

Direct Rollover of Plan Benefits to Roth IRA

Effective in 2008, plan distributions can be rolled over to a Roth IRA . Any taxable portion of the rollover amount will be taxed in the year of the rollover . Rollovers are subject to the Roth IRA conversion rules, which restrict conversions of traditional IRA's to Roth IRA's to taxpayers with adjusted gross income of no more than \$100,000, whether single or married filing jointly. If the rollover is made directly to the Roth IRA there is no tax withheld at the time of the distribution from the plan, but the taxable portion will still be taxed in the year of the rollover. BCG distribution forms have been revised to incorporate this new option.