**Section 4440.50 Eligible Rollover Distribution**

a) An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or the life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more;

2) any distribution to the extent that distribution is required under IRC section 401(a)(9);

3) the portion of any distribution that is not includible in gross income; and

4) any other distribution that is reasonably expected to total less than $200 during the year.

b) Effective:

1) January 1, 2002, a portion of a distribution will not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, that portion may be transferred only:

A) to an individual retirement account or annuity described in IRC section 408(a) or (b);

B) to a qualified defined contribution plan described in IRC section 401(a); or

C) to a qualified plan described in IRC section 403(a); or

2) on or after January 1, 2007:

A) to a qualified defined benefit plan described in IRC section 401(a); or

B) to an annuity contract described in IRC section 403(b).

c) The provisions of subsection (b) apply only if the account, annuity or plan agrees to separately account for amounts transferred (and earnings on that amount), including separately accounting for the portion of the distribution that is includible in gross income and the portion of the distribution that is not includible.

d) Effective January 1, 2002, the definition of eligible rollover distribution also includes a distribution to a surviving spouse.