

# QUALIFIED PLAN DISTRIBUTIONS

## Explore your Options

**If you're considering rolling over or transferring an IRA from another financial institution you have the option of rolling your account(s) into any qualified IRA plan and continue receiving tax-deferred benefits and access to other investment choices, if applicable.**

If you have recently separated from an employer or retired, transferring your 401(k) or pension into an IRA or other retirement plan helps ensure your funds still have tax-deferred advantages. If you don't roll over your account within 60 days you will be subject to taxes (other than qualified Roth IRA distributions or any amounts already taxed).

**If you're considering rolling over your plan due to a qualified distribution event, here are your options:**

### **LEAVE YOUR MONEY IN YOUR FORMER EMPLOYER'S PLAN**

This option allows you to continue your tax-deferred growth potential. However, you can no longer contribute to a former employer's 401(k) and plans typically require that participants have a plan balance that exceeds \$5,000. Additionally, your range of investment choices and ability to transfer assets among funds may be limited.

### **ROLLOVER TO A NEW EMPLOYER PLAN**

If you're starting a new job, this option lets you consolidate your 401(k) into your new employer's plan -- while continuing tax-deferred growth potential. Investment options vary by plan.

### **TAKE A CASH DISTRIBUTION**

You have the option to take a cash distribution. Withdrawing your money might be helpful if you have an extraordinary financial need, but will be taxable and subject to a mandatory 20% federal withholding rate. Withdrawals before age 59½ may be subject to a 10% early withdrawal penalty and will be taxed as ordinary income. Please consult with a tax advisor before making a decision.

### **ROLLOVER TO ANOTHER IRA PLAN**

You have the option of rolling your account(s) into any qualified IRA plan. Your tax-deferred money can continue to grow. You may also have access to investment choices that may not be available in your new employer's plan. You can open an IRA at a retail bank branch or we can refer you to a financial advisor.

**Your Coverdell Education Savings Account (CESA) may be rolled over to another CESA for qualified beneficiaries. Cash distribution may be made; however, you may encounter tax implications and/or penalties based on education expenses and other factors. Please consult with a tax advisor before making a decision.**

If you have any questions, please visit your local branch.

# Fulton Bank

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