

***Manchester Employees' Contributory Retirement System
Application for Acceptance of Tax Sheltered Funds
For Service Buyback Purchases***

Page 1 of 2

**READ THIS ENTIRE FORM CAREFULLY. WE RECOMMEND YOU SEEK THE ASSISTANCE OF A FINANCIAL ADVISOR IF YOU ARE UNCERTAIN AS TO HOW YOU MIGHT BE AFFECTED BY THESE PROVISIONS.
(The MECRS staff cannot assist you on tax related issues).**

INSTRUCTIONS AND GENERAL INFORMATION: The Manchester Employees' Contributory Retirement System has the ability to accept distributions directly from other retirement plans to fund certain service buybacks. A payment from one retirement plan to another is known as a trustee to trustee transfer. Only distributions from plans qualifying under Internal Revenue Code sections 401(k), 403(b) and 457 can be accepted for funding a service buyback purchase. The MECRS cannot accept a distribution from an individual retirement account. In addition, the sending retirement plan must allow for trustee to trustee payments. The MECRS will not accept a trustee to trustee transfer until it has determined that the transferring retirement plan meets all requirements for a transfer. If a member desiring to buyback service cannot do so with funds distributed from another retirement plan, the member can purchase the service buyback using after tax dollars.

The MECRS provides application forms for three types of service buybacks. A service buyback request form must be submitted, and a buyback cost received from the MECRS prior to initiating a trustee to trustee transfer. The three service buyback request forms are:

- REQUEST TO PURCHASE PREVIOUSLY WITHDRAWN SERVICE
- REQUEST FOR THE PURCHASE OF WORKER'S COMP. ABSENCE
- REQUEST FOR THE PURCHASE OF PRIOR SERVICE

PRECEDURE FOR APPLYING: Complete and submit this form, along with the buyback cost information provided by the MECRS. The MECRS cannot accept funds in excess of the cost of the permissive service being purchased. Therefore, the buyback cost information is necessary to determine the amount to be accepted from the sending plan. The cost of a service buyback generally increases with time, so it is in a member's best interests to request a trustee to trustee transfer soon after receiving the buyback cost. Doing so ensures that the member will be able to buyback all of the service that he or she intends to buyback.

If the sending plan transfers an amount in excess of the actual buyback cost, the excess funds will be returned by the MECRS to the member. Unless the member is able to redeposit the excess funds into a qualified retirement account during the required time period, the member will be taxed on the excess distribution.

If the amount available in the sending fund is insufficient to pay the total cost of a requested service buyback, the remaining cost may be paid by including a check consisting of after tax dollars. In the event that assets in the sending plan are in the form of marketable securities which fluctuate in value, it shall be the responsibility of the member to overcome such complexities with the administrator of the sending plan in anticipation of the transfer.

Complete Parts 1 and 2 on page two and submit them with the materials described above to the MECRS office for approval. The MECRS will complete Part 3 and return the form to you, at which time you may complete the funding as planned.

Page one acknowledgement:

Member signature

**Manchester Employees' Contributory Retirement System
Application for Acceptance of Tax Sheltered Funds
For Service Buyback Purchases**

Page 2 of 2 (Not to be considered independently of page 1)

Part 1: To be completed by the applicant member:

I _____ hereby request that the MECRS accept funds presently held under my social security number in a retirement plan qualified under Section 401(k), 403(b) or 457 of the Internal Revenue Code in the amount of \$ _____ to be used to fund a service buyback. The funds will be sent from the _____ plan, administered by _____ and held in account # _____. Funds will be transferred directly to the Manchester Employees' Contributory Retirement System by the following method:
(Check one below)

___ By check made payable to Manchester Employees' Contributory Retirement System and mailed to 1045 Elm Street, Suite 403, Manchester, NH 03101-1824. The check should include the member's name and social security number.

___ By wire, ACH or other electronic transfer to:
State Street Bank & Trust Co.
Boston, MA
ABA #011000028
BNF For Credit to: City of Manchester
DDA ACCT #: 43410240
REF: 2BY3 Agency Cash Account

Member's social security number _____ - _____ - _____.

Signature of applicant member: _____

Date of Signature: _____

Part 2: To be completed by the sending plan:

I hereby certify that the Plan listed below meets the requirements of Section 401(k), 403(b), or 457 of the Internal Revenue Code, that the Plan allows for a rollover distribution of vested account balances and that _____ (member's name) _____ is eligible to receive a rollover distribution.

Name of Plan: _____

Authorized representative: _____

Authorized representative's signature: _____

Date of signature: _____

Part 3: To be completed by the MECRS prior to transfer:

Transfer approved: By: _____ Date: _____

Transfer denied: By: _____ Date: _____