LPL FINANCIAL

IRA Rollovers from Employer-Sponsored Retirement Plans

Important Information

LPL Financial

Guide to IRA Rollovers from Employer-Sponsored Retirement Plans

If you are considering a rollover from an employer-sponsored retirement plan, please read the following pros and cons of rolling over your account balance very carefully before you make a decision to set up an IRA with your LPL Financial Advisor.

YOUR OPTIONS	**+ PROS**	**- CONS**
Remain in your plan	• Continue any tax-deferred growth • Avoid early withdrawal penalties • Move your savings to another retirement plan later • Have continued access to your plan • Protection from creditors • May have lower fees • May be able to delay required minimum distributions past age 70 ½	• Limited to the plan's investment options • May not be able to remain in the plan if your account is less than $5,000 • You can't take a loan against your old 401(k) plan
Rollover to another employer's plan	• Continue any tax-deferred growth • Avoid early withdrawal penalties • May be able to consolidate your retirement assets in one account • May be able to borrow from the plan • Protection from creditors • May have lower fees	• Limited to the investment options offered by that plan • May have limits on how you move your money between the investment choices in the plan
Rollover to an IRA	**+ PROS** • Continue any tax-deferred growth • Avoid early withdrawal penalties • Have the flexibility to select investment options that fit your specific needs. • Choose a Roth after-tax account, if appropriate • Consolidate your retirement assets in one convenient place as you change jobs	**- CONS** • Can't borrow against your assets • Annual fees and/or commissions may apply, and may be higher than your plan • There may be custodial and other maintenance fees • As securities held in the plan generally can't be transferred to the IRA, commissions charged on transactions in the IRA will be *in addition* to commissions and sales charges previously paid on transactions in the retirement plan

A Final Option: Take a Distribution in Cash
You can decide to take the money out of your plan. Taking a distribution in cash means you will have some money right now, but this option can come with a price. For example, if you are under age 59½, a 10% early withdrawal penalty may apply; your distribution may also be subject to state and federal taxes. In addition, you may also owe a mandatory 20% federal withholding tax. Taking a distribution of shares of company stock may lower taxes, if eligible. If you are thinking about cashing out, be sure to factor in these penalties and consider if you would be better off keeping your money invested for the long term. Please consult with your tax Advisor for additional information.