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## Rollover/Transfer for Pre-Tax Funds Instruction Sheet

An “eligible rollover distribution” may be used to purchase service credit or to reinstate previously withdrawn service credit. A ***Rollover/Transfer Certification Form for Pre-Tax Funds*** must be completed per IRS regulations. Please review and follow these steps to complete an “eligible rollover distribution.”

### PSRS/PEERS Member

- STEP 1** Please read page 2 of this instruction sheet.
- STEP 2** A valid purchase or reinstatement application must be on file with PSRS/PEERS before we can accept an “eligible rollover distribution” payment. **IMPORTANT: If your service credit is on record with another retirement system, the purchase application is not valid until PSRS/PEERS has verified the forfeiture of credit by the other system (See Part 2 of the purchase application).**
- STEP 3** Complete **Section A** of the *Rollover/Transfer Certification Form for Pre-Tax Funds*.
- STEP 4** Send the *Rollover/Transfer Certification Form for Pre-Tax Funds* (**with Section A already completed**) to your financial institution.

### Financial Institution

- STEP 5** Complete **Section B** of the *Rollover/Transfer Certification Form for Pre-Tax Funds*. If the Financial Institution is unable to complete **Section B**, the member must contact PSRS/PEERS for alternate procedures.
- STEP 6** Return the *Rollover/Transfer Certification Form for Pre-Tax Funds* to PSRS/PEERS along with the rollover-transfer check.\*\*

### Important Information

The ***Rollover/Transfer Certification Form for Pre-Tax Funds*** must be completed and returned to PSRS/PEERS. PSRS/PEERS will not process a rollover or direct transfer payment without this completed form. Processing delays could result in an additional amount due on a purchase or reinstatement application.

PSRS/PEERS will accept only an amount equal to or less than the balance due for a purchase or reinstatement of service credit.

**\*\*Any check made out in an amount greater than the amount owed will be returned to the sending financial institution.**

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## Rollover/Transfer Information for the Purchase or Reinstatement of Service Credit

- ▶ PSRS/PEERS can accept, as a tax-free transaction, a pre-tax “eligible rollover distribution” as defined under the Internal Revenue Code **ONLY** for the purchase of service credit or for a reinstatement of previously withdrawn service credit.
- ▶ PSRS/PEERS will accept only an amount **equal to or less than the balance due** for a purchase or reinstatement of service credit.
- ▶ **PSRS/PEERS will return to the sending financial institution any check made out in an amount greater than the amount owed on an established reinstatement or purchase account.**

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### Eligible Rollover Distributions

Consistent with the Internal Revenue Code, PSRS/PEERS will accept a pre-tax “eligible rollover distribution” in payment for the purchase of service credit or for a reinstatement of previously withdrawn service credit, provided the money is received from:

- A qualified plan described in section 401(a) or 403(a) of the Internal Revenue Code.
- An annuity contract described in section 403(b) of the Internal Revenue Code.
- An eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- A traditional Individual Retirement Account or an Individual Retirement Annuity described in section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be included in gross income.
- The member, if the amount was distributed to the member from a qualified plan and is rolled over by the member to PSRS/PEERS within 60 days of that distribution, and if the member’s check is accompanied by proof of rollover eligibility.

### Eligible rollovers do not include:

- Any payment which is one of a series of substantially equal periodic payments made over the life or life expectancy of the member or the joint life or joint life expectancies of the member and his designated beneficiaries.
- Any payment which is one of a series of substantially equal periodic payments made for ten years or more.
- Required distributions under Internal Revenue Code Section 401(a)(9).
- A distribution that is made because legal limits on certain contributions were exceeded (a corrective distribution).

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### In-Service Trustee-to-Trustee Transfers

PSRS/PEERS can accept an in-service trustee-to-trustee transfer from:

- An annuity contract/plan described in section 403(b) of the Internal Revenue Code.
- An eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

Unlike an eligible rollover distribution, an in-service trustee-to-trustee transfer does not require a distributable event, such as termination of employment. Two requirements, however, must be met in order to make such a transfer to purchase or reinstate service credit.

1. Your 403(b) or 457(b) plan must allow in-service trustee-to-trustee transfers. *You should contact your plan administrator to determine if these transfers are allowed from your plan.*
2. The transfer must be limited to the cost to purchase or reinstate service for which you are eligible. *Any check made out in an amount greater will be returned to the sending financial institution.*

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