# Rollover Choices

## How to make the most of your assets in a former employer’s retirement plan

### Understand your choices

<table>
<thead>
<tr>
<th>Leave the assets in your former employer’s plan.</th>
<th>Withdraw the assets in a lump-sum distribution.</th>
<th>Roll over all or portion of the assets to a traditional IRA.</th>
<th>Move the assets to your new employer’s retirement plan.</th>
<th>Convert all or a portion of the assets to a Roth IRA.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROS</strong></td>
<td><strong>CONS</strong></td>
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<td><strong>CONS</strong></td>
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<tr>
<td>• Access to familiar investment choices</td>
<td>• Investment choices may be limited</td>
<td>• Potential for future tax-deferred growth</td>
<td>• Some plans don’t allow rollovers</td>
<td>• Income taxes paid when you convert the assets</td>
</tr>
<tr>
<td>• Likely lower costs</td>
<td>• Plan rules on distributions and beneficiary distribution options may be restrictive</td>
<td>• Can make new contributions or take loans</td>
<td>• Limited opportunity for early withdrawals without paying a 10% early-withdrawal additional tax (early tax is not due for amounts rolled over)</td>
<td>• Loans are not available</td>
</tr>
<tr>
<td>• Broad protection from creditor claims under federal law</td>
<td>• Can’t make new contributions or take loans</td>
<td>• Less opportunity for potential tax-deferred future growth</td>
<td>• Loans are not available</td>
<td>• Limited opportunity for early withdrawals</td>
</tr>
<tr>
<td>• Preserve tax-deferred growth potential</td>
<td></td>
<td>• Taxes will reduce the amount you receive</td>
<td>• Protection from creditors in bankruptcy only</td>
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</tr>
</tbody>
</table>

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**Learn more**
Decide which choice works for you

Everyone’s situation is different. There are many factors that you’ll want to take into consideration when evaluating your choices and deciding which one, or combination of choices, is appropriate for you. Each choice may offer different investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and provide different protection from creditors and legal judgments. These are complex choices and should be considered with care.

- As with all investment decisions, there are potential benefits and disadvantages for each choice, including those outlined on this educational overview. Also, keep in mind that in some situations, your choice is irreversible.
- The information we are providing is educational in nature. We are not recommending a specific choice relating to your employer-sponsored plan assets.

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Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

1 Existing retirement plan assets do not include Roth employer plan assets.

2 If any portion of your employer plan account balance is eligible to be rolled over and you do not elect to make a direct rollover (a payment of the amount of your employer plan benefit directly to an IRA), the plan is required by law to withhold 20% of the taxable amount. This amount is sent to the Internal Revenue Service as federal income tax withholding. State tax withholding and a 10% early-withdrawal additional tax also may apply.

3 If eligible.

4 A Required Minimum Distribution (RMD) is the minimum amount the account holder of a traditional IRA or qualified retirement plan must withdraw annually upon reaching age 70½ (or, if later, the year in which the participant retires for qualified retirement plans). The RMD can be taken any time during the year but no later than December 31. For the year in which the owner turns 70½, the deadline is extended until April 1 of the following year. Failure to take all or part of a RMD results in a 50% additional tax applicable to the amount of the RMD not withdrawn.

5 Contingent on specific plan rules.

6 Original Roth IRA account owners are exempt from taking Required Minimum Distributions (RMD). Beneficiaries are required to take RMDs from inherited IRAs. A spouse beneficiary may elect to treat an inherited Roth IRA as his or her own and would not have an RMD requirement during his or her lifetime.

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