



# In-Plan Roth Conversion Election Information

Phone: (855) 616-4776 • [savingsplusnow.com](http://savingsplusnow.com)

## 1. Purpose

This document includes information and a form to help you with your In-Plan Roth Conversion election. An In-Plan Roth Conversion from your pre-tax Plan account involves complex income tax matters. This document lists some, but not all, of the items you must consider before submitting the ***In-Plan Roth Conversion Election Form***. You may wish to obtain the advice of a tax advisor to understand the impact this conversion may have on your estimated federal and state income tax payments, overall change in tax liability, and availability of funds to pay the taxes.

## 2. Eligibility for Roth Conversion

- Only Plan participants, their surviving spouse, or their spousal alternate payee are eligible for an In-Plan Roth Conversion.
- All pre-tax contributions and/or rollover assets, not included in an outstanding loan or as part of balances in the Personal Choice Retirement Account (PCRA) through Charles Schwab, are eligible for an In-Plan Roth Conversion. If you want to include assets in your PCRA account, you will need to transfer the assets back to your core account first.
- Assets identified as Employer Discretionary, or Employer Contributions, are not eligible for In-Plan Roth Conversion.

## 3. General Information

### Election is Irrevocable

It is important to note that an In-Plan Roth Conversion is an irrevocable event. Once the ***In-Plan Roth Conversion Election Form*** is received in good order, the election cannot be canceled nor can the In-Plan Roth Conversion be reversed. There are no exceptions.

### How the In-Plan Roth Conversion Works

You may convert up to 100% of your assets in Employee pre-tax and/or Rollover pre-tax sources. The amount you elect will be converted and invested in the same manner it was distributed. Once the conversion is complete, the In-Plan Roth Conversion will be reported as a separate money source in your account and your investment allocations will remain the same.

## 4. Tax Information

### Tax Withholding at the Time of Conversion

Taxes will not be withheld at the time of the In-Plan Roth Conversion unless you are eligible for a withdrawal under the Plan rules. You may request federal income tax withholding on the form, and you may submit a ***California State Withholding Certificate for Pension or Annuity Payments (DE 4P)*** with the ***In-Plan Roth Conversion Election Form*** if you wish to have California State income taxes withheld.

### Tax-Free Withdrawals

In order for your In-Plan Roth converted assets to be reported as tax-free at the time of withdrawal, certain criteria must be met. Consult with your tax professional for additional information.

#### **Qualified Withdrawal**

In order for your In-Plan Roth converted assets to be considered a qualified withdrawal, you must have attained age 59½, become disabled, or have died AND it has been five years or more from January 1 of the calendar year in which your first Roth contribution or first In-Plan Roth Conversion was made. Withdrawal of your In-Plan Roth converted assets before requirements are met may result in taxation of your earnings.

#### **Recapture Tax (401(k) only)**

A 10% recapture tax may apply to your withdrawal if specific age and time requirements are not met. Each In-Plan Roth Conversion will have its own time requirements, so the recapture tax may apply to a portion of the withdrawal, even if the withdrawal is considered to be a qualified withdrawal.

## 5. Contact Information

**Voice Response System:** (855) 616-4776, 24 hours a day, 7 days a week

**Savings Plus Solutions Center:** (855) 616-4776, 5 a.m. – 8 p.m. (PT), Monday–Friday  
To speak with a Customer Service Representative, press \*0

**Walk-In Center:** Open 8 a.m. – 5 p.m. (PT), Monday–Friday  
1810 16th Street  
North Building  
Sacramento, CA 95811-6606

**TTY:** (800) 848-0833

**Website:** [savingsplusnow.com](http://savingsplusnow.com)



# In-Plan Roth Conversion Election Form

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Once this form is received in good order, the election is irrevocable.

## 1. Participant Information

Name: \_\_\_\_\_ Account Number or SSN: \_\_\_\_\_

Email: \_\_\_\_\_ Preferred Phone: \_\_\_\_\_

Phone Type:  Home  Work  Cell

## 2. Plan Type (select one - complete a separate form for each plan type)

401(k)  457(b)

## 3. Conversion Direction (select one)

Indicate the amount(s) of assets to be converted into Roth from each source below. You may convert up to 100% of the Employee pre-tax and/or the Rollover pre-tax sources. If you indicate a percentage, you must use a whole percent.

Employee pre-tax: \$ \_\_\_\_\_ or \_\_\_\_\_% Rollover pre-tax\*: \$ \_\_\_\_\_ or \_\_\_\_\_%

Rollover 457(b) pre-tax: \$ \_\_\_\_\_ or \_\_\_\_\_% \*for assets originating from non-457(b) plans

## 4. Income Tax Withholding Eligibility

You may wish to obtain the advice of a tax advisor to understand the impact this conversion may have on your estimated federal and state income tax payments, overall change in tax liability, and availability of funds to pay the taxes.

Are you at least 59½ years old?  Yes  No

Have you separated from state employment?  Yes  No

If the answer to both questions is "No," you may NOT withhold taxes on your In-Plan Roth Conversion but you will still have tax liability at year end.

If the answer to either question is "Yes," you have the right to withhold taxes. See Publication 505: *Tax Withholding and Estimated Tax*.

## 5. Tax Withholding (only available if you answered "Yes" to one of the questions in section 4)

**Federal income tax withholding:** Taxes will NOT be withheld, even if you are eligible, unless you elect withholding below.

I elect to withhold \_\_\_\_\_% OR \$ \_\_\_\_\_

**State income tax withholding:** California State income tax will not be withheld unless you request otherwise by completing and submitting a *California State Withholding Certificate for Pension or Annuity Payments (DE 4P)*. If you choose to modify the amount of state income tax withholding with a *DE 4P*, the modification will only apply to the withdrawal request to which the *DE 4P* is attached. The *DE 4P* form is available at [edd.ca.gov](http://edd.ca.gov) or contact the Savings Plus Solutions Center to have one mailed to you.

## 6. Signature

I request the conversion to be made in accordance with my election stated above and understand the request for conversion is irrevocable. I certify that I have received the *402(f) Special Tax Notice Regarding Plan Payments* located in the **Forms/Publications/Governing Documents and Reports** tab at [savingsplusnow.com](http://savingsplusnow.com) and, by signing, I waive the 30-day notice. I hereby certify under penalty of perjury that this information is true and accurate to the best of my knowledge.

Participant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

You may contact the Savings Plus Solutions Center for a hard copy of the *402(f) Special Tax Notice Regarding Plan Payments*.

## 7. Submission Instructions

You may submit your completed conversion election by mail or fax, or you may be able to submit via DocuSign.

**By Mail:** Nationwide Retirement Solutions  
PO Box 182797, Columbus, OH 43218-2797

**By Fax:** (877) 677-4329

**By DocuSign:** Contact the Savings Plus Solutions Center