

# NC 529 Rollover to Roth IRA

## FAQs

**1. Q: How can I find my account creation date?**

A: NC 529 Plan Account owners can find their account creation date on the Account Confirmation Notification in their online account. Account owners may also contact the Call Center at 800.600.3453 to obtain the account creation date.

If the account was rolled over to the NC 529 Plan from another 529 plan, the Call Center can provide the date the account was opened at NC 529, but the Account owner must consult their own records or contact the original 529 plan for the initial account creation date.

**2. Q: Are indirect rollovers allowed? Can an Account owner take a withdrawal for themselves and then send the money to a Roth IRA account?**

A: No. A Roth rollover from the NC 529 Plan must go directly from the NC 529 Account to the Roth IRA trustee.

Account owners must establish a Roth IRA account before requesting a rollover. If the Roth IRA trustee requires a Letter of Acceptance, the Account owner will need to direct the trustee to send that letter to the NC 529 Plan at NC 529 Plan, P.O. Box 40877, Raleigh, North Carolina 27629-0877, before the NC 529 Plan can rollover the funds. Funds can only be sent to the trustee.

**3. Q: Internal Revenue Code Section 529 requires that the 529 account be open for at least 15 years before a qualified rollover may be made to a Roth IRA. If my NC 529 Account was opened with a rollover from another plan, does that reset my 15-year clock?**

A: The NC 529 Plan does not have any guidance from the IRS on whether a rollover from another 529 plan resets the 15-year requirement. The 529 industry submitted a letter to the IRS in September 2023 seeking guidance on this issue. It is unclear if or when the IRS will provide such guidance.

**4. Q: If I change my beneficiary, does that reset my 15-year clock?**

A: The NC 529 Plan does not have any guidance from the IRS on whether a change of beneficiary resets the 15-year requirement. The 529 industry submitted a letter to the IRS in September 2023 seeking guidance on this issue. It is unclear if or when the IRS will provide such guidance.

**5. Q: If I change the account owner, does that reset my 15-year clock?**

A: The NC 529 Plan does not have any guidance from the IRS on whether a change of account owner resets the 15-year requirement. The 529 industry submitted a letter to the IRS in September 2023 seeking guidance on this issue. It is unclear if or when the IRS will provide such guidance.

**6. Q: How do I know which funds have been invested for at least 5 years and are eligible to rollover?**

A: The NC 529 Plan does not have any guidance from the IRS on this five-year requirement. The 529 industry submitted a letter to the IRS in September 2023 seeking guidance on this issue. It is unclear if or when the IRS will provide such guidance.

Account owners can review transactions and sort by year online through their NC 529 Account access. The transaction items can be exported and sorted by year to research contributions further.

**7. Q: Can I initiate a rollover from another 529 plan and a rollover to a Roth IRA? Does the 12-month rule apply to both?**

A: The 12-month rule only applies to rollovers from one 529 program to another 529 program. Please refer to the [Program Description](#) for additional information about the 12-month rule for rollovers between 529 programs.

**8. Q: If I've rolled over from another 529 plan to my NC 529 Account within the last 12 months, do I have to wait until the 12-month rollover period is expired before I can rollover to a Roth IRA?**

A: No. The 12-month rule only applies to rollovers from one 529 program to another 529 program. Please refer to the [Program Description](#) for additional information about the 12-month rule for rollovers between 529 programs.

**9. Q: How do internal transfers impact rollover eligibility?**

A: The NC 529 Plan does not have any guidance from the IRS on how internal transfers impact the ability to rollover to a Roth IRA. It is unclear if or when the IRS will provide such guidance.

To the extent that this references a beneficiary change, please see FAQ No. 4 above.

**10. Q: Can account owners begin requesting a rollover to a Roth beginning January 1, 2024?**

A: The NC 529 Plan will process Roth IRA rollover requests manually upon receipt of a [Request for Withdrawal Form](#) from an Account owner or agent beginning January 1, 2024.

**11. Q: Can I make the request online through my account portal?**

A: No. All Roth IRA rollover requests will be processed manually using the [Request for Withdrawal Form](#).

**12. Q: Does my beneficiary have to be over the age of 15 to qualify for a rollover to a Roth IRA?**

A: There is no age requirement of the beneficiary, but it is required that the beneficiary of the 529 Account be the same as the owner of the Roth IRA account.

**13. Q: If my account has closed, and I request to reopen my account, does that reset my 15-year clock?**

A: The IRS has not provided guidance on how it would handle this situation. If the IRS were to treat such an account re-opening as not resetting the 15-year clock, any new contributions would have to be in the account for at least 5 years. Please see FAQ No. 6 above.

***Participants should consult with their attorney or tax advisor if they have additional questions about rolling NC 529 funds over to their beneficiary's Roth IRA.***