

Tips for transferring moneys

Maybe you want to consolidate your savings or think your returns will be better with a new company. Maybe you're dissatisfied with the company you are investing with. For whatever reason, you've decided to move your TSA investments to a different company. Though most transfers go smoothly, occasionally there are frustrating delays. Here are a few pointers to help ease the process.

1. The prospectus for your current investment explains how to redeem your mutual fund shares or surrender your insurance contract. This document is always well worth reviewing.
2. To get started, call the new company and ask for a 403(b) transfer request. Your new company is responsible for contacting the old company and requesting the money. If you're not signed up with the new company, request a UW 403(b) enrollment kit. Complete the form(s) and return them to the new company.

Exception: If you are transferring money from Ameriprise/RiverSource or Lincoln you must use **their** form. You'll also need the new company's form. Complete both and send them to your new company. Alert your new company that it must submit the RiverSource or Lincoln form.

3. Avoid delays by making sure you have the right form and filling it out correctly.
 - You will need to provide the correct address for your old investment company (if you don't know, call and ask).
 - You may have to describe your old and your new accounts in IRS terminology. Mutual funds in a TSA Program are sometimes called 403(b)(7) accounts. Annuities are 403(b) or 403(b)(1) accounts. Annuities can be either fixed or variable.
 - Understand the difference between transfers and distributions (including rollovers). Until you reach age 59 ½ or separate from University service, you may only make a direct transfer to another 403(b) account. Federal law does not allow you to take a distribution or to roll your money over to an IRA. (Exceptions apply in case of disability, death, or annuities accumulated prior to 1989.) If you qualify for a distribution, contact the appropriate company for a distribution/rollover request.
 - Some institutions require a signature guarantee on the transfer request before releasing the assets. Call the company you are leaving to see if you should include one.
4. Keep copies of the forms for your records. Make a note of any information you get by telephone, including the date and the name of the person you spoke with.
5. Expect that the entire process will take two to four weeks. Your new company will notify you of the amount received, the date it was invested, and the number of shares or units in your new account. If you have heard nothing after three weeks, contact the new company to be sure it has all the necessary paper work.

Other points to remember:

1. A few UW TSA Program mutual funds have redemption (short-term trading) fees. Be sure you know what to expect.
2. As long as you are employed by the University and under age 59 ½, you may not transfer TSA moneys to a company that is not authorized in the Program. (See the [Quick Guide](#)

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for a list of authorized vendors.) Your company will reject your transfer request if you name an unauthorized company.

3. If you want to send future TSA contributions to the new company, complete a new [Salary Reduction Agreement](#) (SRA). Submit the company's account application if you haven't already done so. Be sure that both your new and your transferred assets are invested as you intended.
4. Your transfer amount will be based on the market prices of your shares/units at the close of business on the day the old company receives your valid transfer request. Your new investments will be based on their market prices at the close of business on the day the new company receives the funds. These two dates are unpredictable! If you are worried about market swings during the transfer process, you can ask your current company to move your account to its money market fund before you begin. You won't benefit from any market upturns but the value of your account will be stable.

Special considerations if you've been investing with an insurance company:

- If you are transferring funds from Ameriprise/RiverSource or Lincoln, **make sure you know what the surrender charges will be** (and the new company's charges, if any). You may want to leave your accounts intact with your present company until the surrender charges are lower and simply direct your new contributions to the new company.
- The insurance company will notify your agent and give him or her several days to contact you. This is to allow the agent to notify you of any surrender charges you may have to pay, but also to try to conserve the account. Try not to let that offend you – remember it's their livelihood.

If you want to shorten the transit period, ask your current company whether the check can be sent overnight or by wire transfer.

Although fund exchanges within a company are completed on the same day, transfers between companies take days or weeks, in part because of record-keeping requirements. Your TSA account is tax-privileged and subject to IRS scrutiny. Annuity sales are further regulated by state law. Under federal law, mutual fund companies and most variable annuity accounts have seven days to make payment after receiving your valid transfer request. Because investment companies need to have a "paper trail," they usually produce a paper check and mail it through the post office.

This means that when you make a transfer, your funds will be out of the market entirely for up to a week or more. If you want to shorten the transit period, ask your current company whether the check can be sent overnight or by wire transfer. This service is not always available, and you may have to pay for it.

Transferring funds from one company to another can be a stressful process (after all—it's *money*). It's best to choose a company that you like and will want to stay with over a long time. But if you do decide to change, with just a little care, things will go smoothly. ■