

# Tips for Transferring Funds

## *Between UW 403(b) SRP Providers*

**Important:** Starting 1/1/2022, employees will no longer be able to contribute to T. Rowe Price, Ameriprise, or Lincoln. See the [Program Enhancements page](#) for more information.

Whether you are looking to consolidate your savings or think your returns may do better with another provider, there are a few helpful pointers to ease the process of moving your SRP funds between authorized UW 403(b) SRP providers. Current authorized SRP providers are Fidelity, T. Rowe Price, TIAA, Ameriprise, and Lincoln.

### **Transfers v. Distributions**

There is a difference between transfers and distributions (including rollovers). In the UW 403(b) SRP, until you reach age 59½ or separate from University service, you may only make a direct transfer to another authorized UW 403(b) SRP provider. Federal law does not allow you to take a distribution or to roll over your money to an IRA. (Exceptions apply in cases of disability, death, or annuities accumulated prior to 1989.) If you qualify for a distribution, contact the appropriate provider for a distribution/rollover request.

Before starting the process, review the prospectus(es) for the investment(s) you currently have your SRP funds in. The prospectus explains how to redeem your mutual fund shares or surrender your insurance contract. The prospectus can be found on your current provider's website.

To get started, call the provider where you want to transfer the funds to and ask for a **403(b) transfer request**. The provider you want to transfer the funds to is responsible for contacting your current provider and requesting the transfer.

If you're not signed up with the provider you want to transfer the funds to, contact the provider to setup your account. Go to the [Enrollment page](#) of the UW 403(b) SRP website for more information on how to set up an account with the provider.

**Exception:** If you are transferring money from Ameriprise/Riversource or Lincoln you must complete both their transfer form and the provider's form where you are wanting to

transfer the funds to and send both to your new provider. Alert your new provider that it must submit the Ameriprise or Lincoln form.

### **Points to Remember:**

1. Avoid delays by making sure you have the correct form and fill it out correctly.
  - You will need to supply the correct address for the provider you are transferring the funds from (to get contact information, go to the [UW 403\(b\) SRP website](#)).
  - You may have to describe your SRP account in IRS terminology. Mutual funds in the program are sometimes called 403(b)(7) accounts. Annuities are 403(b) or 403(b)(1) accounts. Annuities can be either fixed or variable.
  - Some providers require a signature guarantee on the transfer request before releasing the funds. Call the provider you are leaving to see if you should include one.
2. 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.
3. Expect that the entire process will take two to four weeks. Your new provider 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 not heard anything from the provider you are transferring funds to after three weeks,

### **A Few Reminders:**

1. A few UW 403(b) SRP mutual funds have redemption (short-term trading) fees. Be sure you know what to expect by calling your current provider.
2. As long as you are employed by the University of Wisconsin System and are under age 59½, you may not transfer SRP funds to a provider that is not authorized in the UW 403(b) SRP. Your provider will reject your transfer request if you name an unauthorized provider.

3. If you choose to send future SRP contributions to the new provider, create an account with the provider, if you haven't already done so.
4. After your account is set up, complete a new Salary Reduction Agreement (SRA). Be sure that both your new and your transferred assets are invested as you intended.
5. Your transfer amount will be based on the market prices of your shares/units at the close of business on the day the provider you are transferring the funds from receives your valid transfer request. Your new investments will be based on their market prices at the close of business on the day the provider you are transferring funds to receives the funds. These two dates are unpredictable! If you are worried about market swings during the transfer process, you can ask your current provider to move your account balance to its money market funds before you begin. You won't benefit from any market upturns but the value of your account will be stable.

#### **If you've been investing with an insurance provider...**

If you are transferring funds from Ameriprise/RiverSource or Lincoln, make sure you know what the surrender charges will be (and the new provider's charges, if any). You may want to leave your account intact with your present provider until the surrender charges are lower and simply direct your contributions to the new provider.

The insurance provider 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. Although funds exchanges within a provider are completed on the same day, transfers between companies take days or weeks, in part because of recordkeeping requirements.

- Your SRP 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 providers 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 would like to shorten the transit period, ask your current provider 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 provider to another can be stressful process so it's best to choose a provider that you like and will want to stay with over a long period of time.

