

Rollover Choices

A man and a woman stand in front of a background image of three people seated around a conference table.

Man: “If you’re leaving your employer for any reason, you need to consider what to do with the money in your retirement savings plan.”

Woman: “You have several options, and your choice could have a significant impact on your finances -- both now and in the future.”

Man: “Let’s take a look at the four choices you face.”

In an office, two individuals shake hands while another person looks on. At the bottom of the screen, the words Leave Money in Old Employer’s Plan appear. **Woman:** “First, you may be able to leave your money in your old employer’s plan, as long as your account balance is greater than \$5,000. This option may be appealing if you like the investments in the plan and don’t want to bother switching accounts.”

The words Roll Over to New Employer’s Plan appear beside an image of two individuals who are reviewing paperwork together. **Man:** “Alternatively, you may be able to roll your money over into your new employer’s plan. Rolling over your assets to your new plan allows you to easily access and keep track of all of your retirement money in one location.”

The scene switches to three people seated at a conference table. To the right are the words Roll Over to an IRA. **Woman:** “The third option is to open a rollover IRA. A rollover IRA can offer a few benefits that a workplace plan cannot, including access to a wider range of investment options. And you don’t have to worry about moving your money around if you change jobs.”

The words Take a Distribution appear beside an image of two people who are shaking hands while another person looks on. **Man:** “Finally, you can withdraw all of your assets -- a transaction called a ‘distribution.’ If you’re considering a distribution, be warned. You’ll owe taxes on the money and could be charged an additional 10 percent early withdrawal tax if you’re under age 59½.”

Two images appear: one of group of people gathered around a man showing them something on a laptop and one of a man and a woman.

Woman: “As you can see, you have a range of options when deciding what to do with money in your retirement savings plan.”

Man: “It may be wise to speak with a financial professional before making any decisions, particularly if you’re thinking about taking a distribution.”