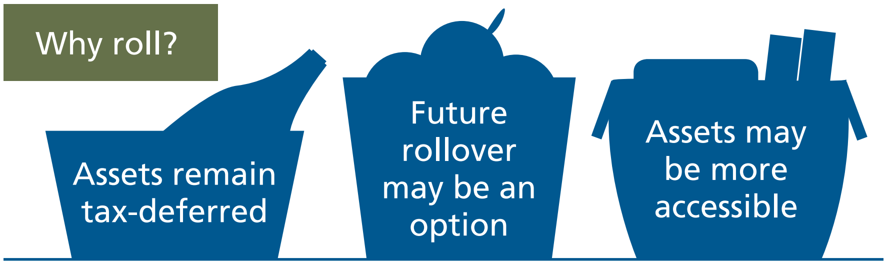
Rolling Your Way to a Better Retirement

When it comes to moving your retirement plan money, just roll with it.

Perhaps you've changed jobs, recently retired, or just want more control over your money. Rolling over retirement plan assets to another retirement plan or an IRA will not only preserve your tax benefits, but may provide you with additional benefits.

Learn more today.

"I appreciate being able to roll over money between my retirement plans and IRAs."



That's How You Roll

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.

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

When You Can Roll It Out

Employer-sponsored retirement plans have "triggering events" that dictate 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.)

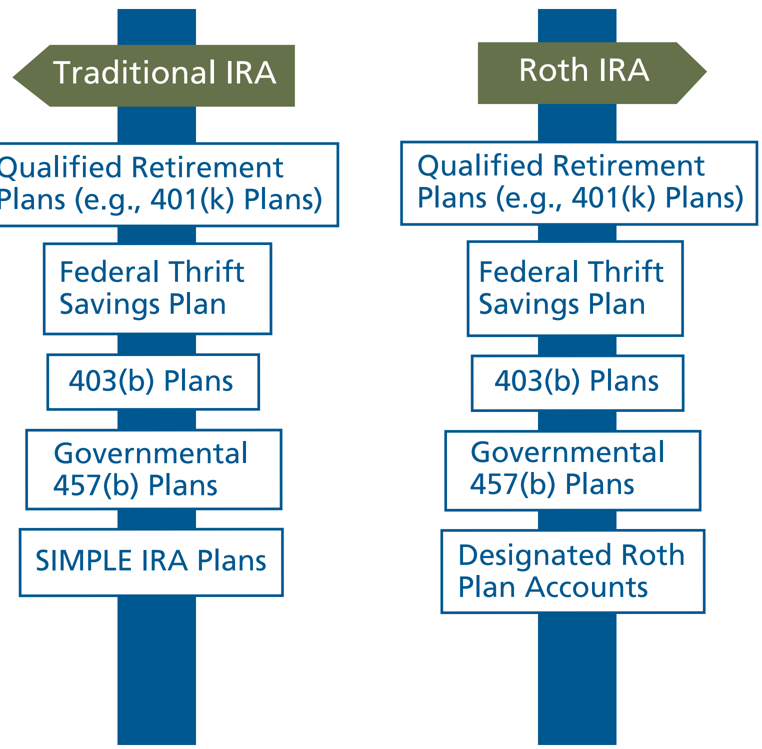
Keep On Rollin'

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, if that's an option for you, 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 pretax money rolled over to Roth IRAs generally 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.

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. That amount 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 generally within 60 days.



For More Information

Talk to us—we'll be glad to provide you with more information about your rollover options.

NOTE: *Effective after December 18, 2015, rollovers are allowed from a Traditional IRA, qualified retirement plan, 403(b) plan, and governmental 457(b) plan to a SIMPLE IRA after two years have passed since the first contribution under the employer's SIMPLE IRA plan was made to a SIMPLE IRA.*