

IMPORTANT INFORMATION ABOUT YOUR ROLLOVER REQUEST

- ❖ Effective January 1, 2008, a Plan participant who is eligible to receive a distribution and whose modified Adjusted Gross Income (AGI) is less than \$100,000 is eligible to roll his or her account balance directly to a Roth IRA. The \$100,000 limit applies to individual and joint income of married participants. Married participants who file “married filing separately” are not eligible.
- ❖ For years beginning in 2010 and later, the modified AGI limit will no longer apply.
- ❖ Federal Income Taxes will be due for the year the direct rollover is made to your Roth IRA. **Income taxes will not be withheld from distributions paid as a direct rollover to a Roth IRA unless specifically requested.**
- ❖ No 10% early distribution penalty tax will be applied to funds rolled into the Roth IRA even if the distribution includes funds from other qualified plans and/or IRA’s previously rolled to your NYSDCP account. However, if distributions are made from the Roth IRA within the five year period beginning with the tax year the rollover was made, these distributions may be subject to the penalty tax unless another exception applies.
- ❖ You should consult with your tax advisor prior to initiating a direct rollover to a Roth IRA. You should discuss the impact the additional income, without income tax withholding, will have on your tax situation and may wish to plan accordingly.

Please note: This information is of a general and informational nature and is NOT INTENDED TO CONSTITUTE LEGAL OR INVESTMENT ADVICE. Rather, it is provided as a means to inform you of current information regarding your rollover request. You are urged to consult your own counsel regarding this information.