

Rollover Information

Claim number CSA
Case name
This notice dated
Please reply by

•

This letter explains an important election available to you that will affect your lump-sum payment. You have until the “reply by” date shown above to decide how you want your benefit to be paid. The enclosed “*Special Tax Notice Regarding Rollovers*” explains how the election affects your payment. Please read carefully all of the information provided with this letter before making your decision.

Rollover Allowed

Effective January 1, 2002, you are permitted to roll over certain benefits paid after December 31, 2001, into an individual retirement arrangement (IRA), the Thrift Savings Plan, or an eligible employer plan under certain conditions. If the U.S. Office of Personnel Management (OPM) pays the taxable portion of your payment as a direct rollover, no tax is withheld. See note regarding Roth IRAs on the reverse. If OPM pays the taxable portion to you, 20% Federal income tax must be withheld, but to defer income tax you have the option to roll over part or all of the taxable portion yourself within 60 days after you receive the payment. You may then apply for a refund of the 20% withheld when you file your tax return. You may roll over any non-taxable portion of your payment, as well as any taxable portion, subject to the following conditions.

- You can roll over the **taxable** portion to an IRA, a eligible employer plan, or your own open account with the Thrift Savings Plan.
- You can roll over the **non-taxable** portion to an IRA, but you must keep track of the taxable and non-taxable amounts in the IRA. You can also roll over the non-taxable portion to an eligible employer plan, if the plan certifies that it is willing to accept the payment in a direct trustee-to-trustee transfer from OPM and to account for the payment in accordance with tax law. The plan makes this certification on the enclosed *Rollover Election* form, RI 38-117. You cannot roll over the non-taxable portion to the Thrift Savings Plan.
- Your taxable portion and your non-taxable portion are shown below under “Description of Payment.”

Description of Payment

You are due a lump-sum payment for _____.

The amount of your payment is _____.

The taxable portion is _____.

The non-taxable portion is _____.

(Continued on reverse side)

Election Options

The enclosed “*Rollover Election*” form provides two options for receiving your benefit. Please select one option and return your completed election in the enclosed pre-addressed envelope to reach the Office of Personnel Management (OPM) by the date shown at the top of this letter.

If you choose Option A, we will make the distribution payable to you, less 20% tax withholding on the taxable portion, and send it to your regular payment address. To defer income tax you have the option to roll over part or all of the taxable portion yourself within 60 days after you receive the payment.* You may include part or all of the non-taxable portion with the rollover of the taxable portion.

If you choose Option B, we will make all or part of the distribution payable to the individual retirement arrangement [(IRA(s)] or eligible employer plan you specify, with no tax withheld, and send it to you or to the account you specify.* We will pay to no more than two IRAs or plans including the Thrift Savings Plan. We will make any remainder of the benefit payable to you, less 20% tax withholding on any remaining taxable portion, and send it to your regular payment address. To defer income tax you have the option to roll over part or all of the remaining taxable portion yourself within 60 days after you receive the payment. If you choose Option B, the amount you elect to roll over must be \$500.00 or more. You may include part or all of the non-taxable portion with the rollover of the taxable portion.

**Please note: The IRS has ruled that you cannot defer income tax on a rollover into a Roth IRA.*

If you elect Option B, Part 4 must be completed by the financial institution administering your IRA or by your eligible employer plan before we can process your election.

Tax Information

See the enclosed “*Special Tax Notice Regarding Rollovers.*” Consult a qualified tax advisor or the Internal Revenue Service if you need more information on tax matters.

Questions

If you have questions about the rollover election, you may send us email at retire@opm.gov or call the OPM Retirement Information Office, 1-888-767-6738, Monday through Friday, 7:30 a.m. to 7:45 p.m., Eastern time. Address written inquiries to:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
ATTN: ROLLOVERS
Boyers, PA 16017-0045

Please furnish the claim number shown on the other side of this notice when contacting OPM and give us your daytime telephone number and your email address.

Important

If you do nothing, we will make payment to you after the “reply by” date shown on the front of this page, less 20% tax on the taxable portion, and send it to your regular payment address. You have the option to rollover part or all of the taxable portion yourself tax free within 60 days after you receive the payment.

Enclosures: *Special Tax Notice Regarding Rollovers*, RI 37-22
Rollover Election, RI 38-117
Return Envelope

Privacy Act Statement

Public Law 102-318, authorizes the solicitation of this information. The data you furnish will be used to identify direct rollovers and determine Federal income tax withholding on your lump-sum benefit. The information may be shared and is subject to verification via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies in order to determine benefits under their programs, to obtain information necessary for determination or continuation of benefits under this program, or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9397 (November 22, 1943) authorizes the use of the Social Security Number. The Government may use your number in collecting and reporting amounts that you owe the Government. Failure to furnish information may result in Federal income tax withholding from your lump-sum benefit.

Public Burden Statement

We estimate providing this information takes an average 30 minutes per response, including the time for reviewing instructions, getting the needed data, and reviewing the requested information. Send comments regarding our estimate or any other aspect of this form, including suggestions for reducing completion time, to the U.S. Office of Personnel Management, Retirement & Benefits Publications Team, (3206-0212), Washington, D.C. 20415-3430. The OMB number, 3206-0212, is currently valid. OPM may not collect this information, and you are not required to respond, unless this number is displayed.