With all of the retirement plan portability options available today, don't pass up the chance to better your financial future.

Are you faced with deciding what to do with the money in your employer-sponsored retirement plan, perhaps because you've changed jobs, recently retired, or just want more control of your money? Rolling over those assets to another retirement plan or an IRA will not only preserve your savings, but possibly provide you with additional benefits. Find out how you may benefit from rolling over your money.

For More Information

Please contact one of our representatives for more information on rollover options.

Retirement Plan Rollovers

Rolling Your Way to a Better Retirement

Moving your savings between retirement plans and IRAs has never been more flexible, but you must follow certain guidelines to fully benefit from these transactions.

Step 1: Access Your Money

Employer-sponsored retirement plans have “triggering events” that govern when you may withdraw the money from your account, such as attainment of retirement age, termination of employment, disability, or death. Talk to your employer to determine if you meet one of your plan’s triggering events before requesting a distribution.

Next, you must ensure that the amount you are taking is eligible to be rolled over. Most distributions from retirement plans are eligible to be rolled over to IRAs or other eligible retirement plans, but some are not. For example, you cannot roll over the required distributions you must take after reaching age 70½, nor can you roll over excess contributions. (Talk to the employer about your options if you are a beneficiary.)

Step 2: Decide Where To Move Your Money

The illustration to the right shows the types of retirement plans that may be rolled over to a Traditional IRA and those that may be rolled over to a Roth IRA. Note that most retirement plan assets may be rolled over to other retirement plans as well, if the plan allows for rollovers.

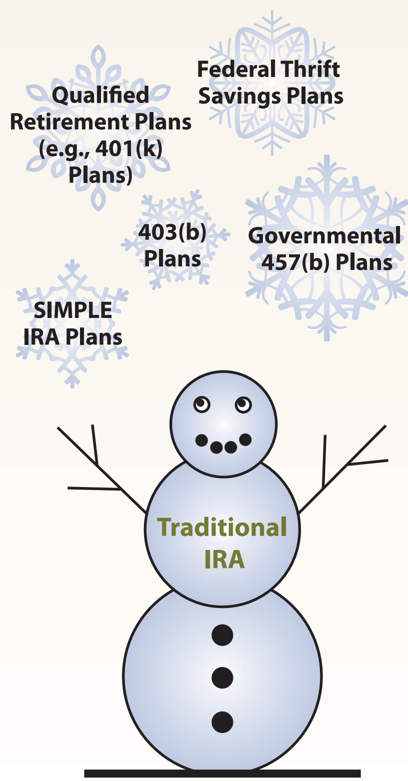
Where to move your money is up to you, and will depend on your circumstances. There are advantages to rolling over your money to another eligible retirement plan, just as there are advantages to rolling over the money to an IRA. When rolling over to IRAs, be aware that money rolled over to Traditional IRAs remains tax-deferred until distributed, and money rolled over to Roth IRAs is taxable in the year of the rollover with the potential for tax-free distributions. Consider talking with your financial advisor to help you make a decision that best meets your goals.

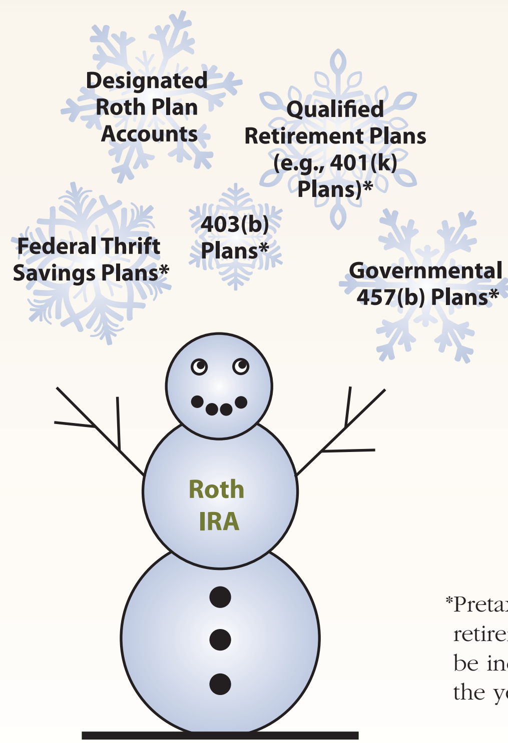
Step 3: Move Your Money

Once you know that the distribution you’ve taken from your retirement plan is eligible to be rolled over and you know where you want it to go, you need to decide whether to directly or indirectly roll over the money. Understanding the tax consequences of each method may make your decision easier.

By directly rolling over your money to another retirement plan or an IRA, you generally avoid any taxes (unless rolling over to a Roth IRA) and penalties because the check from the distributing plan is made payable to the receiving organization, rather than to you.

On the other hand, if you choose to have your retirement plan distribution made payable to you, the distributing plan must withhold 20 percent of the taxable portion of the distribution, and you must include that amount in your taxable income for the year. It also is subject to an early distribution penalty tax if you are under age 59½ and do not have a penalty tax exception. To avoid the penalty and income taxes, you must follow through with an indirect rollover. You may make up the withheld amount out of pocket and deposit it with the rest of your distribution within 60 days.





*Pretax assets rolled over from a retirement plan to a Roth IRA must be included in taxable income in the year of distribution.