

Is a Rollover the choice for you?

	Leaving your money in your previous employer's plan	Cashing out of your old plan	Rollover to your new employer's plan	Direct rollover to a Traditional IRA	Indirect rollover to a Traditional IRA
Advantages	<ul style="list-style-type: none"> It's easy, as no action is required on your part. Your retirement assets remain invested in a tax-deferred plan. 	<ul style="list-style-type: none"> Provides an immediate cash reserve that can be tapped as needed. 	<ul style="list-style-type: none"> As a direct rollover, you avoid income taxes and penalties associated with a lump-sum cash distribution. Your retirement assets remain invested in a tax-deferred plan. 	<ul style="list-style-type: none"> The amount rolled over is not subject to income taxes. Your rollover does not trigger the 10% penalty tax for early withdrawals. Your retirement assets remain invested in a tax-deferred plan** You can still make the full contribution for the year to your Traditional IRA. 	<ul style="list-style-type: none"> If the rollover is completed within 60 days, the amount rolled over is not subject to income taxes. If the rollover is completed within 60 days, you avoid the 10% penalty tax for early withdrawals. Your retirement assets remain invested in a tax-deferred plan.**
Points to keep in mind	<ul style="list-style-type: none"> You are limited to the investment choices and payout options offered by your current plan. Making sure your previous employer can contact you with plan statements and other information is your responsibility. 	<ul style="list-style-type: none"> Your distribution is generally taxed as ordinary income in the year it is received. Your employer is required to withhold 20% of your money for federal income tax purposes (resulting in a 20% withholding credit to be reported on your federal income tax return). Depending on your circumstances, you may have to pay a 10% penalty tax for withdrawals made prior to age 59½. In the end, you may be left with less money for your retirement years. 	<ul style="list-style-type: none"> New employer's plan may offer a limited number of investment choices. You may have to wait 12 months or more until you are eligible to participate in your new employer's plan. 	<ul style="list-style-type: none"> Depending on your plan, you might not be able to roll over your entire account balance (or some portion of it). Get all the details before you decide. 	<ul style="list-style-type: none"> Your employer is required to withhold 20% of your money for federal income tax purposes (resulting in a 20% withholding credit to be reported on your federal income tax return). You must replace the 20% withheld with your own money (otherwise, it becomes taxable). You must complete the rollover within 60 days.
Key tax considerations*	<ul style="list-style-type: none"> No immediate tax consequences. 	<ul style="list-style-type: none"> Federal income tax withholding (20%). Income tax due, depending on your income and tax bracket. Penalty tax (10%). 	<ul style="list-style-type: none"> No immediate tax consequences. 	<ul style="list-style-type: none"> No immediate tax consequences. 	<ul style="list-style-type: none"> You must replace the money withheld for federal income tax purposes with your own money.
Consider this option if...	<ul style="list-style-type: none"> You are satisfied with your current plan. 	<ul style="list-style-type: none"> You must have access to your money and have no other source of available funds. 	<ul style="list-style-type: none"> You feel your new employer's plan offers sufficient flexibility, investment choices, and attractive features. 	<ul style="list-style-type: none"> You wish to have greater control over your retirement assets. Your new employer has no retirement plan or a plan that does not meet your needs. You prefer to work with one financial provider to meet your needs. 	<ul style="list-style-type: none"> You have already taken a cash distribution from your plan within the past 60 days. Your new employer has no retirement plan or a plan that does not meet your needs. You wish to have greater control over your retirement assets. You prefer to work with one financial provider for your needs.
Summary	<p>This may be the easiest option, but it could also limit your choices in the long run. Generally, this option is available only if you have more than \$5,000 in your account.</p>	<p>By taking a lump-sum cash distribution, you receive a check made payable directly to you. In doing so, however, you lose the benefit of tax deferral and may receive less of your savings than if you had left the funds invested until a later date.</p>	<p>If you are changing jobs, you may be able to transfer your assets directly from your previous employer's plan into your new employer's plan.</p>	<p>This involves taking a lump-sum distribution from your employer-sponsored qualified retirement plan and having it deposited directly in a Traditional IRA set up to receive these funds.</p>	<p>This method is considered an "indirect" rollover because the funds are paid out to you before being rolled to a qualified rollover account.</p>

*Before initiating a rollover, state income tax consequences should also be taken into account. See your tax or legal advisor for specific advice.

**In your state, a creditor may have greater rights to IRA assets than to assets in an employer-sponsored plan. Check with your attorney about this issue.