

ROTH IRA ROLLOVER AND TRANSFER CONTRIBUTIONS (FORM 2414R)

Please Print or Type

CUID (Credit union will complete.)

Credit Union Name

_____-_____-_____
Social Security Number

IRA Suffix

IRA Owner's Name (First, Initial, Last)

Account Number

\$ _____
Amount Contributed

Deposit into:

- An existing Roth IRA
 A new Roth IRA (You must also complete a Roth IRA Application.)

Date Money Entered IRA (MM/DD/YYYY)

Please read the reverse side before completing this form.

FROM TRADITIONAL IRA TO ROTH IRA

Check one box only. See the reverse side for a summary of rollover and direct transfer rules.

Eligibility Statement. My modified adjusted gross income for the year in which the money left my traditional IRA will not exceed \$100,000, and I will file my federal income tax return for this year either as a single person or jointly with my spouse. (Starting in 2010, there will be no eligibility restrictions.)

HOW IS THE MONEY BEING MOVED?

- 1. ROLLOVER FROM MY TRADITIONAL IRA**— This contribution is all or part of a distribution that I received from a traditional IRA during the last 60 days. I am the original owner of the IRA from which the money was distributed.
- 2. DIRECT TRANSFER FROM MY TRADITIONAL IRA**— The fiduciary of my traditional IRA is directly transferring money to my credit union Roth IRA. I am the original owner of the IRA from which the money is being transferred.

FROM ROTH IRA OR DESIGNATED ROTH ACCOUNT TO ROTH IRA

Check one box only. See the reverse side for a summary of rollover and direct transfer rules, including the limitation that only eligible rollover distributions can be moved from a designated Roth account to a Roth IRA.

- 3. ROLLOVER FROM MY ROTH IRA OR ROLLOVER/DIRECT ROLLOVER FROM A DESIGNATED ROTH ACCOUNT**— This contribution is all or part of a distribution that I received from my Roth IRA or a designated Roth account during the last 60 days, or the fiduciary of a designated Roth account is transferring money to my Roth IRA in a direct rollover. If the distribution was from a Roth IRA, then during the last 365 days, I have not rolled over any other distributions from the same IRA, and that IRA has not received any rollover contributions from a Roth IRA. I am one of the following: (a) the original owner of the distributing account, or (b) the former spouse of the original owner of the designated Roth account and the distribution is pursuant to the terms of a qualified domestic relations order. See the reverse side for exceptions to the 60-day and once-a-year rollover rules.
- 4. DIRECT TRANSFER FROM A ROTH IRA**— The fiduciary of a Roth IRA is directly transferring money to my credit union Roth IRA. I am one of the following: (a) the original owner of the Roth account from which the money is being transferred, or (b) the former spouse of the original owner and this transfer is pursuant to the terms of a divorce decree or a written instrument (document) incident to the divorce.
- 5. ROLLOVER FROM DECEASED SPOUSE'S ROTH IRA OR ROLLOVER/DIRECT ROLLOVER FROM DECEASED SPOUSE'S DESIGNATED ROTH ACCOUNT**— This contribution is all or part of a distribution that I received from my deceased spouse's Roth IRA or designated Roth account during the last 60 days, or the fiduciary of my deceased spouse's designated Roth account is transferring money to my Roth IRA in a direct rollover.
- 6. DIRECT TRANSFER FROM DECEASED SPOUSE'S ROTH IRA**— The fiduciary of my deceased spouse's Roth IRA is directly transferring money to my credit union Roth IRA.

IRA OWNER'S SIGNATURE/DATE

IRA Owner's Signature

Date (MM/DD/YYYY)

SUMMARY OF ROLLOVER AND DIRECT TRANSFER RULES

For purposes of this discussion of rollovers and direct transfers, (a) the term "Roth IRA" means a Roth individual retirement account, Roth individual retirement annuity, or Roth individual retirement bond; (b) the term "designated Roth account" means a separate account established in a qualified retirement plan into which designated Roth contributions have been made (the most common type of designated Roth account is a Roth 401(k) account); and (c) the term "fiduciary" means the trustee, custodian, or insurance company that issues the IRA or administers the designated Roth account. Rollover and transfer contributions into traditional IRAs are documented on the Traditional IRA Rollover and Transfer Contributions (Form 2314T).

WHAT ARE THE RULES FOR MOVING MONEY FROM A TRADITIONAL IRA TO A ROTH IRA?

The IRS refers to a transaction in which money is moved from a traditional IRA into a Roth IRA as an "IRA conversion contribution."

Can I Make an IRA Conversion Contribution? You must meet two requirements in the year in which the money leaves your traditional IRA: (1) if you are married on the last day of the year, you must file a joint federal income tax return with your spouse, and (2) your modified adjusted gross income (MAGI) must be \$100,000 or less during that year. If you file a joint income tax return with your spouse, then this limit is joint MAGI of not more than \$100,000. The taxable income created by moving the money from a traditional IRA to a Roth IRA is not included when determining your MAGI.

Starting in 2010, there will be no eligibility restrictions, and anyone who has a traditional IRA will be able to make this type of transaction.

You must be the original owner of both the traditional IRA that distributes or transfers the money and the Roth IRA that receives the money. The surviving spouse or former spouse of the original owner **cannot** move money directly from the original owner's traditional IRA to a Roth IRA. But money can be moved to a traditional IRA in the name of the surviving spouse or former spouse, and the money can subsequently be converted to a Roth IRA in the name of the surviving spouse or former spouse.

Where Can the Money Come from? You can move the money from any of your traditional IRAs to your Roth IRA with one exception: money in a SIMPLE IRA cannot be converted to a Roth IRA during the two-year period that starts when you first participated in the plan maintained by the employer who has funded that IRA.

How Do I Do a Direct Transfer IRA Conversion? You do this by instructing the fiduciary of the transferring traditional IRA to directly transfer the money to the fiduciary of the receiving Roth IRA. A direct transfer can be used to move money from your traditional IRA in the credit union to your Roth IRA that is also in the credit union. You should set up the Roth IRA that will receive the direct transfer before you start the direct transfer.

How Do I Do a Rollover IRA Conversion? You do this by withdrawing the money from a traditional IRA and contributing an amount not greater than the amount withdrawn to a Roth IRA. Two or more contributions can be made with respect to one withdrawal, but the total of the contributions cannot exceed the amount withdrawn. You can roll over a distribution only if you make the contribution within 60 days after you receive the distribution. There are several exceptions to the 60-day rule, including delay due to insolvency, errors of a financial institution, disasters, and waiver by the IRS.

Can I Mix Regular Contributions and IRA Conversion Contributions? Yes, you can make both regular contributions and IRA conversion contributions to the same Roth IRA.

What Are the Tax Consequences of an IRA Conversion Contribution? An IRA conversion contribution creates taxable income. This is true whether you use a rollover or direct transfer. The transaction is taxed as the removal of money from the traditional IRA followed by the contribution of the money to the Roth IRA. The only exception is that the 10% early distribution tax does not apply even if you are under age 59½. The portion that is attributable to your traditional IRA basis is not subject to income tax. Your traditional IRA basis is created by making nondeductible contributions to traditional IRAs or by rolling over nontaxable distributions from a qualified retirement plan (QRP).

What If I Receive Property? Please check with us to see if we can accept a contribution of property before starting this type of transaction.

Can I Move Money from My Retirement Plan to a Roth IRA? Money generally cannot currently be moved from a qualified retirement plan (QRP) directly to a Roth IRA. The one exception is that you can move an eligible rollover distribution from a designated Roth account in a QRP to a Roth IRA, and you cannot move such a distribution into a traditional IRA. Effective for distributions made in 2008 and later years, an eligible rollover distribution from any QRP can be directly rolled into a Roth IRA if the owner meets the requirements that must generally be met to make an IRA conversion contribution.

Prior to 2008, if your goal is to move money that was not in a designated Roth account from a QRP into a Roth IRA, you must first move the money from the QRP to a traditional IRA. Use the Traditional IRA Rollover and

Transfer Contributions (Form 2314T) to document the contribution to the traditional IRA. After the money is in your traditional IRA, you can move the money to your Roth IRA in an IRA conversion contribution as described in the left column.

WHAT ARE THE RULES FOR MOVING MONEY FROM A ROTH IRA OR A DESIGNATED ROTH ACCOUNT TO A ROTH IRA?

Who Is Eligible? There are no income or filing status restrictions on your ability to move money from one Roth IRA to another Roth IRA or from a designated Roth account to a Roth IRA.

Who Can Use a Direct Transfer? You can directly transfer money from one Roth IRA to another if: (a) you are the original owner of the transferring account (check box 4), (b) you are the surviving spouse of the deceased original owner (check box 6), or (c) you are the former spouse of the original owner and the transfer is pursuant to the terms of a divorce decree or a written instrument incident to the divorce (check box 4). A beneficiary of a Roth IRA owned by a deceased owner can also use a direct transfer to move money into a Roth IRA in the name of the deceased owner. Beneficiaries should not use this form to document a direct transfer into an IRA in the name of the deceased owner.

How Do I Do a Direct Transfer? You do this by instructing the fiduciary of the distributing Roth IRA to directly transfer the money to the fiduciary of the receiving Roth IRA. A direct transfer can be used to move money between two Roth IRAs in the credit union. You should set up the Roth IRA that will receive the direct transfer before you start the direct transfer. A direct transfer can be made without worrying about the once-a-year rule discussed below, and a direct transfer does not count as a rollover for purposes of applying the once-a-year rule to a later rollover.

Who Can Use a Direct Rollover? You can use a direct rollover to move money from a designated Roth account to a Roth IRA if: (a) you are the original owner of the distributing account (check box 3), (b) you are the surviving spouse of the deceased original owner (check box 5), or (c) you are the former spouse of the original owner and the distribution is pursuant to the terms of a qualified domestic relations order (check box 3). Only an eligible rollover distribution from a designated Roth account can be moved to a Roth IRA in a direct rollover. A direct rollover is not subject to withholding. Starting in 2007, any beneficiary of a designated Roth account is able to use a direct rollover to move an eligible rollover distribution into a Roth IRA in the name of the deceased owner.

How Do I Do a Direct Rollover? You do this by instructing the fiduciary of the distributing designated Roth account to transfer the money directly to the fiduciary of the receiving Roth IRA. You should set up the Roth IRA that will receive the money before you start the direct rollover.

Who Can Use a Rollover? You can use a rollover to move money from one Roth IRA to another or from a designated Roth account to a Roth IRA if: (a) you are the original owner of the distributing account (check box 3), or (b) you are the surviving spouse of the deceased original owner (check box 5). The former spouse of the original owner can use a rollover to move money from the original owner's designated Roth account to a Roth IRA for the former spouse (check box 3); but the former spouse **cannot** use a rollover, only a direct transfer, to move money from the original owner's Roth IRA to a Roth IRA for the former spouse. Only an eligible rollover distribution from a designated Roth account can be rolled over to a Roth IRA. An eligible rollover distribution from a designated Roth account is generally subject to 20% withholding, even if it is subsequently rolled over to a Roth IRA.

How Do I Do a Rollover? You do this by withdrawing the money from one Roth IRA and contributing an amount not greater than the amount withdrawn to the same or a different Roth IRA. You can also do this by receiving an eligible rollover distribution from a designated Roth account and contributing an amount not greater than this distribution to a Roth IRA. Two or more contributions can be made with respect to one withdrawal, but the total of the contributions cannot exceed the amount withdrawn. You can roll over a distribution only if you meet these tests:

- **Once-a-Year Rule.** An IRA distribution cannot generally be rolled over if any other distribution from the same IRA has been rolled over during the preceding 365 days (but see below for an exception). An IRA distribution also cannot be rolled over if the distributing IRA has received a rollover contribution from a Roth IRA during the preceding 365 days. The once-a-year rule does not apply to the rollover of certain withdrawals by a first-time home buyer. This restriction does not apply to a rollover or direct rollover of an eligible rollover distribution from a designated Roth account.
- **60-Day Rule.** You generally must contribute the money to a Roth IRA within 60 days after you receive the distribution. There are several exceptions to the 60-day rule, including delay due to insolvency, errors of a financial institution, disasters, waiver by the IRS, and certain withdrawals by a first-time home buyer. (See your tax advisor for more information.)

What If I Receive Property? Please check with us to see if we can accept a contribution of property before starting this type of transaction.