

# ROLLING OVER MONEY TO AN IRA

A checklist for your defined contribution plan rollover

## INFORMATION AND DOCUMENTS TO TAKE TO YOUR ADVISOR

- Employer distribution packet – including the IRS 402(f) notice, which explains your options for distributions and rollovers
- Last plan statement
- Beneficiary information for new account, if necessary, including:
  - Name(s)
  - Social Security number(s)
  - Date(s) of birth

## QUESTIONS TO ADDRESS WITH YOUR ADVISOR

- Do you need the money now? If so, you have several options but you may have to pay a penalty.
- Do you want your earnings to remain tax-deferred? If so, you can roll over the money to a traditional IRA.<sup>1</sup>
- Do you want to take tax-free withdrawals in retirement? If so, you may choose to roll over the money to a Roth IRA and pay taxes on it at your current ordinary income tax rate.<sup>2</sup>

<sup>1</sup>Withdrawals may be subject to income taxes, and prior to age 59½ a 10% federal penalty tax may apply. <sup>2</sup>Rolling from a traditional IRA into a Roth IRA may involve additional taxation. When converted to a Roth, the client pays federal income taxes on the converted amount, but no further taxes in the future. Unless certain criteria are met, Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount is subject to its own five-year holding period. Investors should consult a tax advisor before deciding to do a conversion.

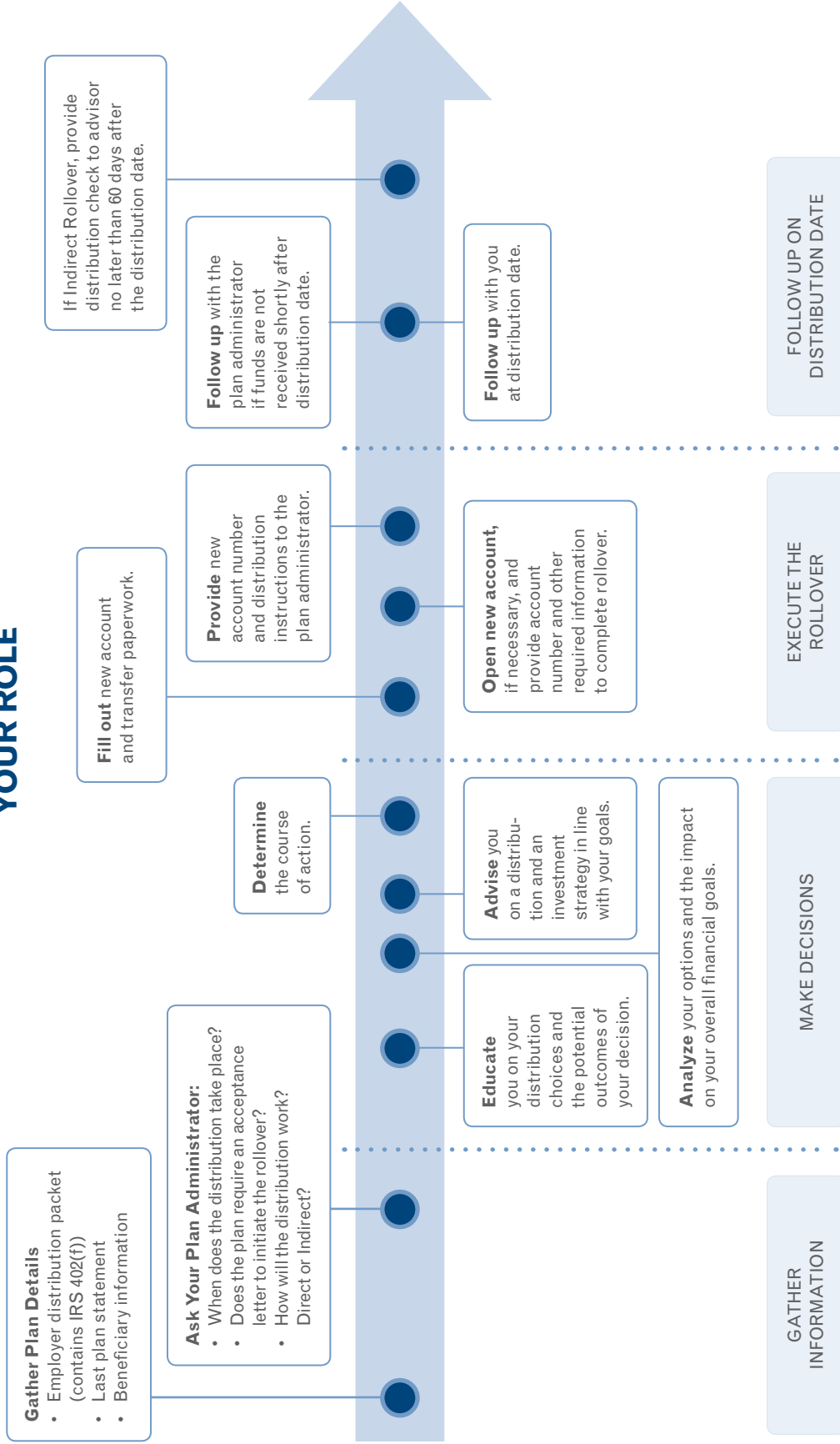
## QUESTIONS TO ASK YOUR PLAN ADMINISTRATOR OR HR DEPARTMENT

Your financial advisor may be able to help you in conversations with your HR department or plan administrator. However, you must participate directly for any information to be shared with your advisor.

- When will the distribution take place? Plans distribute funds on different timelines ranging from as soon as requested to once a year.
- Does your plan require an acceptance letter to initiate the rollover? For some direct rollovers, the plan may require us to send a letter accepting the direct rollover. Check to see if your plan requires a rollover acceptance letter.
- Will your money be distributed through a direct or indirect rollover?
  - **Direct:** Transferred from the retirement plan to the IRA at the receiving firm.
  - **Indirect:** Your retirement plan administrator sends money directly to you. In this scenario, the plan is required to withhold 20% for federal income tax, which you can claim back on your tax return if you complete the rollover within 60 days. You must deposit the total amount, plus extra money to cover the 20% withheld, into the IRA to avoid taxes and penalties

*continued on back*

## YOUR ROLE



## OUR ROLE

You should discuss any tax matters with your tax professional.

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER  
 880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // TOLL-FREE: 800.248.8863 // [LIFEWELLPLANNED.COM](http://LIFEWELLPLANNED.COM)