

INSTRUCTIONS FOR COMPLETING THE DIRECT ROLLOVER / CONVERSION / RECHARACTERIZATION FORM

Use this form to complete a Rollover, Direct Rollover, Conversion, Reconversion, or Recharacterization.

Step 1 – Current (Resigning) Trustee/Custodian Information

- Provide the name, address and account number of the current (resigning) Trustee/Custodian; (This is the financial institution that currently holds the funds/assets.¹)
- Provide the name and phone number of a Representative at the current Trustee/Custodian.

Step 2 – Participant and Current Plan Information

- Provide the name, address and social security number of the Participant;
- Provide the name of the Qualified Retirement Plan, if applicable;
- Provide the type of account (and account number) the funds/assets are currently held in.

Step 3 – Transaction type

- Indicate the type of transaction being undertaken. (see definitions below)

A **direct rollover** describes the movement of funds/assets directly between a Trustee/Plan Administrator of a Qualified Retirement Plan and the Trustee/Custodian of an Individual Retirement Arrangement (IRA). The funds are transferred directly from the current Trustee/Custodian to the new Trustee/Custodian.

A **conversion** is the movement of funds from a Traditional IRA to a Roth IRA. This is a reportable and possibly taxable² transaction.

A **reconversion** is the movement of funds that were previously subject to a conversion, which were recharacterized back into a Traditional IRA from a Roth IRA and subsequently converted again (re-converted) to a Roth IRA.

A **recharacterization** is the movement of a contribution, plus net income attributable (NIA), from a Roth or Traditional IRA into another Roth or Traditional IRA, prior to the Participant's individual's tax return due date, plus extensions, for the year for which the contribution was originally made. **A Roth IRA conversion made in 2017 may be recharacterized as a contribution to a traditional IRA if the recharacterization is made by October 15, 2018. A Roth IRA conversion made on or after January 1, 2018, cannot be recharacterized.**

Step 4 – Type of Transaction

- Indicate if this is a lump sum (current retirement plan will be closed) or partial (current retirement plan will still have assets remaining) transaction;
- Indicate when this transaction is to take place.

Step 5 – New Custodian Information

- Provide the name, phone number and address of the financial institution that is receiving the funds.

(Upon receipt of the funds from the Plan Administrator/Trustee, deposit the funds into the Participant's IRA.)

Step 6 – Incoming Plan Information

- Indicate whether the funds are to be placed into an existing retirement plan or into a new retirement plan;
- Indicate what type of retirement plan the funds are to be deposited into.

If the funds are to be deposited into a new retirement plan, have the Participant complete the appropriate Adoption Agreement and Designation of Beneficiary form for the type of retirement plan being opened, and give the Participant a copy of the appropriate Disclosure Statement and Trust Agreement booklet for that type of retirement plan.

IRA plans should be vested as follows:

LT Trust Trustee FBO _____ (insert Participant's name)

Defined Contribution Plans (Money Purchase Pension and Profit Sharing Plans) should be vested as:

Money Purchase Pension Plan or Profit Sharing Plan _____ (insert Employer's name)

INSTRUCTIONS

Step 7 – Tax Withholding

THIS STEP ONLY APPLIES TO ROTH CONVERSIONS. IF YOU ARE NOT COMPLETING A ROTH CONVERSION, SKIP THIS STEP AND GO DIRECTLY TO STEP 8.

- Indicate, by placing a check mark next to the applicable sentence, whether federal income tax is to be withheld from the transaction. If federal income tax is to be withheld, indicate the amount.

Step 8 – Signatures

- The Participant should read the certifications carefully and then sign in the space provided;
- The representative of the financial institution, who is completing the transaction, should sign in the space provided.

Step 9 – Verbal Authorization

Obtain a verbal authorization code from a Customer Service Representative at 1-800-492-0165, for the following transactions:

- **ALL** transactions where funds are leaving your institution;
- All recharacterizations;
- All conversions.
- **EFFECTIVE JANUARY 1, 2018**
 - Pursuant to the Tax Cuts and Jobs Act (Pub. L. No. 115-97), a conversion from a traditional IRA, SEP or SIMPLE to a Roth IRA cannot be recharacterized. The new law also prohibits recharacterizing amounts rolled over to a Roth IRA from other retirement plans, such as 401(k) or 403(b) plans.
 - A Roth IRA conversion made in 2017 may be recharacterized as a contribution to a traditional IRA if the recharacterization is made by October 15, 2018. A Roth IRA conversion made on or after January 1, 2018, cannot be recharacterized.

¹ If this transaction is being completed internally, this is your institution's information.

² The Participant should seek guidance from his/her attorney or tax advisor to determine if this transaction is taxable.

DIRECT ROLLOVER / CONVERSION / RECHARACTERIZATION FORM

Use this form to complete a Direct Rollover, a Conversion, a Reconversion, or a Recharacterization.

NOTICE TO CURRENT TRUSTEE/CUSTODIAN

Upon receipt of this form, you are directed to convert into cash the assets identified herein that you hold for the Participant identified on this form, and send the funds to the Successor Trustee named below in accordance with the instructions below.

CURRENT (RESIGNING) TRUSTEE/CUSTODIAN INFORMATION

Name and address of current (*resigning*) Trustee/Custodian of the IRA or Employer Sponsored Retirement Plan:

Name

Contact Person

Phone Number

Address

City/State/ZIP

PARTICIPANT AND CURRENT PLAN INFORMATION

Name of Participant

Social Security Number

Address

City/State/ZIP

Current Plan Information

Plan Type: Traditional/SEP IRA Rollover IRA Roth IRA Money Purchase Pension Plan
 Profit Sharing Plan 401(k) Defined Benefit Plan Other _____

Account Number(s)

Name of Employer Sponsored Retirement Plan (*if applicable*)

TRANSACTION TYPE

Place a check mark in the box next to the type of transaction being undertaken (*Select one category and the appropriate sub-category.*)

- Direct Rollover
- Qualified Retirement Plan to Rollover (*Traditional*) IRA
 - Rollover IRA to a Qualified Retirement Plan
- Conversion, Traditional IRA to Roth IRA \$ _____ Amount being converted
- Recharacterization Tax Year _____ (Roth IRA conversion made in 2017 must be recharacterized as contribution to IRA by October 15, 2018.)
- Recharacterization of a prior conversion - (A Roth IRA Conversion made on or after January 1, 2018, cannot be recharacterized.)
 - Recharacterization of a contribution – from a Traditional IRA to a Roth IRA
 - Recharacterization of a contribution – from a Roth IRA to a Traditional IRA
 - Recharacterization of a current year contribution to a subsequent year contribution³ (*redesignation*)
- \$ _____ Amount of contribution \$ _____ Amount of Net Income Attributable⁴
- Reconversion (*Roth IRA funds previously converted from a Traditional IRA*) \$ _____ (*amount being re-converted which were recharacterized to a Traditional IRA and are now being re-converted to a Roth IRA*)

INSTRUCTIONS TO CURRENT (RESIGNING) TRUSTEE/CUSTODIAN

Make the check payable as follows

LT Trust Trustee FBO _____ (*insert Participant's name*) If

the funds are being sent directly to the new Trustee/Custodian, mail the check and this completed form to:

Financial Institution Name

Attention

Street Address

City/State/ZIP

DIRECT ROLLOVER / CONVERSION / RECHARACTERIZATION FORM

Funds to be Rolled Over/Converted/Recharacterized: (attach list of assets to be liquidated, if applicable)

- All funds (current retirement plan is closing)
 Partial funds in the amount of \$ _____ (current retirement plan will still be open)

Timing:

- When investment matures ____/____/____
 Immediately (early withdrawal penalty may apply)

INSTRUCTIONS TO NEW TRUSTEE/CUSTODIAN

Incoming funds to be deposited:

- Existing plan New Plan (Participant must sign an Adoption Agreement)

Plan type:

- Traditional/SEP IRA Rollover IRA (Direct Rollover funds) Roth IRA
 Money Purchase Pension Plan Profit Sharing Plan

WITHHOLDING ELECTION AND NOTICE*

Withholding Election – **APPLIES TO ROTH CONVERSIONS ONLY**

- I elect to **HAVE** Federal Income tax withheld at a rate of ____ % or \$ _____ (Must be 10% or greater, if no percentage/amount indicated, 10% will be withheld.)
 I elect to **NOT** have Federal Income Tax withheld.

This notice and election of Tax Withholding must be completed for appropriate transactions. This distribution or a portion thereof may be subject to federal and state (if applicable) income tax withholding unless you elect not to have tax withholding apply. If you provide a residence address within the United States, you may elect not to have withholding apply. If you have not provided your residence address, or provided a residence address outside the United States, withholding is generally required and you CANNOT elect out of withholding. If you elect not to have withholding apply to your distribution payments or you do not have enough Federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur tax penalties, under the estimated tax rules, if your withholding and estimated tax payments are not sufficient. This election will remain in effect until revoked by written instructions provided to the financial institution.

* Seek competent legal or tax advice to determine the amount, if any, of State income tax to withhold. Many states have minimum withholding rates. For example, California requires at least 1% be withheld.

PARTICIPANT CERTIFICATIONS AND SIGNATURES

I certify that I have read the section and accompanying instructions applicable to the transaction I have chosen to undertake, and I understand and agree to all the terms there under. In the case of a transfer or direct rollover, the current Trustee/Custodian is authorized to send the funds requested to the financial institution identified on this form.

If this is a rollover or conversion I certify that the assets requested to be rolled over or converted into my IRA qualify as a valid rollover/conversion contribution as defined in the Plan documents, including the requirement that the deposit of such contribution is being made within 60 days after I received the eligible distribution. I hereby irrevocably authorize the deposit of this Rollover Contribution and understand that I am fully responsible for the tax consequences of this transaction.

I hereby agree to indemnify and hold harmless the financial institution that accepts this transaction and LT Trust and its officers, directors, shareholders, agents, and employees, for any and all costs, obligations, losses, claims, damages, and expenses (this includes all reasonable attorney fees) related to or associated with its agreement to accept the funds.

Signature of Participant **X**

Date

Signature of Financial Institution Representative **X**

Date

Letter of Acceptance — To the prior Trustee/Custodian of the account designated for transfer:

Please be advised that LT Trust Company does hereby accept appointment as the successor Trustee when this form has been accurately completed in full and signed by the participant and by the Custodian of funds.

Verbal Authorization Code _____ **Date Obtained** _____
(only for Conversions and Recharacterizations)

³ The Participant must be eligible to make a subsequent year contribution.

⁴ Net Income Attributable must be calculated using the Internal Revenue Service calculation.