

Rules And Conditions Applicable To Conversions

GENERAL INFORMATION

A conversion is a way to move money or property from an IRA to a Roth IRA. The Internal Revenue Code (IRC) limits who can complete a conversion and how the Trustee or Custodian must report the transaction. By properly completing this form you are certifying to the Trustee or Custodian that you have satisfied the rules and conditions applicable to a conversion and that you are making an irrevocable election to treat the transaction as a conversion.

IRA TO ROTH IRA CONVERSION REQUIREMENTS

1. TIMELINESS

The funds you receive from the distributing IRA must generally be deposited into a Roth IRA within 60 days after you receive them. When counting the 60 days include weekends and holidays. Receipt generally means the day you actually have the funds in hand. For example, the 60 days would begin on the day following the day you pick up the check from the Trustee or Custodian or you receive the check in the mail.

The IRS has the authority to grant extensions to the 60 (or 120) day rule in cases where a hardship would be related (e.g., casualty, disaster, etc.). Generally, in order to receive this relief you must apply for a Private Letter Ruling accompanied by the applicable user fee. An automatic waiver (no application to the IRS) is available if all the following are true: (1) the financial institution receives the funds prior to the expiration of the 60-day rollover period, (2) you follow all procedures required for depositing the funds into an eligible Roth IRA within the 60-day period, (3) the funds are not deposited due to financial institution error, (4) the funds are deposited into a Roth IRA within one year from the beginning of the 60-day rollover period, and (5) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

2. 70% CONVERSION RESTRICTION

If this conversion is being made during or after the year in which you turn age 70½, you cannot convert any distribution to the extent that it is a required minimum distribution from the distributing IRA.

3. INCOME RESTRICTION

If your modified adjusted gross income in the year of distribution exceeds \$100,000, you are not eligible to convert your IRA to a Roth IRA during such year.

4. TAX RETURN RESTRICTION

If you are married and you and your spouse file separate tax returns for the year in which the distribution occurs, you are not eligible to convert your IRA to a Roth IRA during such year unless you and your spouse have lived apart for the entire taxable year.

5. RECONVERSION RESTRICTION

If you are reconverting a conversion made during the same taxable year or, if later, within 30 days of when the conversion was recharacterized back to the IRA, you cannot reconvert at this time.

6. TWO YEAR RESTRICTION

If you are converting from a SIMPLE IRA, you cannot convert to a Roth IRA within two years from when you first participated in a SIMPLE IRA plan sponsored by your employer.