Planning Your Retirement

When Is An IRA Rollover Right For You?

(NAPSA)—If you want to keep your finances rolling along as you approach retirement, you may want to consider an IRA rollover.

A rollover occurs when you move money from a qualified retirement plan, such as an employer-sponsored 401(k) plan, into a traditional IRA or another qualified retirement plan.

This practice is becoming increasingly common. In fact, it's estimated that 52 percent of all U.S. households have a traditional IRA that contains rollover assets, according to ICI (Investment Company Institute).

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Are There Restrictions?

Typically, you can execute a rollover only when you are eligible to receive a distribution from a qualified plan—something that only happens in a few specific situations.

For example:

• Retirement. Many people find that consolidating their retirement assets into a traditional IRA makes it easier to manage and monitor their money.

• A job change. When people change jobs, they often have money in a qualified retirement plan sponsored by their employer. A rollover lets them move this money into a traditional IRA of their own choosing.

The Benefits Of A Rollover

One benefit of a direct rollover is that it helps to keep your money working for you. By following the right steps, you can avoid paying taxes immediately or incurring the federal 10 percent tax penalty and keep more of what you've already saved.

Other benefits include:

• An opportunity to adapt to new circumstances by adjusting your mix of investments. Plus, there is no limit to the amount of money that can be rolled in.

• The option of moving your money into a future employer's qualified retirement plan.

• A chance to consolidate your savings in a single account. This can make it simpler to track balances and monitor your withdrawals.

To learn more, visit the website at www.statefarm.com or call 1-800-447-4930.