HIGHLIGHTS INCLUDE:

- Powerful information that could potentially save you thousands in taxes and fees.
- Tips to help put you one step ahead in your retirement preparations.
- Critical mistakes that cannot be corrected (and how to avoid them).

401(k) ACTION STEPS TO TAKE NOW

in Order to Take Charge of Your Financial Life

FAMILY RETIREMENT SERVICES LLC

HAVE YOU EVER SWITCHED JOBS?

Research shows the average American employee switches jobs *11 times* before retiring.[1]

Job changes means many Americans have old 401(k) plans that may not be allocated properly to help to prepare them for retirement.

Every time you change jobs, you need to make some choices about what to do with your old 401(k) so that it keeps up with your financial needs. Generally, you have four basic options with any 401(k):

- You can leave the assets in the old employer's plan (if the plan permits it).
- You can roll the assets over into your new employer's plan (if one is available and the plan permits it).
- You can roll the assets over into an Individual Retirement Account (IRA).
- You can take a cash distribution (and deal with the potential tax consequences).

In this special report, we'll **help you avoid common (and expensive) rollover mistakes** and show you how you can use your 401(k) rollover as an opportunity to help your retirement preparations.

1 Roll Over Your 401(k) to Access More Investment Choices (That Benefit YOU)

Every investor is different and volatile markets make customized strategies important to achieving your financial objectives. Workplace retirement plans often offer limited investment options that may not be right for your financial situation. In contrast, IRAs can hold nearly any type of investment, giving you flexibility in your investment strategies. By rolling over your 401k savings into an IRA, you open up a universe of investment options that you can use to build an investment strategy that's aligned with your long-term goals.

2 Keep More of What You Earn by Slashing Expenses

401(k)s and other workplace retirement accounts come with administrative fees and expenses that may take a big bite out of your investment gains. IRAs have very simple fee structures that make it easy to know exactly what you're paying for and why.

As independent financial professionals, we're committed to being completely transparent about the costs and fees associated with any investment we recommend. We don't have sales quotas and are not tied to proprietary investments. We work with each of our clients to find investments that are best suited to their needs and long-term goals.

3 Don't Be Tempted to Cash Out!

When our clients come to us for guidance on rolling over a 401(k) or other workplace retirement plan, we generally recommend that they do a direct rollover that transfers their assets from their old plan directly to their IRA account. This process has the benefit of being simple and not reportable to the IRS.

However, you also have the option to liquidate your old plan and receive the money directly. While it can be tempting to see your savings as a quick source of cash, cashing out can be a big mistake that may cost you thousands in penalties and taxes as well as prohibit you of years of future growth.

If instead you decide to take a distribution from your old plan or you don't roll the assets over within the 60-day window, you will trigger IRS reporting and potentially saddle yourself with a big tax bill.[2] Taking a check from your old plan administrator will require an automatic 20% withholding tax and be reported to the IRS.[3] If you delay moving the assets to your IRA account, you could miss your 60-day window and be forced to pay penalties and taxes on your entire distribution.

DO YOU OWN COMPANY STOCK IN YOUR 401(K)? CONSIDER YOUR OPTIONS.

If you roll over company stock that has gained value over time, you could be taxed on the investment gains at your ordinary income tax rate, which for some can be over 40%! However, there is a special tax strategy – called net unrealized appreciation – that may help you avoid a high tax bill if you make the right moves early on. It involves distributing the company stock into a taxable account. Call our office for a complimentary consultation to learn about your options.

4 Take Control of Your Financial Life

One of the best arguments in favor of rolling over your old retirement plan is that it can help simplify your life. In our experience, investors tend to lose track of accounts that aren't right in front of them. Life gets busy and failing to modify your investment strategies to make sure they keep up with your needs can undermine your long-term financial success. Putting your assets in one place can help ensure that your investment allocations are reviewed regularly and remain consistent with your financial goals. As an ex-employee dependent on the plan, you may not be able to make changes to your investments, preventing you from adjusting your allocations to fit your current circumstances and long-term goals.

Why Work with a Financial Professional?

Moving your assets to an IRA can allow you to build a completely customized financial strategy that puts you and your financial goals first. One of the benefits of working with a firm like ours is the comfort of knowing that you have a team of professionals continuously monitoring your investments and keeping you on track.

Investments are just one piece of your overall financial picture. As professionals, we take every aspect of your financial life into consideration when building customized strategies for your retirement. To take one example, many investors fail to consider how taxes will affect their investment returns.

Research shows that taxes can weigh down your taxable portfolio's return as much as 2% annually.[4] **By not taking taxes into consideration, a hypothetical $150,000 portfolio could lose nearly $500,000 to taxes over 30 years.**[5] Tax-efficient investing strategies can help you keep more of your gains and lower your taxes each year.

WORRIED ABOUT YOUR FINANCIAL FUTURE? WE CAN HELP.

If you're not sure where to start or aren't confident in your ability to meet your retirement savings goals, you're not alone. Most Americans are worried about how to reach a comfortable retirement in uncertain economic times. **At** our office, **we specialize in offering one-on-one guidance for all of life's important financial transitions.** We can help you understand your personal financial situation and show you exactly what you need to do to pursue your financial goals.

What Should You Do Next?

Whether you're leaving your job to pursue other opportunities or are on the wrong side of the economic downturn, the transition can be a stressful experience. Discussing your situation with a financial professional who specializes in working with executives can help you relax and explore all your options.

RESERVE YOUR FREE FINANCIAL STRATEGY SESSION TODAY

In our complimentary session, we'll take a look at your current financial situation and present you with strategies that make the most sense for you and your financial future.

WE'LL TEACH YOU:

- How to negotiate the best settlement or compensation package.
- What you can do with company stock (that may save you thousands on your tax bill).
- The dangers of holding too much company stock (and what to do about them).
- Tax mistakes you can't afford to make with your rollover.
- How to prevent job losses or money emergencies from derailing your financial future.

We developed this session format after helping hundreds of our clients manage their finances during critical life transitions. Please be assured this consultation will not be a sales presentation in disguise; it consists of the best information our team can provide within the span of a single meeting and will focus entirely on you and your needs, without any sale recommendations.

We'll also send you a free Peace of Mind Checklist that can help you prepare for financial emergencies and give you confidence knowing that you are being prepared for the unexpected.

To schedule your no-obligation session, please call our office at 561.310.6688.

Footnotes, disclosures and sources:

Opinions, estimates, forecasts and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice.

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification cannot guarantee a profit or protect against loss in a declining market.

Opinions expressed are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

Consult your financial professional before making any investment decision.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

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[1] http://www.bls.gov/news.release/pdf/nlsoy.pdf

[2] Please discuss taxation issues with a qualified tax specialist.

[3] http://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Rollovers-of-Retirement-Plan-and-IRA-Distributions

[4] http://individual.troweprice.com/retail/pages/retail/applications/investorMag/2014/march/take-note-cover-story/index.jsp

[5] Calculation assumes initial investment of $150,000, a 7% compound annual return over 30 years with a 2% loss to taxes, and no contributions or withdrawals. Example excludes the effects of interest, dividends, fees, or inflation.

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