

TITLE 1: GOVERNMENT
DIVISION 8: PUBLIC EMPLOYMENT

§ 8461. Rollover Contributions and Distributions.

(a) An employee entering the plan may elect, at the time and in the manner prescribed by the administrator, to have all or part of a direct rollover distribution from an eligible retirement plan owned by the member paid directly into the member's individual account.

(b) Rollover contributions do not count as a purchase of membership service for the purpose of determining years of service.

(c) A distributee may elect, at the time and in the manner prescribed by the administrator, to have all or part of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in the direct rollover.

(d) In this section,

(1) "Direct rollover" means the payment of an eligible rollover distribution by the plan to an eligible retirement plan specified by a distributee who is eligible to elect a direct rollover;

(2) "Distributee" means a member, or a beneficiary who is the surviving spouse of the member, or an alternate payee;

(3) "Eligible retirement plan" means:

(A) A conduit individual retirement account described in 26 U.S.C. 408(d)(3)(A);

(B) An annuity plan described in 26 U.S.C. 403(a);

(C) A qualified trust described in 26 U.S.C. 401(a);

(D) An annuity plan described in 26 U.S.C. 403(b); or

(E) A governmental plan described in 26 U.S.C. 457(b);

(4) "Eligible rollover distribution" means a distribution of all or part of a total account to a distributee, except for:

(A) A distribution that is one of a series of substantially equal installments payable not less frequently than annually over the life expectancy of the distributee or the joint and last survivor life expectancy of the distributee and the distributee's designated beneficiary, as defined in 26 U.S.C. 401(a)(9);

(B) A distribution that is one of a series of substantially equal installments payable not less frequently than annually over a specified period of 10 years or more;

(C) A distribution that is required under 26 U.S.C. 401(a)(9);

(D) The portion of any distribution that is not includable in gross income;

(E) A distribution that is on account of hardship; and

(F) Other distributions that are reasonably expected to total less than \$200 during a year.

Source: PL 15-13, § 3 (8461).