



# WESTERN CATHOLIC UNION

**A Fraternal Benefit Society Since 1877**

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## REQUEST FOR FULL OR PARTIAL CONVERSION OF TRADITIONAL IRA TO ROTH IRA

### INFORMATION

PLEASE READ THE ATTACHED RULES BEFORE COMPLETING THIS FORM  
**Western Catholic Union (Hereinafter referred to as Insurer)**

### OWNER'S INFORMATION

**I wish to convert my Traditional IRA Account/Annuity to a new  
Roth Individual Retirement Annuity (Roth IRA) of the above stated Insurer.**

Name of Annuitant/Owner or Account Holder: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security #: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Phone #: \_\_\_\_\_

### CURRENT TRADITIONAL IRA INFORMATION

Name of Current Issuer of Annuity/Trustee/Custodian: \_\_\_\_\_

Address: \_\_\_\_\_

Annuity/Account #: \_\_\_\_\_ Phone #: \_\_\_\_\_

### AUTHORIZATION TO CURRENT TRADITIONAL IRA INSURER / TRUSTEE / CUSTODIAN TO TRANSFER FUNDS

Please liquidate  all or  part (\$ \_\_\_\_\_ ) of the IRA specified in Section 2 of this form and transfer the net proceeds directly to my Roth IRA.

I do not want to have Federal Income Tax withheld from my IRA.

I want to have Federal Income Tax withheld from my IRA at the rate of 10% of the gross amount liquidated.

Please make a check payable to the above Insurer FBO the above named owner (Conversion to Roth IRA) and send it to the address stated above (Not applicable if the conversion is from Traditional IRA of the Insurer to Roth IRA of the Insurer).

I certify to the current Issuer of the Annuity Contract/Trustee/Custodian of my Traditional IRA that I have established a successor Roth IRA under Internal Revenue Code (Code) Section 408A.

I also certify to the Insurer that my Traditional IRA from which assets are being transferred to the Roth IRA meets the requirements of Code Section 408(a) or 408(b) (as the case may be).

**Signature Guarantee** (Please check with your current Trustee/Custodian whether signature is required to be guaranteed.)

Signature guaranteed by:

\_\_\_\_\_  
Signature of IRA Owner/Depositor

\_\_\_\_\_  
Name of Bank or Brokerage Firm

\_\_\_\_\_  
Printed Name of IRA Owner/Depositor

\_\_\_\_\_  
Signature and Title of Officer  
**(Notary Publics are not acceptable guarantors.)**

\_\_\_\_\_  
Date

**AUTHORIZATION TO CONVERT TRADITIONAL INTO ROTH IRA**

I have read and understand the conversion rules and conditions attached to this form. I meet the requirements to convert my Traditional IRA to a Roth IRA. Due to the important tax consequences of converting funds to a Roth IRA, I have been advised by the Insurer to consult a tax professional. All information provided by me is true and correct and may be relied on by the Current Issuer/Trustee/Custodian and Insurer. I assume full responsibility for this conversion to a Roth IRA and will not hold the Current Issuer/Trustee/Custodian and Insurer liable for any adverse consequences that may result. I hereby designate this transferred amount from Traditional IRA to Roth IRA as conversion contribution.

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of IRA Owner

\_\_\_\_\_  
Printed Name of Witness

\_\_\_\_\_  
Printed Name of IRA Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ACCEPTANCE BY THE INSURER**

The Roth IRA designated by the above-named Roth IRA Owner is a valid Roth IRA. The undersigned agrees to serve as the Insurer for the Roth IRA of the above-named Roth IRA Owner and, in that capacity, agrees to accept the amount stated in Section 3 of this form.

Annuity Contract Number of Accepting Roth IRA: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature of Insurer

\_\_\_\_\_  
Printed Name of Insurer

\_\_\_\_\_  
Date

Enclosures

## **RULES APPLICABLE TO CONVERSION FROM TRADITIONAL IRA TO ROTH IRA**

### **INCOME RULE**

If your Modified Adjusted Gross Income (MAGI) for the calendar year exceeds \$100,000, you are not eligible to convert your Traditional IRA to a Roth IRA during such year. The \$100,000 limit applies to single individuals and married couples who file a joint tax return.

Adjusted Gross Income (AGI) is determined prior to adjustments for personal exemptions and standard or itemized deductions. For purposes of determining eligibility for conversion from a Traditional IRA to a Roth IRA, the Modified Adjusted Gross Income is used. A MAGI is computed after taking into consideration Code Secs. 86 (social security and railroad retirement benefits) and 469 (passive activity losses), but before consideration of Code Secs. 135 (exclusion for Series EE Interest), 137 (exclusion for adoption assistance), and 911 (foreign income exclusion). MAGI does not include income includable in gross income because of the conversion of a Traditional IRA into a Roth IRA. Under the current statute, MAGI may be reduced by deductible contributions to a Traditional IRA but proposed technical corrections to the Taxpayer Relief Act of 1997 would not permit such a reduction.

### **TAX RETURN FILING STATUS RULE**

You are not eligible to convert your Traditional IRA to a Roth IRA during a calendar year if you are married and file a separate tax return for the same calendar year.

A husband and wife who:

- (a) file separate returns for any calendar year, and
- (b) live apart at all times during such calendar year

are not to be treated as married individuals. The rules applicable to single individuals will apply to the husband and wife for determining eligibility for conversion.

### **AGE 72 MINIMUM DISTRIBUTION RULE**

If this conversion is made during or after the calendar year in which you attain age 72, you cannot convert the amount that is a required amount of minimum distribution for the year of conversion from the current Traditional IRA.

## CHECK LIST

Please complete questions (a) through (c) below. You are not eligible for conversion of your Traditional IRA a Roth IRA if you have answered no to the following questions (a) or (b).

- |   | <u>YES</u>               | <u>NO</u>                | <u>N/A</u>               |
|---|--------------------------|--------------------------|--------------------------|
| (a) <b>INCOME RULE</b><br>Will your Modified Adjusted Gross Income (MAGI) for the calendar year of conversion be \$100,000 or less?   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) <b>TAX RETURN FILING STATUS RULE</b><br>Will your income tax filing status for the calendar year of conversion be married filing a joint return?  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) <b>AGE 72 MINIMUM DISTRIBUTION RULE</b><br>If you are eligible to convert your Traditional IRA to a Roth IRA , and if you are age 72 or older in the calendar year of conversion, does the conversion amount to a Roth IRA exclude any amount which constitutes a required minimum distribution from the Traditional IRA? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

This rule applies if you are a married individual.

If you have answered no to the above question, please exclude any amount which constitutes a require minimum distribution for the calendar year of conversion before the Traditional IRA is converted to a Roth IRA. This requirement does not apply if the minimum distribution requirement is satisfied by your other Traditional IRA(s).

## GENERAL INFORMATION

- (a) If you are eligible to convert your Traditional IRA to a Roth IRA, please complete pages 1 and 2 of this form and return all four pages to the Insurer. In addition, you may be required to complete an application, for an Annuity Contract.
- (b) If you convert all or any part of your Traditional IRA to a Roth IRA, the liquidated amount will be considered a taxable distribution from your current IRA in the year of conversion. If you convert in 1998 your taxable amount will be spread over a four-year period beginning in 1998. You will not be subject to a 10% early withdrawal penalty on any amount that is converted.
- Your actual taxes due may be more or less than the amount of taxes withheld. Whether or not you choose to have Federal Tax withheld, you are still responsible for the full payment of Federal Income Tax and any state or local taxes.
- (c) IRS regulations require the Insurer, Trustee, or Custodian of the IRA from which you are converting to a Roth IRA, to withhold Federal Income Taxes at the rate of 10% from the liquidated amount unless you elect not to have withholding apply. Withholding will apply to the entire amount of the conversion even if non-deductible contributions to your Traditional IRA have been made. Early withdrawal penalty of 10% may apply on the amount of Federal Income Tax withheld.
- (d) In view of complexity of Internal Revenue Code provisions and tax consequences, it is advisable to consult a tax professional before deciding to convert your Traditional IRA to a Roth IRA.