

## The Benefits of Consolidating Your Retirement Savings

### Critical Choices

Over the years, you may find that you've accumulated numerous retirement savings accounts. These may include Individual Retirement Accounts (IRAs) held at banks or investment companies or employer-sponsored plan accounts, such as 401(k)s, 403(b)s, and 457 plans, that you chose to leave in place when you changed jobs.

Regardless of how many accounts you have and where they're held, you may be well served by consolidating your assets into a single retirement account.

### Combining Your Retirement Savings Has Numerous Benefits:

#### > A Comprehensive Strategy

It can be extremely difficult to maintain an overall retirement planning strategy that meets your needs when your assets are held at several places. For example, a few years ago you might have invested for aggressive growth, yet today you may prefer a more

conservative approach. Having the money you've accumulated for retirement in a single location can help you develop a comprehensive retirement plan that reflects your current goals, timing, and risk tolerance.

#### > Simplified Tracking

It's easier to monitor your progress and investment results when your money is all in one place.

#### > Less Paperwork

You can receive a single statement instead of keeping track of multiple account statements from a variety of sources.

#### > Lower Costs

You might be able to reduce the cost of maintaining multiple retirement accounts.

#### > Easy-to-Calculate Distributions

When you reach age 70½ you must begin taking required minimum distributions (RMDs) from your IRA and possibly your other retirement accounts.<sup>1</sup> It's typically easier to calculate and take withdrawals from a single account.

### Assets that Are Ineligible to Rollover

While consolidating your retirement assets makes sense, there are certain assets that generally cannot be rolled over. For example, assets in a nonqualified deferred compensation plan are typically not eligible to be rolled over into an IRA.

1. Roth IRA owners are not subject to required lifetime minimum distributions.



# The Rollover Consulting Group



Individual Retirement Answers

## How to Consolidate Your Assets

Perhaps the easiest way to consolidate your retirement savings is with an IRA rollover. IRAs can be used to hold assets that are rolled over from a variety of retirement accounts, including 401(k)s, 403(b)s, and 457 plans. In some cases they may also be used to consolidate existing IRAs.

There are generally two types of IRA rollovers, direct and indirect. A direct rollover is the preferred way for most people, since the check is made payable to the new IRA custodian, and there are no tax consequences as a result. With an indirect rollover, the check is made payable to you, and taxes may be withheld. You are then responsible for forwarding the funds within 60 days to the new IRA custodian, and may pay taxes and a penalty (if under age 59½) on any amount that is not placed within the IRA.

In addition to the benefits associated with consolidating your assets, IRA rollovers offer a number of other advantages:

- > Your money continues to grow tax-deferred until it's withdrawn.
- > You control how to access your savings, and are no longer restricted by the rules of your former employer's plan.

- > IRA rollover providers often offer a broad range of investment choices.
- > Your beneficiaries may be able to maximize the benefits of tax deferral by stretching IRA distributions out over a lifetime.

## Consolidation Tips

Retirement Assets	Issues and Opportunities
Previous Employer Retirement Plan Assets 401(k), 403(b), 457 plans	These assets can generally be directly rolled over to an IRA and continue to grow tax-deferred, regardless of how long ago you left the organization.
Current Employer Retirement Plan Assets 401(k), 403(b), 457 plans	These assets must typically be left in the plan until you sever from employment.
Existing Traditional IRAs, Rollover IRAs, Roth IRAs	In most cases, you can consolidate existing IRAs. Keep in mind that a Roth IRA can only be consolidated with another Roth IRA. Speak with your investment professional or The Rollover Consulting Group for details.

## Customized Solutions

Consolidating your retirement assets with an IRA rollover can simplify your life and help you better control your financial future. Sales charges and service fees may apply, so before consolidating your assets you may wish to speak with your financial professional. He or she can review your overall goals and develop a rollover and asset allocation strategy that is appropriate given your individual needs.

In developing a strategy for your retirement plan, your financial professional can access the resources of The Rollover Consulting Group—an experienced group of retirement consultants who understand the nuances of retirement planning. With guidance from your financial professional and The Rollover Consulting Group, you have the opportunity to maximize your retirement savings. The Rollover Consulting Group's services are provided by New York Life Investment Management LLC, a wholly owned subsidiary of New York Life Insurance Company.