Leave It, Move It, Roll It, Take It:

Know Your Employer Retirement Plan Options

Welcome!

Key steps toward achieving your financial goals

Current situation

- Changing employers
- Laid off but not ready to retire
- Offered an “early out” package
- Ready to retire

Your options

Leave it

Leave assets in the plan

Move it

Move assets to new employer plan

Roll it

Roll your plan assets into an IRA

Take it

Cash out your account (lump-sum distribution)

Potential benefits and trade-offs

Leave it

Move it

Roll it

Take it

Investment options · Advice and guidance · Fees and expenses
Taxes and penalties · Withdrawal options and RMDs · Other considerations

Potential benefits

Leave it

- Avoids potential taxes and penalties until distribution
- Lower fees and expenses
- Earlier access to penalty-free withdrawals (ages 55-59½)
- Greater creditor protection

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation prior to making any decisions.

Potential trade-offs

Leave it

- Less individual control
- Limited investment options
- Limited access to a financial advisor
- Tracking multiple accounts

Potential benefits

Move it

- Avoids potential taxes and penalties until distribution
- Lower fees and expenses
- Earlier access to penalty-free withdrawals (ages 55-59½)
- Greater creditor protection
- Account consolidation
- Ability to delay RMDs while still working

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Potential trade-offs

Move it

- Less individual control
- Limited investment options
- Limited access to a financial advisor

The IRA

- Allows you to save tax deferred
- Can have an IRA in addition to your plan at work
- Two types:
  - Traditional
  - Roth

IRA types

Traditional IRA

- Opportunity for tax-deferred growth
- Potentially tax deductible contributions
- Taxed upon distribution
- Additional 10% penalty generally applies if under age 59½
- Required minimum distribution (RMD) at age 72

IRA types

Roth IRA

- Opportunity for tax-free growth
- Contributions are not tax deductible
- Potentially no tax on distributions
- Access to contributions at any time
- No RMD

Potential benefits

Roll it

- Greater individual control
- More investment options
- Access to a financial advisor
- Account consolidation

Potential trade-offs

- Higher fees and expenses
- Potentially later access to penalty-free withdrawals
- Less creditor protection

Direct vs. indirect rollovers

	Direct rollover	Indirect rollover
Check made payable to	IRA trustee	You
20% withholding	No	Yes
Taxes due	No	Maybe
Penalties	No	Maybe

Potential trade-offs

Take it

- Longevity risk
- Generally taxed the year distributed
- Potential 10% penalty if under age 59½

59½ or older

Take it

$100,000

- $24,000 (24% tax bracket)

$76,000

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Younger than 59½

Take it

$100,000

- $24,000 (24% tax bracket)

- $10,000 (10% penalty)

$66,000

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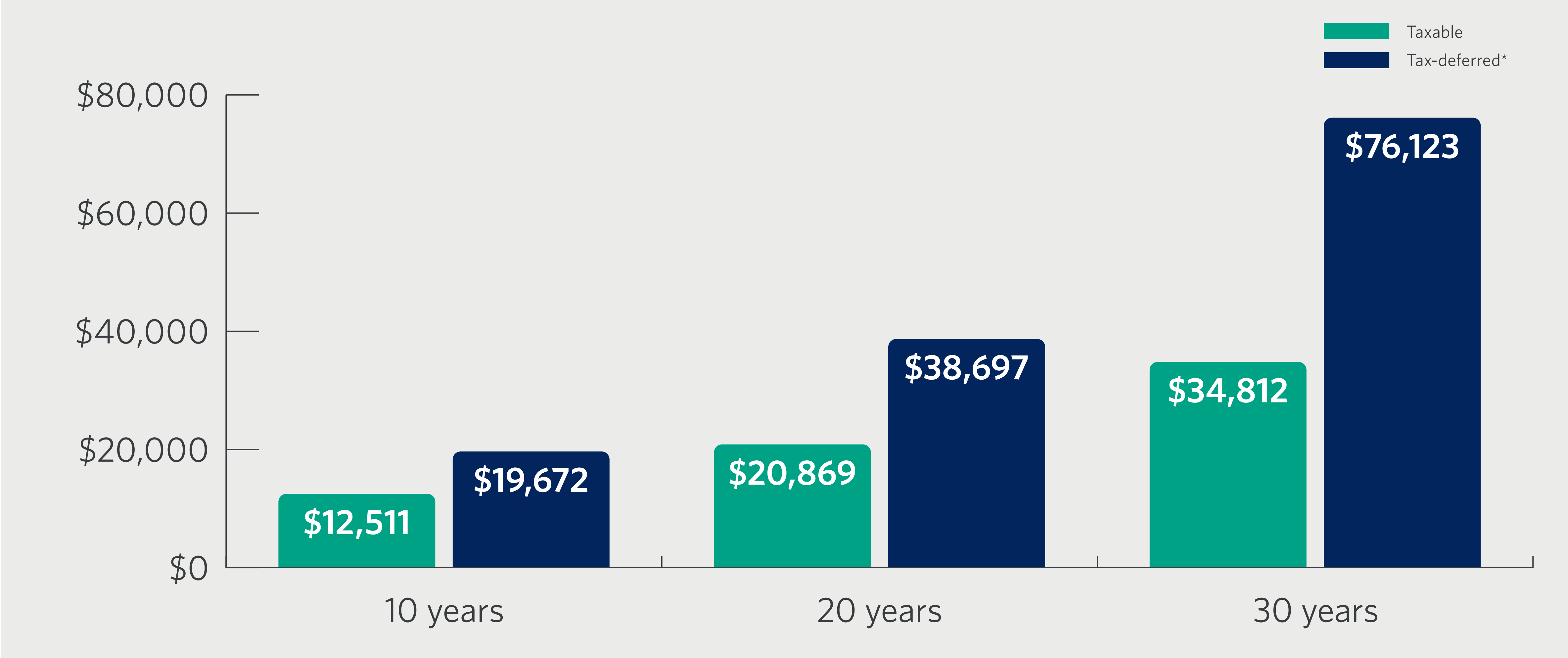
The power of tax deferral



Source: Edward Jones. Assumes a 7% annual rate of return compounded annually on an initial $10,000 lump-sum distribution for an investor in the 25% federal tax bracket. For illustration only; not intended to reflect the performance of any particular investment. The illustration has not been adjusted for commissions, fees or expenses, which would reduce the results.

*Represents amount before tax on IRA distribution.

Employer stock

Take it

- Considerations for employer stock/securities
- May be eligible for special tax treatment called net unrealized appreciation (NUA)
- Must take lump-sum distribution in one calendar year to qualify
- Ability to use NUA is lost if you move or roll your employer securities
- Can move or roll non-employer securities and use NUA for employer securities

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Annuity payments from a pension

- Provide a lifetime of income for you and possibly your spouse
- Payments are predictable
- Generally do not take inflation into consideration
- Many do not provide benefits to heirs

Summary

Leave it

Option 1

Move it

Option 2

Roll it

Option 3

Take it

Option 4

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Any questions?

Thank you for attending!