



Certification of Direct Rollover to MERS

Please print clearly • Retain a copy for your records

INSTRUCTIONS: Complete this form to make an eligible rollover distribution **from** another pension plan qualified under Internal Revenue Code section 401(a), a tax-sheltered annuity ("TSA") under section 403, a deferred compensation plan under section 457, or a traditional "conduit" IRA **to** the Municipal Employees' Retirement System of Michigan, a section 401(a) qualified plan. This may be done by a direct or indirect rollover. A **"direct rollover"** transfer takes place when the trustee of the other plan transfers a distribution directly to MERS. An **"indirect rollover"** takes place when the trustee of the other plan pays the distribution to the individual member (withholding required taxes); the member must then make deposit of the assets in the receiving plan within 60 days of the date the payment was received by the member. In all cases, the member must be a current, active MERS member at the time of transfer to MERS. Please note that as to IRAs, a tax-free rollover is a distribution of the taxable amounts (see box 4 below) from a "traditional IRA." These requirements are specified in the federal law amendments made to the Code by The Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), and the Pension Protection Act of 2006 ("PPA"). Under these laws, assets "rolled" over from an eligible plan to another plan assumes ("takes on") the characteristics of the plan they are being transferred to.

In general, a person must have "separated" from service under the prior plan and be eligible to take a distribution from that plan in order to "rollover" assets to another plan. However, EGTRRA permits a direct rollover transfer from one plan (as stated above) to a defined benefit plan (such as MERS) under which the member is currently covered to purchase service credit or to repay a prior refund of contributions the current member has taken previously, without a separation from service. Before EGTRRA, in-service transfers from another 401(a) plan (or a conduit IRA) to MERS was permissible for this purpose. Section 647 of EGTRRA amends the Code by providing for in-service "rollover" of assets from a section 403(b) TSA or a governmental section 457 deferred compensation plan (and not from a non-governmental tax exempt organization) to a governmental plan such as MERS to purchase defined benefit service credit or repay a prior refund. **MERS WILL ACCEPT ROLLOVERS FROM SUCH PLANS ONLY FOR THESE PURPOSES.**

1. Information about you

Last name*	First name*	Last four digits of SSN*	Phone number (with area code)*
Mailing address*			
City*		State*	Zip code*
Email address		Citizenship* <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> U.S. Resident <input type="checkbox"/> Non-resident alien (submit IRS Form W-8BEN)	

2. Original plan information

You are required to select Yes/No for all sections 1-9

1. SECTION 401(a) QUALIFIED PLAN – Are the funds being transferred to MERS from a tax-qualified plan under section 401(a) of the Internal Revenue Code? (This includes a defined benefit plan, a defined contribution plan or a 401(k) plan except for hardship distributions that are not rollover-eligible.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. SECTION 403 TSA (tax sheltered annuity) – Are the funds being transferred from a tax-sheltered annuity under section 403 of the Code? ** If Yes, please identify the Code section applicable to the account. <input type="checkbox"/> 403(a) <input type="checkbox"/> 403(b)	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. SECTION 457(b) DEFERRED COMPENSATION PLAN – Are the funds being transferred from a deferred compensation plan under section 457(b) of the Internal Revenue Code? Is that 457 plan a governmental plan? (A plan established and maintained by the government of the United States, any state, or political subdivision, agency or instrumentality of either.) If not, please describe the type of plan: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
4. TRADITIONAL IRA – Are all funds non-taxable IRA amounts that do not include any after-tax contributions? Note: Funds from an inherited IRA, a Roth IRA, or a Coverdell Education Savings Account cannot be used.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. SIMPLE IRA – Are the funds being transferred from a SIMPLE IRA? If Yes, have you participated in the SIMPLE IRA for at least 2 years (from date contributions first deposited) and certify that MERS may accept the direct rollover?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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2. Original plan information – *continued*

6. ENTIRE BALANCE IN ONE TAX YEAR – Did you receive the entire balance of your vested, qualified pension plan in one tax year and terminate from your employer in the same tax year? <i>Note:</i> If you were a participant in more than one qualified plan of the same type (for example, two pension plans), special rules may apply. If funds are coming from a 457 program, mark this as a “No” and complete Line 3 above. (Not applicable to direct trustee-to-trustee transfers.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. MERS SERVICE CREDIT PURCHASE – Are the funds being used to purchase MERS service credit as approved by the current MERS employer under its MERS defined benefit program?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • If “Yes,” has the governing body of your MERS employer formally approved your service credit Purchase? (Attach copy of completed application approved by the governing body.) • Are the funds being transferred from an in-service distribution? (Applicable to direct trustee transfers.) 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
8. REPAYMENT OF PRIOR REFUND OF MERS CONTRIBUTIONS – Are the funds being transferred for the purpose of restoring MERS defined benefit service that had previously been forfeited by an earlier refund? <i>Please note:</i> You must be a current, active MERS member as the time of repayment.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are transferred funds from an in-service distribution? (Applicable to direct trustee transfers.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. 60-DAY RESTRICTION ON INDIRECT ROLLOVERS – Is deposit with MERS being made within 60 calendar days of your receipt of the funds? (Not applicable to Direct Rollover.)	<input type="checkbox"/> Yes <input type="checkbox"/> No

In order for the rollover to be tax-qualified, the “YES” box MUST BE CHECKED in items 1, 2, 3, 4 or 5. Items 6 and 9 apply to indirect rollovers only, *not* to direct trustee transfers (as is stated in boxes 7 and/or 8). If “NO” is checked in box 9, you may make contributions, but the funds will be subject to federal and state tax in the calendar year you received them from the other plan. If box 7 is checked “YES,” MERS requires receipt of the completed service credit purchase application approved by the governing body of the current MERS employer, and will accept **ONLY** the amount equal to the balance due for the service credit being purchased.

If box 8 is checked “YES,” MERS will accept only the balance due. Any amount received over the balance due will be returned to the transferring plan (if a direct transfer) or to the member for rollover to another section 401(a), 403(b) or 457 plan or a traditional IRA that will accept the rollover from MERS—EGTRRA does not require that another plan must accept such funds.

NOTE: The rollover source Plan Administrator is required to provide you with a written explanation (“*Safe Harbor Explanation*”) of direct trustee-to-trustee rollover rules, mandatory tax withholding on distributions not directly rolled over trustee-to-trustee (“indirect rollover”), and tax consequences of distributions not rolled over. The same Plan Administrator will notify the Internal Revenue Service that a distribution of funds has been made by Form 1099-R in the year distribution was made. The 1099-R and MERS’ receipt, along with an explanation that an otherwise taxable amount was rolled over to MERS, should be attached to the tax return for the same calendar year in which the distribution was made.

3. Participant certification

Due to important tax consequences relating to rolling over funds into MERS, I have been advised to see a tax advisor. I certify that I satisfy the requirements for making a qualified rollover into the MERS plan, a qualified pension plan. MERS is entitled to rely fully on my certification. I expressly assume the responsibility for tax consequences relating to this rollover and I agree that MERS shall not be responsible for these tax consequences.

Participant signature*	Date (mm/dd/yyyy)*
Participant name* (please print clearly)	Last four digits of participant SSN*

4. Direct transfer trustee certification

I certify I am the duly authorized Trustee of the qualified plan identified below, or the custodian of the “traditional IRA” identified below, for the account holder/member whose name is stated on page 1.

Account holder name/number	Type of account <input type="checkbox"/> 401(a) <input type="checkbox"/> 403(a) <input type="checkbox"/> 403(b) <input type="checkbox"/> 408(a) <input type="checkbox"/> 408(b) <input type="checkbox"/> SIMPLE <input type="checkbox"/> 457	Plan’s Federal Identification No.
Trustee or plan administrator	Phone number	
Street address	City	State Zip
Signature of plan administrator or trustee	Date (mm/dd/yyyy)*	

Instructions for Processing a Service Credit Purchase

Key Points to Remember

- The service credit purchase cost estimate (Estimated Actuarial Cost of Additional Credited Service) is **valid for 2 months from the calculation date**.
- Additional service is granted once the purchase amount is “paid in full” **within the 2-month period**.
- If you are paying for the additional service by a rollover distribution from another pension plan (or traditional IRA), you **must** follow these steps;
 1. Contact the other plan administrator (or trustee) to determine their rules for a distribution of your funds.
 2. Send to MERS a copy **ONLY** of the other plan’s required distribution forms. MERS does not process the other plan’s forms.
 3. After you and the other plan complete the enclosed “Certification of Qualified Fund Rollover to MERS,” return the completed original to MERS at the address indicated on the form. Do not return this instruction sheet (page 3).
 4. Once the governing unit (your MERS employer) approves the service purchase, the signed resolution should be forwarded to MERS prior to sending any payment.
 5. If required (or requested) by the other plan, MERS’ Finance Department will provide wiring instructions.
- MERS is a tax-qualified governmental plan under section 401(a) of the Internal Revenue Code, pursuant to IRS Letter of Favorable Determination dated October 18, 2016.

You can submit this form online! 

If you already have a myMERS account, you can upload this form online. Look for the **File Upload** feature to easily and securely submit completed forms.

You may also mail completed form to:

**Municipal Employees’
Retirement System of Michigan**

1134 Municipal Way
Lansing, MI 48917

Fax: 517.703.9706