

Information from **RCU Investment Services** and CFS* to help keep your financial life in balance

Consumer Sense

Consolidating Retirement Plan Assets

Simplify your life and help take control of your financial future.

If you're like most people, you've probably worked for a number of different employers. The average American changes jobs eight times during the course of a 30-year career, leaving their retirement assets behind with their previous employer.

The 2001 Economic Growth and Tax Reconciliation Act (EGTRRA) have simplified the steps one needs to take when rolling over retirement assets.

Now, money in a 401(k) plan or a 457 plan can be transferred into a 403(b) plan or vice-versa and money in a rollover IRA can be transferred into your current employer's IRA plan.

Options available to you when leaving your employer:

1. Leave retirement assets in your former employer's plan, if they allow it.
2. Transfer assets to your new employer. Current tax laws make this much easier.
3. Take the money as cash. This option could include a 10% tax penalty if you're under the age of 59½. (Consult a tax advisor)
4. Roll the money into an IRA. Money from a 401(k), 403(b), 457 plans can be rolled into an IRA.

Benefits of Rollover IRA's

1. Substantial taxes can be avoided.
2. Tax benefits are preserved
3. You gain access to more investment options.
4. Avoid lump-sum distribution temptation.

The role of your financial advisor

How you choose to handle your retirement assets could have a lasting impact on the type of retirement you enjoy. Because this decision is so critical consider consolidating your IRAs with your Financial Advisor; he or she can facilitate this process for you.

With your retirement money in a single place, your advisor will be in a better position to assess your total financial picture and design a retirement plan that could best fit your personal needs.

Studies have shown that working with an experienced investment advisor can help to keep you on track when it comes to planning for retirement.**

Have You Read...

IRA's, 401(k)s & Other Retirement Plans, by financial specialists Twila Slesnick and John C. Suttle. This book offers a comprehensive resource that should prove indispensable to everyone with a retirement plan. They describe the various plans available, including Roth IRA's, to which an entire chapter is devoted focusing on distribution rules, associated taxes, and potential penalties.

Interested in Learning More?

For more information or to schedule a no-cost, no-obligation appointment, please call us today: **(800) 479-7928.**

