

ROLLOVER



Individual Retirement Account

**YOUR GUIDE TO
ROLLING OVER RETIREMENT ASSETS**



WHETHER YOU ARE RETIRING,
LEAVING THE WORKFORCE,

OR SIMPLY CHANGING JOBS, YOU SHOULD

BE AWARE OF HOW A CHANGE CAN AFFECT

YOUR RETIREMENT ASSETS. SINCE YOUR

RETIREMENT INVESTMENTS MAY

REPRESENT YOUR LARGEST POOL OF

ASSETS, WE WOULD LIKE TO SHARE

THE STEPS YOU CAN TAKE TO PRESERVE

YOUR MONEY.

Rollover-Eligible Retirement Plan Distributions

Just about any amount removed from a *qualified retirement plan* is considered to be a rollover-eligible distribution.¹ Qualified retirement plans include: 401(k) plans, Section 457 plans, profit sharing plans, money purchase pension plans, Keogh plans for self-employed individuals, and 403(b) or tax sheltered annuity plans for employees of tax-exempt organizations, such as colleges and universities, school districts, hospitals, and other tax-exempt and charitable organizations. In addition, after-tax contributions made to qualified plans and 403(b) accounts can now be rolled to individual retirement accounts (IRAs).

Note: You may *not* roll over IRA after-tax, nondeductible contributions, a distribution of inherited IRA assets, or any amount that is subject to the required minimum distribution rules for people over the age of 70½.

Avoid Tax Withholding With a Direct Rollover

Eligible retirement plan distributions are subject to mandatory tax withholding and possibly even tax penalties, unless they are rolled over to an IRA or another qualified retirement plan within a specified period of time. Therefore, if you do not plan carefully, your employer will need to withhold 20% of your retirement plan distribution for federal income taxes before turning the balance over to you.

If you take a distribution without rolling it over, you have 60 days to change your mind. If you change your mind within the 60-day period, and decide to roll over your distribution, you can do so, but you are responsible for replacing the 20% that was withheld by your employer. If you decide not to replace the 20% that was withheld, it must be reported to the Internal Revenue Service as taxable income on your annual tax form, for the year in which the distribution was taken.

¹ An eligible rollover distribution is generally defined as any distribution from a qualified plan, 403(b) tax sheltered annuity, or a 457 deferred compensation plan (as of January 1, 2002), unless it is part of a series of equal or substantially equal periodic payments, a required minimum distribution, or a hardship distribution. Distributions to nonspouse beneficiaries are not considered eligible.

Consider the Alternative—A Rollover IRA

If you choose not to roll over your retirement assets to an IRA, you subject yourself to 20% federal income tax withholding and possibly premature distribution penalties. Therefore, before you take a retirement plan distribution, we recommend that you speak with your tax advisor and consider your alternatives. One option may be to transfer your retirement plan distribution from your employer-sponsored retirement plan to a self-directed rollover IRA before it gets taxed.

A self-directed rollover IRA offers you a way to avoid tax withholding while providing you with the following features:

- Tax sheltered investment flexibility
- No-cost structured distributions when you need them
- Tax reporting services as required by the Internal Revenue Service
- Consolidated brokerage account statement

Look No Further Than Our Self-Directed, Multigenerational IRA

Your retirement plan distribution can represent years of hard-earned savings. Therefore, unless it is necessary for you to take a retirement distribution in the year you terminate from your employer's retirement plan, why pay income taxes or possibly even penalty taxes on money that you do not intend to use for years to come? Instead, consider rolling your retirement assets into a self-directed, multigenerational IRA. Not only will you maintain the benefits of tax deferral, but you also maintain control of your investment options.

Be in Control

Our self-directed, multigenerational IRA is the most flexible account available. Through it, you can diversify your assets across a wide variety of investments that suit your objectives and needs. Your investment professional can offer you a full spectrum of investment choices,

including stocks, bonds, options, mutual funds, and limited partnerships. And, while awaiting reinvestment, your free cash will continue to earn interest through our special money market fund sweep program.

Establish an IRA—It's Quick and Easy

Our easy-to-use forms enable you to establish an IRA with the financial legacy features you demand. The *IRA Adoption Agreement* is used to establish your account, while our *Direct Rollover Form* can be used when your previous employer does not have their own distribution form. Your investment professional can assist you with completing either form, if necessary. However, regardless of whether you use our Direct Rollover Form or your employer's distribution form, we will follow up with your employer to help expedite your rollover. Your investment professional can provide you with these forms so you can start setting up your new multigenerational IRA. Keep in mind that the timing of a distribution is based upon the provisions of your employer's retirement plan.

Consider Our Self-Directed, Multigenerational IRA for Your Estate Planning Needs

If your intention is to leave a financial legacy to your heirs, and you are concerned that your current IRA does not have the legacy beneficiary options that you need, then consider our multigenerational IRA. This IRA is designed to provide you with the greatest number of beneficiary options available in the industry. With appropriate estate planning and prudent investing, your rollover assets can potentially provide a lifetime of income for your beneficiary and perhaps even for future generations.

Get Started Today

For more information, or to obtain the necessary forms to establish a rollover IRA, contact your investment professional or financial organization.

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