings).• If not provided, then the full amount of the Roth contribution is treated as earnings (cost basis is assumed to be \$0.00).

Repayments

Some types of account withdrawals allow participants to repay the withdrawn amount within a certain period of time. When these types of withdrawals are allowed by the Plan, repayment requests received are processed as an incoming rollover transaction. Therefore, in order for participants to make a repayment, they must be eligible under the terms of the Plan to make a rollover contribution.

Repayment amounts are deposited into the like rollover source(s) as originally used to fund the distribution e.g. Before-Tax to Before-Tax Rollover or After-Tax to After-Tax Rollover.

If the Plan does not allow participants to roll-in money for the like rollover source, then Empower deposits repayment amounts into the allowable rollover money source and rejects the repayment amount for the non-allowable rollover money source unless the Plan Administrator directs otherwise.

For example, if the original distribution was funded with 50% Before-Tax sources and 50% After-Tax sources but the Plan does not allow After-Tax roll-ins, then Empower deposits 50% of the repayment amount into the Before-Tax Rollover source and rejects the 50% After-Tax back to the participant unless the Plan directs otherwise.

Initiating a Repayment Request

To initiate a repayment request for an eligible distribution, participants must complete and submit a Withdrawal Repayment form. A copy of the form is available for participants to download from their online account or may be requested through an Empower Representative.

If the associated withdrawal was not originally processed by Empower, then the participant must also complete an Incoming Rollover Form and include supporting documentation detailing the originating withdrawal processed by an alternate recordkeeping services provider as outlined on the Withdrawal Repayment form.

Repayment Supporting Documentation Requirements

Repayment requests must meet all Plan requirements and be considered in good order prior to processing. To be considered in good order, requests must include the following:

- A completed Withdrawal Repayment form with all requested participant information.
- Participant's certification/signature.

If the associated withdrawal was not originally processed by Empower, then requests must also include the following to be considered in good order:

- A completed Incoming Rollover/Transfer form with all requested participant information, including participant's certification/signature.
- Account Statement, Tax form, or similar documentation from the originating Plan that clearly states the following:
 - Prior Plan name and Internal Revenue Service (IRS) qualified Plan designation code (e.g., 401(k) or 401(a) Plan, 403(b) Plan, governmental 457(b) Plan, etc.) or a reference that the IRA is titled in the participant's name as a non-inherited IRA (e.g., a traditional IRA under Code Section 408) if applicable
 - Qualifying withdrawal type or reason.
 - Funding sources originally used to fund the associated qualifying withdrawal
 - Date the associated qualifying withdrawal was originally processed – evidencing that the repayment request falls within the repayment terms for the associated qualifying withdrawal.

Incoming Rollover Processing Authorization

Empower Provides Incoming Rollover Approval Services

Empower reviews completed incoming rollover requests to determine if the request is in good order.

- If the rollover request is not in good order, then Empower instructs the participant to contact Empower to provide the missing or corrected information needed for processing.
- If the request is in good order and meets Plan requirements, then Empower processes such requests without further Plan Administrator approval.

When the application of these guidelines to specific situations is unclear and/or may require discretionary action or decisions, Empower may contact the Plan Administrator to clarify these guidelines and/or make a decision regarding a rollover

Plan Administrator Approves Incoming Rollovers

The Plan Administrator reviews completed incoming rollover requests to determine if the requested rollover meets the conditions of the Plan before submitting the request to Empower.

- By providing an authorized signature, the Plan Administrator agrees that the request meets the terms of the Plan and authorizes Empower to proceed with processing.
- If requests are received without Plan Administrator authorization or if other information is missing or requires further review, a notification is sent to the Plan Administrator via the To Do List feature of the Plan Service Center (PSC).

NOTE: When a signature is required on the form, the Plan Administrator downloads, prints, and signs the form, then returns a copy of the signed form to Empower via To Do List

The non-discretionary recordkeeping and administrative services described in this Service Overview are general in nature and reflect the standard service offering. Service descriptions are not specific to any plan provision or administration practice. The recordkeeper may agree to provide an alternate service arrangement, as applicable, if separately requested by the Plan Sponsor. FOR ADVISOR/PLAN SPONSOR OR TPA USE ONLY. Not for use with Plan Participants