GOING SOMEWHERE?

You're on to the next adventure in your life and career, but don't forget about your retirement account. It's important to explore your options to keep that money working hard for your future.

Will you:

- Move your account balance into an Individual Retirement Account (IRA)?
- Move it into your next employer's plan?
- Leave the money where it is?
- Take a cash distribution?

Avoid the temptation to take the cash

Saving for retirement means thinking ahead. While it's perfectly normal to be tempted to cash out the money you've saved in your retirement plan, that may not be your best option. There are significant tax ramifications to consider. And, depending on your age, you could be subject to an IRS penalty for withdrawing your money too early.

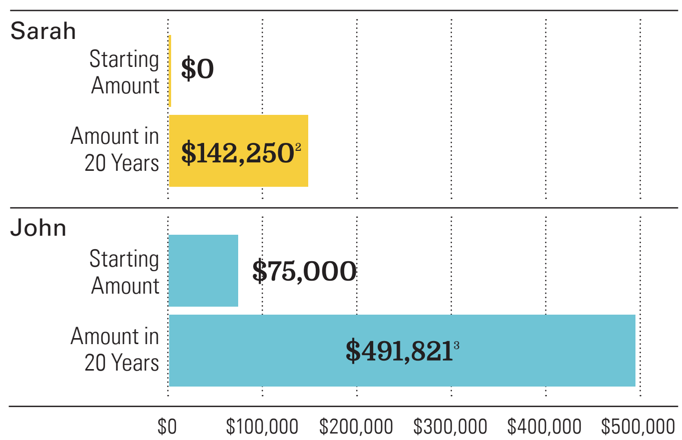
John and Sarah are both 45 and have each saved $75,000 in the company retirement plan. Upon leaving the company, Sarah decides to cash out her balance, while John rolls his money into his new employer's plan.

Compare the results of John and Sarah's choices on the right.

Cashing out vs. staying invested[1]

Sarah: starts with **$75,000**
Cashes out, then starts fresh in new employer's plan

John: starts with **$75,000**
Rolls the money over to his new employer's plan, then continues to invest in that plan



Sarah only has $50,625[4] in her pocket after taxes and penalties. She starts over in her next employer's retirement plan, and invests for 20 years.

John rolls his $75,000 into his new employer's plan and continues to invest in that retirement plan for the next 20 years. At 65, Sarah has $142,250 in total retirement savings, compared to $491,821 for John. That can make a big difference at retirement.

Continued

[1] This is a hypothetical example and is not representative of any specific situation. Your results will vary. The hypothetical rates of return used do not reflect the deduction of fees and charges inherent to investing.

[2] Assumes a $50,000 annual salary, 6% contribution rate, and 8% rate of return.

[3] Assumes an original account balance of $75,000. $50,000 annual salary, 6% contribution rate, and 8% rate of return.

[4] Assumes 10% early withdrawal penalty; 25% federal taxes.

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Staying invested: a recap

As the previous illustration shows, keeping your retirement savings invested, instead of cashing out, is potentially a better option for many people.

As far as staying invested, your options include leaving the money where it is, moving it to your current employer's plan, or moving it to an Individual Retirement Account (IRA). In any case, your money will have the potential to continue to compound and grow on a tax-deferred basis.

Whatever option you choose, it's important to think ahead and understand the pros and cons of any actions you take.

We're here to help you create confidence that you're on track to realize your financial goals and aspirations.

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