

Q: Am I required to move my money out of the Oregon Savings Growth Plan (OSGP) after I terminate my employment?
For most participants the answer is **no**. This plan does not require payment, transfer, or rollout of any account with a balance of \$1,000 or more. Accounts with a balance of less than \$1,000 must be paid or rolled out within one year of your termination date. The fact that you can roll your other tax-deferred account balances into the OSGP makes this plan a good place to consolidate your retirement assets and keep those assets tax-deferred after your severance date.

Q: Where can the money in my OSGP 457 account be transferred or rolled?

You may transfer your 457 plan assets into the Plans of other public employers with whom you are employed if they offer a 457 plan. You may also roll 457 plan assets into a 401(k), 403(b), or IRA account you have already established. In all cases, however, the Plan receiving the assets must allow transfers or rollovers into their plan.

Q: Does the OSGP charge a fee for a transfer or rollover out of the Plan?

No.

Q: Do I have to roll out my entire account balance?

No. You may choose to roll a portion of your OSGP account balance and leave the remainder in the Plan, or you may take your balance as a lump-sum distribution.

Q: What issues do I need to consider if I am thinking about rolling my account balance out?

Before you take action, you may wish to consider:

- Who selects and monitors the investments available in the new plan?
- What payout options are provided for your money by the new plan administrator(s)?
- What fees are assessed for purchase, administration, and transfer of investments?
- What legal protections exist in the event you file for personal bankruptcy in the future?

If you are younger than age 59½ and wish to begin payments from your OSGP 457 Plan account, you can be paid in a flexible manner, similar to the payout options available in an IRA. Unlike an IRA or other type of eligible plan—such as a 401(k) plan—you would not be subject to an additional 10 percent tax penalty for any distribution you take from your OSGP 457 Plan account before age 59½. The 10 percent tax penalty, however, **may be imposed** upon future distributions you take before 59½ if you move your 457 assets into another type of eligible plan, such as an IRA or 401(k).

Q: What do I need to do if I am 70½ or older when I roll my account balance out of the Plan?

You must take your Required Minimum Distribution (RMD) prior to your rollover request. The RMD will be processed at the time of the rollover and the balance will be rolled over.

Q: What is the 402(f) notice, and what must I do with it?

The IRC section 402(f) notice is required by the IRS to be given to all participants who are considering rolling assets out of an eligible plan. It is intended to help you understand the possible tax ramifications of any action you may take. **Read it carefully.** If you need assistance in understanding this notice, please check our web site at osgp.ingplans.com or call the Information Line at **800-365-8494**. We will work with you, your provider, and your new plan sponsor, if appropriate, to help preserve the tax-deferred status of the assets you wish to roll out of the OSGP. Your signature on the Transfer/Rollover OUT form shows that you have read and understood the 402(f) notice.

Q: Can I roll my OSGP funds to a Roth IRA?

Yes, taxes are not taken out at the time of the rollover to a Roth IRA; you will be responsible for paying any taxes.

As of January 1, 2010, taxpayers with modified adjusted gross income of more than \$100,000 will be allowed to convert a traditional IRA to a Roth IRA. This change applies to all years beyond 2010. In addition, there is a special rule with respect to income tax paid on Roth conversions. Income tax resulting from a conversion in 2010 can be spread over two years. (i.e., included as taxable income in 2011 and 2012). Conversions after 2010 will be considered income during the tax year in which the conversion is completed.

Please remember that the elimination of the Roth IRA adjusted gross income conversion cap does not mean anyone can fund a Roth IRA. Rather, it means anyone can convert an existing IRA to a Roth IRA. As always you should speak with your tax or financial advisor prior to making any financial decision.

Q: I am confident that what I am doing is in my best interests. How can I move my money out of the OSGP?

1. Carefully read the enclosed IRC Section 402(f) notice.
2. Check with the investment provider or plan sponsor of the Plan that you wish to roll your assets to in order to ensure that they will accept a rollover from a 457 plan.
3. Complete the attached *Transfer/Rollover Out* form and mail it to our office at:

**Oregon Savings Growth Plan
800 Summer Street N.E., Suite 200
Salem, OR 97301**

Once your request has been processed by our office and forwarded to our recordkeeper, a check will be issued for the balance of your account. *If this is a rollover to a 401(k), 403(b), or IRA*, the check will be made out to the Plan or provider, and mailed according to your directions, to you, or directly to the new provider. **If it mailed to you, it is your responsibility to forward that check to your new provider immediately to avoid tax liability and IRS penalties.**

If you have additional questions, go to osgp.ingplans.com or call our toll-free Information Line at 800-365-8494.

