WHAT TO DO WITH RETIREMENT ASSETS WHEN YOU LEAVE AN EMPLOYER

Consider the strategy that best meets your objectives

Many people who change employers or retire leave their assets in the former employer's 401(k) plan. Often they are not aware of other options and how these choices can impact their long-term goals. While you were employed you had limited options with your retirement account. Now you have the freedom to consider many more investment options. One option is to roll them into an IRA where you can invest in just about any type of investment. Let's review the options available when you leave an employer, change jobs or retire. You may be surprised to learn how many choices you have.

DISTRIBUTION OPTIONS	PROS	CONS
Leave the money in the plan	Money continues to grow tax-deferred No decisions to make right now May be eligible for penalty-free withdrawals if you retire at or after age 55	Limited investment options may limit growth opportunities Non-spouse beneficiaries generally required to take lump-sum distribution May have restrictions on trading Potential fees/higher costs
Take as cash	Immediate access to savings Taking a distribution of eligible shares of company stock may lower tax obligation	No longer tax-deferred Penalty if under 59½ Subject to 20% withholding If performance is down, you could be locking in losses
Roll over to a new employer's plan	Money continues to grow tax-deferred Ability to take loans if plan allows Account consolidation May be eligible for penalty-free withdrawals if you retire at or after age 55	New employer may not allow rollovers Limited investment options May have restrictions on trading Potential fees/higher costs Your advisor may not be able to help you with asset decisions

continued

DISTRIBUTION OPTIONS	PROS	CONS
Roll over to a Traditional IRA	Money continues to grow tax-deferred Investment flexibility Flexible beneficiary designations and distribution options Access to money	No loans or age-55 retirement-distribution provisions Outstanding loan from plan assets must be repaid before rolling over to an IRA Withdrawals may be subject to income taxes, and prior to age 59 1/2 a 10% federal penalty tax may apply
Roll over to a Roth IRA	Money will grow tax-free Investment flexibility Beneficiaries will receive money tax-free	Must pay ordinary income tax at time of distribution Tax paid with account proceeds will be deemed a distribution, therefore taxed and penalized if applicable No loans or age-55 retirement-distribution provisions Outstanding loan from plan assets must be repaid before rolling over to an IRA

Consult with your Raymond James financial advisor about the advantages of rolling over retirement assets into a traditional or Roth IRA. There are many factors involved and steps that must be implemented correctly in order to make the most of your rollover decision.

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.

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