

## Permissive Service Credit Transfers

Permissive Service Credit Transfers are the transfers of account values from a 403(b) account to the retirement plan of a State Retirement System for the purpose of purchasing additional Service Credit. The transfer may be used to purchase any type of service permitted under the State Retirement System Plan, including the purchase of additional years (not worked), repurchase of credit amounts (previously withdrawn from the State Retirement System Plan) or the purchase of enhancements to the benefits the participant has already earned from the State Retirement System Plan.

Please note the following:

- The transfer must be only for the amounts required to purchase the Service Credit from the State Retirement System Plan. Amounts cannot be directed to the participant via this transaction.
- This is a tax-free transaction.
- This transaction does not require a qualifying event (such as severance from service, the attainment of age 59.5, etc.).
- The sponsor of the 403(b) Plan does not need to be in the same state as the State Retirement System Plan.
- This transaction is subject to availability under state law; this is allowed in the state of Washington and became available in the state of Oregon beginning 9/1/2011.
- This transaction is subject to availability under the State Retirement System Plan.
- This transaction is subject to availability under the participant's 403(b) annuity contract or custodial account agreement.
- This transaction is subject to the permissive service credit transfer optional feature being allowed in the Plan under which the funds are being taken. That is, if this optional feature is not already included, the sponsor's 403(b) Plan Document must be amended to allow permissive service credit transfers.

*More information can be found in the Internal Revenue Code §415(k)(3), §415(n)(3)(A), §403(b)(13), and §457(e)(17).*