Notice

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Brief Description: Kansas Income Tax Treatment of Certain Washburn University Retirement Benefits
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Body:

KANSAS DEPARTMENT OF REVENUE

NOTICE 08-06

Kansas Income Tax Treatment of Certain Washburn University Retirement Benefits

Advice has been requested concerning the income tax treatment of certain payments received from the Washburn University retirement plan.

Generally

As explained in Notice 08-04, Kansas law [K.S.A. 79-32,117] allows a taxpayer's federal adjusted gross income to be modified by subtracting:

> (c)(xx) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university retirement plan.

The subtraction modification is allowed for retirement benefits received from the Washburn University retirement plan on or after January 1, 2008.

Plans Available

According to information published by Washburn University, the university's basic retirement plan is a defined contribution plan operating under Section 403(b) of the Internal Revenue Code. In addition, the university also provides eligible employees the option to participate in a Supplemental Retirement Annuity.

Subtraction Modification Allowed

A subtraction modification will be allowed for retirement benefits received from either the Washburn University basic retirement plan or from the university's supplemental retirement annuity. As a result, these benefits will not be subject to Kansas income tax. This is true whether the benefits are taken in a lump sum or paid out over time.

Rollovers From Self Directed IRA Or Other Retirement Plans

The Department of Revenue does not administer either federal tax law or the retirement plan at Washburn University. As a result, the Department cannot express an opinion as to whether the funds in a self directed IRA or other retirement plan can be rolled over into the Washburn University Retirement Plan. Questions in this regard should be directed to the Internal Revenue Service and/or representatives of the Washburn University Retirement Plan.

If federal law and the terms of the Washburn University Retirement Plan allow the Plan to accept funds moved (rolled over) from a self directed IRA or other retirement plan the funds would, presumably, be considered part of the Plan

funds. As a result, upon distribution these funds would be treated the same as any other Plan funds, and would qualify for the subtraction modification provided under Kansas law.

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about income tax, please contact:

Taxpayer Assistance Center
Kansas Department of Revenue
915 SW Harrison St., 1st Floor
Topeka, KS 66612-1588
Phone: 785-368-8222
Fax: 785-291-3614

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