

Rollover

Rolling Your Individual Account Program (IAP) Fund into the Oregon Savings Growth Plan (OSGP).

Here are answers to questions you may have regarding rolling your IAP Fund into the OSGP.

What is the Oregon Savings Growth Plan (OSGP)?

OSGP is a tax-deferred savings plan authorized by Section 457 of the Internal Revenue Code. Commonly referred to as a deferred compensation plan, OSGP is administered by PERS and provides state of Oregon employees and some local government employees with a convenient way to save for retirement. It allows employees of an OSGP-Participating employer to contribute a portion of their salary on a pre-tax basis, wherein contributions and earnings continue to grow tax deferred until distribution, or on an after-tax basis, wherein taxes are paid up front and distributions (if qualified) are tax-free. It is a great way to supplement your PERS retirement benefit.

Can I roll my Individual Account Program (IAP) balance into OSGP when I retire or withdraw from PERS?

Yes; however, there are some basic requirements. Before retiring or terminating your employment, you need to establish an OSGP account. Employees of PERS-covered public employers in Oregon are eligible to enroll in OSGP if their employer's governing body agrees to participate.

Can I roll my PERS Tier One and Tier Two Lump-Sum payments into OSGP when I retire or withdraw from PERS?

Yes, but if you choose to take a lump-sum distribution from your PERS account, please keep in mind that OSGP does not offer an annuity option, and you would not be eligible for any cost-of-living adjustments (COLA) on installment payments. You should check with a financial advisor before taking a lump-sum distribution from your PERS account.

How do I enroll in OSGP?

Simply complete an enrollment packet and return it to OSGP at 800 Summer Street N.E. Suite 200, Salem, OR 97301. You can also fax it to 503-378-5888. To request a kit, call OSGP at 503-378-3730 or print one from the website at <http://www.oregon.gov/PERS/OSGP/docs/enrollmentpacket.pdf>.

What are the advantages of rolling my IAP account into OSGP?

There are several advantages. You:

- can keep all your retirement dollars in one place, making it easier to manage your money;
- are able to invest in a wide range of easy-to-understand investments that are monitored by the Oregon Investment Council (OIC);
- benefit from some of the lowest plan fees in the country;
- pay no transaction fees for making investment changes; and
- have the same flexible payout options that are available with an Individual Retirement Account (IRA) when you retire or end your employment.

What steps do I take to roll my IAP account into OSGP?

You need to complete the IAP retirement or withdrawal forms available through PERS. Forms can be found on the PERS website at <http://www.oregon.gov/pers/mem/docs/form/664.pdf> under "Forms".

Upon receipt of the completed forms, PERS will request that a rollover check be issued. The check will be made payable to OSGP, for your benefit, and will be deposited into your OSGP account. You will receive a confirmation and a copy of the check for your records. Your rollover dollars will be invested in the options you had previously chosen for future contributions. Once the funds are in your account, you may transfer them to other options in the plan at any time.



Do I have to pay taxes when I roll my IAP account into OSGP?

You do not pay taxes when you roll money from your IAP account to your OSGP account, but you will be responsible for taxes when you withdraw those funds from OSGP.

Because the IAP rollover is subject to a 10 percent penalty upon early withdrawal, you may want to time your withdrawal accordingly. There are several exceptions to the 10 percent penalty, which include payments made to an employee after separation from service if the separation occurred after the employee attained the age of 55, having a qualifying disability, or receiving substantially equal periodic payments for at least five years or until you reach age 59½, whichever is the longer period.

For complete details, please refer to IRS Publication 560 at www.irs.gov.

Can I roll money from other retirement plans into OSGP?

Yes. You may roll funds from any eligible plan or pre-tax IRA into OSGP. Eligible plans include 401(a), 401(k), 403(b), or 457 accounts that you established with previous employers. You can bring these assets into your OSGP account for easier management and to take advantage of the lower plan fees and diversified investment choices overseen by OIC.

If you have established an OSGP account before you retire, you may roll other eligible plans and pre-tax IRAs into your OSGP account at any time—even after you retire.

Can I make additional contributions to OSGP after I retire or withdraw from PERS?

If you are still working for an eligible employer, you may contribute to OSGP from your paycheck. After you retire, if you go back to work part-time for a PERS employer, you cannot take any distributions from OSGP, but you are still eligible to contribute to your account. If you are no longer working for an eligible employer, you may not make additional contributions.

Once I roll my account over, how can I get money out of OSGP?

When you terminate employment or retire, you have several distribution options available to you.

Payments can be paid out:

- over a specified number of years,
- in specified dollar amounts,
- in a single lump sum, or
- in periodic, partial lump sums.

Are there other advantages to rolling my IAP account into OSGP?

By transferring your money into OSGP, not only will your money be in one convenient plan, but you will also have control over your investment choices.

You will be able to diversify your money in the following fund options:

- LifePath® Portfolio 2020-2060*
- LifePath® Retirement*
- Short-Term Fixed Income
- Stable Value
- Active Fixed Income Option
- Real Return Fund
- Large Company Value Stock
- Stock Index
- Socially Responsible Investment Option
- Large Company Growth Stock
- International Stock
- Small Company Stock
- Self-Directed Brokerage Option

* Target Date Funds

This Q&A is for general informational purposes only and is not intended to provide legal advice. If there is any conflict between this brochure and federal law, Oregon law, or administrative rules, the law and administrative rules shall prevail.



Oregon Savings Growth Plan
(Deferred Compensation)
800 Summer Street N.E., Suite 200
Salem, OR 97301
503-378-3730
oregon.gov/PERS

Public Employee Retirement System
11410 SW 68th Parkway
Tigard, OR 97223

Mailing Address
PERS
P.O. Box 23700
Tigard, OR 97281-3700

Customer Service Center
503-598-PERS
TTY: 503-603-7766
Toll free: 888-320-7377