

Puerto Rico to Allow Rollovers from the Government Plan for Puerto Rico Employees to Qualified Retirement Plans

February 10, 2021

On January 20, 2021, the Puerto Rico Department of Treasury released Administrative Determination No. 21-01 (**AD 21-01**), allowing for direct and indirect rollovers of lump-sum distributions from the defined contribution government plan for Puerto Rico employees to a plan that is qualified under Section 1081.01(a) of the Puerto Rico Internal Revenue Code of 2011, as amended (the **Code**), maintained by a private-sector employer. Such rollovers would be considered exempt transactions and would not be subject to income tax withholding under Section 1081.01(b) of the Code. The provisions of AD 21-01 are effective immediately. AD 21-01 is available [here](#).