

Rollover IRAs

When clients change or leave a job, they are often unsure of what to do with their retirement assets and, without guidance, may choose to do nothing at all. Although leaving assets with former employers' plans still has benefits that should be considered, such as creditor protection, rolling the assets over to an Individual Retirement Account (IRA) may offer clients advantages by providing a consolidated view—and maximum control—of retirement assets.

Key Benefits

Offering Rollover IRAs and advice gives you the opportunity to:

- Build stronger relationships with individuals by advising on retirement as well as taxable assets
- Consolidate existing retirement assets into a single account
- Help prospects and clients stay on track toward their retirement goals

The Pershing Advantage

Pershing, a BNY Mellon company, makes consolidation and rollovers easy:

- We help you identify and capitalize on potential rollover opportunities.
- You can transfer existing assets held for your clients on other platforms—or with other financial professionals.
- We help you process the rollovers, consolidate the assets and more.

Consolidation with Pershing helps you simplify account management, so you can focus on offering more holistic advice and more consistent client service, and gain a larger share of client assets.

Financial professionals who offer Rollover IRAs can help their clients maximize the potential of their retirement savings, simplify their account management, gain access to a more comprehensive range of investment options and much more. This, in turn, helps you build deeper client relationships and gain additional client assets.

Rolling it over

A Rollover IRA is a Traditional IRA that receives assets from an employer-sponsored plan, such as a 401(k), 403(b)(7) or pension plan, or other IRAs. A rollover can be completed to a Rollover IRA or a Traditional IRA and, in the case of a designated Roth 401(k) or 403(b)(7), to a Roth IRA. With a rollover, clients preserve the federal income tax-deferred status of the assets, avoid mandatory tax withholding or income tax penalties, continue investing in a tax-advantaged manner, gain greater flexibility in accessing their assets and more. Additionally, your clients can roll pre-tax employer-sponsored plan assets directly to a Roth IRA as a conversion.

Investment freedom

Assets within Rollover IRAs can be invested in a broad range of options including stocks, bonds, ETFs, CDs and other eligible asset classes. Pershing's open-architecture platform allows you to offer your clients a universe of investment options, including thousands of no-transaction-fee mutual funds, managed accounts and alternative investments.

Potential Candidates for Rollover IRAs

This strategy may be right for individuals:

- With 401(k) or 403(b)(7) assets at previous employers or multiple IRA accounts
- Looking to consolidate assets to maximize their retirement savings potential
- Desiring to keep their retirement investments on track, regardless of job changes
- Interested in expanding the universe of investments for their retirement assets

Pershing for Rollover IRAs

Offer a world of opportunity

Pershing offers more than 18,000 mutual funds from more than 550 fund families—including thousands of no-transaction-fee options, as well as all ETFs and a wide range of individual securities, managed accounts and alternative investments to meet the needs of even the most sophisticated investors.

Simplify your life

Pershing enables you to consolidate taxable and retirement assets onto one platform and provides the technology and tools you need to manage assets holistically, efficiently and cost-effectively.

Reinforce your value

With Pershing, you remain in control. You identify investment choices and provide advice and guidance to your clients. You retain ownership and control over the relationship.

Build your business

We provide the tools, support and materials you need to identify and successfully capitalize on retirement opportunities.

Rely on our strength

Our parent company, BNY Mellon, was rated the safest bank in the United States by *Global Finance* three years in a row. Pershing has \$223 billion in retirement assets under custody for more than 2.6 million IRAs and employer-sponsored plans.*

*As of June 30, 2011.

	Roll Over to an IRA	Keep in Former Qualified Plan	Roll Over to New Qualified Plan	Distribute Cash from Qualified Plan
Pros	<ul style="list-style-type: none"> Federal income tax-deferred status of assets protected No mandatory withholding or income tax penalties Extensive range of investment choices to meet goals Greater flexibility for accessing assets Option to convert to a Roth IRA, which may offer tax benefits 	<ul style="list-style-type: none"> Federal income tax-deferred status of assets protected May be able to take a plan loan May be able to purchase employer stock May have access to certain proprietary investments Generally protected from creditors of plan participants and insulated from bankruptcy claims 	<ul style="list-style-type: none"> Federal income tax-deferred status of assets protected Loans, if available, based on a larger consolidated balance If working after age 70½, client may be able to defer RMDs May be able to purchase employer stock May have access to certain proprietary investments Generally protected from creditors of plan participants and insulated from bankruptcy claims 	<ul style="list-style-type: none"> Immediate access to retirement plan assets
Cons	<ul style="list-style-type: none"> No loans allowed Required Minimum Distributions (RMDs) begin at age 70½ for Traditional IRAs Lose the Net Unrealized Appreciation (NUA) tax strategy for employer stock held in former employer's plan May lose protection from creditors 	<ul style="list-style-type: none"> Limited investment options selected by employer Client becomes responsible for choosing and managing investment options within the plan Old plans are often neglected or forgotten Withdrawal options and timing may be limited by the plan Often left in "set it and forget it" mode, which may not help client reach retirement goals 	<ul style="list-style-type: none"> New employer may not allow rollovers into plan Limited investment choices selected by employer Client is responsible for choosing and managing investments Investments from former plan may not be available in the new plan, requiring investment sales and purchases Often left in "set it and forget it" mode, which may not help client reach retirement goals 	<ul style="list-style-type: none"> 20% mandatory employer withholding for federal income taxes on eligible rollover distributions Client may owe nearly 50% of the cash value in taxes if 100% of funds are not deposited into an IRA within 60 days of the distribution (10-35% for ordinary federal income taxes; 5-10% for state and local taxes, if applicable; 10% early withdrawal penalty if under age 59½) Lose tax-deferred growth potential Not protected from creditors

To learn more about Pershing's Retirement Solutions, please visit pershing.com or Resources within NetX360® or contact Pershing Customer Support.

© 2011 Pershing LLC. Pershing LLC, member FINRA, NYSE, SIPC, is a subsidiary of the Bank of New York Mellon Corporation. Trademark(s) belong to their respective owners. For professional use only. Not for distribution to the public.

Pershing does not provide tax or legal advice. Clients should be advised to consult a legal or tax advisor about their individual circumstances before implementing any strategies.

Pershing®

A BNY MELLON COMPANY

One Pershing Plaza, Jersey City, NJ 07399
www.pershing.com

Pershing LLC, member FINRA, NYSE, SIPC