Sample article for organizations to use to reach customers (643 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers.

Roll over your retirement plan or IRA to a new plan or IRA

Did you know that most pre-retirement payments you receive from a retirement plan or IRA can be "rolled over" by depositing the payment in another retirement plan or IRA within 60 days? You can also have your financial institution or plan directly transfer the payment to another plan or IRA.

Why roll over?

When you roll over a retirement plan distribution, you generally don't pay tax on it until you withdraw it from the new plan. If you don't roll over your payment, it will be taxable (other than qualified Roth distributions and any amounts already taxed). You may also be subject to additional tax, unless you're eligible for one of the exceptions to the 10 percent additional tax on early distributions.

How do I complete a rollover?

1. **Direct rollover** – If you're getting a distribution from a retirement plan, you can ask your plan administrator to make the payment directly to another retirement plan or to an IRA. Contact your plan administrator for instructions. The administrator may issue your distribution in the form of a check made payable to your new account. No taxes will be withheld from your transfer amount.

2. **Trustee-to-trustee transfer** – If you're getting a distribution from an IRA, you can ask the financial institution holding your IRA to make the payment directly to another IRA or to a retirement plan. No taxes will be withheld from your transfer amount.

3. **60-day rollover** – If a distribution from an IRA or a retirement plan is paid directly to you, you can deposit all or a portion of it into an IRA or a retirement plan within 60 days. In certain situations, the 60-day rollover requirement may be waived if you missed the deadline because of circumstances beyond your control. Taxes will be withheld from a distribution from a retirement plan, so you'll have to use other funds to roll over the full amount of the distribution. Otherwise, you:

    - must include the withheld amount in your gross income in the year the distribution was made, and
    - may owe an additional early distribution tax on the withheld amount.

If your distribution includes property, you can either roll over the property to the new plan or IRA, or sell the property and roll over the proceeds. In either case, you must deposit into the new plan or IRA within 60 days of receiving the distribution or qualify for a waiver of the 60-day requirement.

By rolling over your pre-retirement distributions to another retirement plan or IRA, you're saving for your future, and your money continues to grow tax-deferred.

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***NOTE TO EDITOR:* Below are helpful resources on retirement plans and IRAs**

IRS.gov

- Rollovers of retirement plan and IRA distributions – explains the type of distributions that can be rolled over, types of plans and IRAs that may accept rollovers and tax consequences.
- IRA one-rollover-per-year rule – how to apply the rule allowing only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own.
- Types of retirement plans – learn the key features of common types of employer-sponsored retirement plans, including how much you can contribute to your plan.
- Individual retirement arrangements (IRAs) – includes a side-by-side comparison of common features of traditional and Roth IRAs, and current contribution and deduction limits.
- Retirement Plans Frequently Asked Questions (FAQs) – answers many commons questions about IRAs and employer-sponsored retirement plans.

On Twitter? Send these Tweets:

- Learn how you can take responsibility for your #retirement savings http://go.usa.gov/4zzd #IRS
- Find out how changes in your life affect your #retirement savings http://go.usa.gov/4ztz #IRS