

RETIREMENT PLAN
ROLLOVER GUIDE



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HOW DO I FIND MY RETIREMENT ACCOUNT?



Had a 401(k), 403(b), 457(b) or other retirement plan at a previous employer? Lost track of it?

You're not alone.

However, it's important we locate your old retirement plan because you've worked hard to save and grow this money for your future. Active management and monitoring of these retirement accounts can make a huge impact on your retirement goals.

Most often, the account(s) will remain at the same financial institution that oversaw the entire employer retirement plan when you were an active employee. The company that runs the plan is known as the "retirement plan provider". However, sometimes the retirement plan provider changes and your account may transfer to a new financial institution. Reasons for this may include:

- AGR** Your former employer changes the retirement plan provider
- AGR** Your former employer is acquired by another company
- AGR** Your account balance was less than \$5,000 and rolled over to an IRA

So, what should you do? Here are the steps to take to track down your old retirement plan:

- AGR** Contact your former employer for the retirement plan provider's contact information
- AGR** If you run into a roadblock there, try to find old retirement account paperwork
 - These statements or documents should have contact information
- AGR** If the first two options don't pan out, try a database search on one of the following:
 - <https://www.askebsa.dol.gov/AbandonedPlanSearch/>
 - <https://unclaimedretirementbenefits.com/>
- AGR** As always, we can assist you with this process and any other questions you may have



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Simply put, you have options. Some options have tax consequences and others don't. Generally, there are four primary options available:



Rollover to IRA: A tax-free transfer to an Individual Retirement Account (IRA)

- An IRA can be opened and be the new home of your retirement savings
- This account is not tied to your former or current employer
- May allow much more flexibility with investment choices and use of funds



Rollover to a New Retirement Plan: Consolidate within your current retirement plan

- This is a tax-free transfer of retirement funds from one plan to another
- This account is tied to your current employer and they can provide instructions
- You can invest proceeds in the available investment lineup within this plan



Leave It As-Is: Uncommon, but certainly an option

- This may not allow active monitoring and management
- Ensure you understand the fees associated with leaving the account in the plan
- Understand what investment choices are available on this platform



Cash It Out: This is known as a withdrawal

- You will likely pay taxes and penalties if you are 59.5 years or younger
- This is treated as income in the year you make the withdrawal
- As with the three other options, please discuss this option with us first to fully understand the consequences


Have an outstanding loan in your retirement account? Get in touch with us to discuss how it will specifically impact your situation.



WHAT ROLLS INTO WHAT?

Below is a chart from the IRS website for all retirement plan transactions. Please reference this and let us know what questions you have.

ROLLOVER CHART

		Roll To							
		Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	Governmental 457(b)	Qualified Plan ¹ (pre-tax)	403(b) (pre-tax)	Designated Roth Account (401(k), 403(b) or 457(b))
Roll From	Roth IRA	Yes ²	No	No	No	No	No	No	No
	Traditional IRA	Yes ³	Yes ²	Yes ^{2,7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
	SIMPLE IRA	Yes ³ , after two years	Yes ² , after two years	Yes ²	Yes ² , after two years	Yes ⁴ , after two years	Yes, after two years	Yes, after two years	No
	SEP-IRA	Yes ³	Yes ²	Yes ^{2,7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
	Governmental 457(b)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes	Yes	Yes	Yes ^{3,5}
	Qualified Plan¹ (pre-tax)	Yes ³	Yes	Yes ⁷ , after two years ⁷	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
	403(b) (pre-tax)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
	Designated Roth Account (401(k), 403(b) or 457(b))	Yes	No	No	No	No	No	No	Yes ⁶

¹Qualified plans include, for example, profit-sharing, 401(k), money purchase, and defined benefit plans.

² [Only one rollover](#) in any 12-month period.

³Must include in income.

⁴Must have separate accounts.

⁵Must be an in-plan rollover.

⁶Any nontaxable amounts distributed must be rolled over by direct trustee-to-trustee transfer.

⁷Applies to rollover contributions after December 18, 2015. For more information regarding retirement plans and [rollovers](#), visit [Tax Information for Retirement Plans](#).

Source: <https://www.irs.gov/retirement-plans/plan-participant-employee/rollovers-of-retirement-plan-and-ira-distributions>

I'M CONFUSED. WHAT ARE DIRECT AND INDIRECT ROLLOVERS?

We don't love fancy industry jargon either. Differentiating between the two is quite easy though:



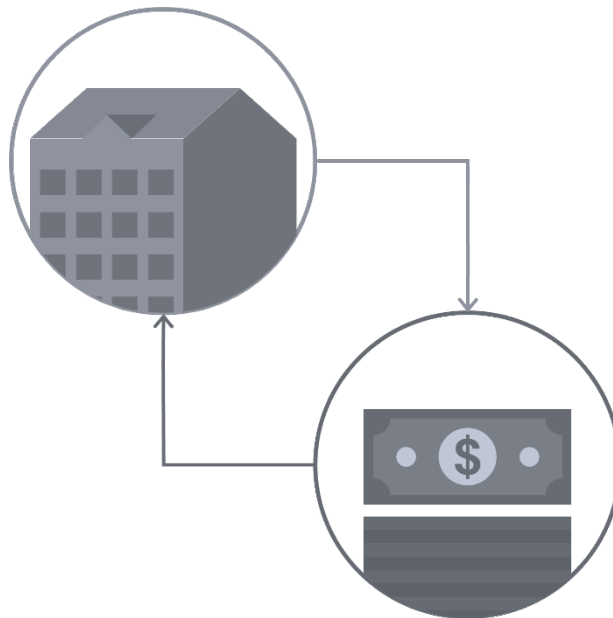
Direct Rollovers

- A trustee-to-trustee transfer. Usually, a check is made payable to LPL Financial For The Benefit Of You (FBO). Sometimes, a wire can be made directly into your IRA, but that is uncommon. See rollover instructions later in this guide. This is the preferred route and ensures this is a tax-free transaction.



Indirect Rollovers

- Funds are directed to you, usually in the form of a check. You then deposit the funds into your own financial account (checking, savings, etc.). However, you only have 60 days to send that money to your IRA held with us. If the funds aren't in your IRA before the 61st day, the rollover becomes fully taxable, with the potential for penalties. Ouch!










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OK, A ROLLOVER SEEMS LIKE A GOOD OPTION. WHAT'S THE CATCH?

There is no catch. No, really!

Within your retirement plan, you were, and still are, paying fees and expenses. Sometimes, these fees and expenses are hard to understand and can be rather high. It's important to compare how the value, benefits, and expenses stack up against an IRA. We will certainly cover these aspects when addressing your rollover(s).

Plus, there are other significant benefits:

-  A tax-free event when processed correctly
-  Consolidation of accounts – no more stressing over multiple logins and statements
-  Active daily management and monitoring by licensed professionals
-  Much more flexibility with investment choices
-  Possible reduction of overall charges on your account(s)*
-  Access to financial and tax planning, tax preparation, and other services included*
-  Ability to establish a Roth IRA*



*Based on the level of assets you have entrusted us with, we offer breakpoints and other beneficial services at no additional cost. Breakpoints benefit you because when you have more assets with us, we can utilize even more world-class investments and reduce your advisory fee. A Roth IRA can be established and funded if any portion of your former employer retirement account is Roth/After-Tax. We can help you determine if you have a Roth balance in your former employer retirement plan.

LET'S INITIATE THE ROLLOVER!

Congrats on being a prudent steward of your money and thank you for entrusting us with a very important aspect of your financial life! It is not a responsibility we take lightly and we assure you, we will work diligently to manage your investments in the same manner we manage our own. Below you will find simple instructions on how to initiate your rollover to an IRA with us:



Call the retirement plan provider



Tell the rep:

- "I would like to rollover my existing retirement plan to an IRA with my financial advisor."



The rep will likely ask if you have read/heard the tax disclosure within the past 60 days

- Again, this is a TAX-FREE event (we help you process it correctly to ensure this)
- If you understand this, you can simply say yes and proceed
- If you say no, they may read you the disclosure and/or send you information via mail, which can delay the processing of your rollover.



Provide the rep with the following information for the rollover check:

- Make Check Payable to: LPL Financial FBO (Your Full Name)
- Account Number: Simply use your SSN if we haven't provided you an account #
- Address: Use your mailing address OR if they allow, our office address

We happily offer to conduct joint calls with our clients to ensure the conversation and execution of this transaction is handled as smoothly as possible. Please let us know how we can best serve you. Once you receive the check, please contact us and we can arrange a drop-off or you can simply mail it to us. Our address is:



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Attn: Brad Kidd
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