

PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be “eligible” for rollover distributions. This means that they can be rolled over to an IRA or another employer Plan that accepts rollovers. In the general only the taxable portion of your distribution is an eligible rollover. Some employee contributions to the City of Atlanta Pension Plans may have been made on an “after-tax” basis. Since tax has already been paid on these contributions, they will be non-taxable when they are paid to you and they cannot be rollover over. Interest paid to you on your pension contributions as well as any contributions you have made to the pension fund which have not been previously taxed are eligible for rollover.

DIRECT ROLLOVER

You can choose a direct rollover of the taxable amount due you when you received a pension refund provided the taxable amount is at least \$200. Further, you can elect to have a portion of the taxable amount paid to you and the remainder rolled over into an IRA or another employer Plan that accepts rollovers, provided that the amount rolled over is at least \$500.00. If you choose a direct rollover, you are not taxed on the amount rolled over until you later take it out of the IRA or the employer Plan.

Direct Rollover to an IRA. You can open an IRA to receive a direct rollover. (The term “IRA” as used in this notice, includes individual retirement accounts and individual retirement annuities). If you choose to have your payments made directly to an IRA, contact the IRA sponsor to find out how you can have your payments made in a direct rollover to an IRA account at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA account to receive payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or other limitations.