

GAIN CONTROL OF YOUR ASSETS WITH A ROLLOVER IRA

If you've contributed to an employer-sponsored retirement plan, such as a §401(k), §403(b) or §457, you may be wondering what to do with those funds when you retire or change jobs. This resource is designed to help you understand your options, decide the best location for your accumulated assets and position yourself for your retirement years.

You will generally have four options:

	Pros	Cons
1 Take a Cash Distribution	<ul style="list-style-type: none"> • Immediate access to your retirement savings • Money for current expenses 	<ul style="list-style-type: none"> • Cash distributions are subject to taxes and penalties which can significantly reduce the amount you actually receive from your original account balance
2 Move the money into your new employer's plan ¹	<ul style="list-style-type: none"> • Maintain the tax-advantaged treatment of your retirement funds • Avoid taxes and penalties • Consolidate prior retirement account balances • You may be able to take a loan from your account 	<ul style="list-style-type: none"> • Your new employer may not offer this option • You may not be immediately eligible to join your new employer's plan • Employer plans may offer limited investment options • Retiree-appropriate investment options may not be available • Control of, and access to, your money may be limited
3 Leave the money in your former employer's plan	<ul style="list-style-type: none"> • Easy • Maintain the tax-advantaged treatment of your retirement funds • Avoid taxes and penalties 	<ul style="list-style-type: none"> • Typically only available for account balances above \$5,000 • Employer plans may offer limited investment options • Control of, and access to, your money may be limited • Increases likelihood that plan balances are forgotten • Retiree-appropriate investment options may not be available
4 Roll the money over to an IRA	<ul style="list-style-type: none"> • Maintain the tax-advantaged treatment of your retirement funds • Avoid taxes and penalties • Consolidate prior retirement account balances • Access a greater number of investment options • More flexible distribution options • Ability to work with a financial advisor to create a thoughtfully designed portfolio aligned with your goals 	<ul style="list-style-type: none"> • Typically higher annual fees than employer-sponsored retirement plans • IRAs lack loan provisions • If your retirement account contains company stock that has greatly appreciated in value from the time you purchased it, you may have to pay a high tax bill when that stock is sold—even if you roll it over to an IRA. However there are ways to reduce your tax bill – talk to your Advisor for details. • Employer-sponsored plans typically offer better protection of assets from creditors

¹This option may be available if you are changing jobs.

Why a Rollover IRA?

For investors seeking greater control over their retirement savings, a Rollover IRA can be an appealing option.

Rollover IRAs involve the transfer of money from a traditional tax-deferred or Roth employer-sponsored retirement account to an Individual Retirement Account (IRA) or Roth IRA. Rollover IRAs enable you to combine money from employer-sponsored plans and other existing IRAs of the same type into a single Rollover IRA account² – while maintaining the tax-advantaged status of your funds.

Benefits of a Rollover IRA

- **The Potential for Continued Tax-Advantaged Growth**

With a rollover IRA, the tax-advantaged status of your retirement savings is maintained and you avoid payment of current income taxes and possible early withdrawal penalties. This provides the potential for your savings to continue to grow while enjoying preferential tax treatment.

- **Increased Investment Options**

Rollover IRAs typically provide access to a broader range of investment options than employer-sponsored retirement plans, providing the opportunity to build a globally diversified portfolio and to choose investments that may better align with your goals.

- **Convenience**

It can be challenging to keep track of multiple retirement accounts. From reviewing statements from several providers to understanding your investment options with each, managing your portfolio can be time consuming. By rolling your retirement plan assets into one IRA, you can reduce the number of statements you receive, see all of your assets on one website and complete servicing needs with a single phone call.

- **Consolidation**

Rollover IRAs allow you to consolidate retirement assets, making it easier for you to compare, select and manage your investments. Consolidation can also simplify your recordkeeping, tax reporting and the calculation of required minimum distributions, and it decreases the chances that a retirement plan is forgotten about after leaving a job.

- **Control**

With a Rollover IRA, you can separate your retirement assets from former employer plans and the rules associated with them.

- **Investment Guidance from Your Financial Advisor**

As your Advisor, I can help you design a diversified portfolio consisting of a mix of investment options that reflect your goals. I can also provide guidance on other aspects of retirement planning, such as creating a strategy to turn your assets into income once you retire.

Next Steps

If you'd like to further explore the benefits of Rollover IRA, we can work together to establish an understanding of your financial situation, objectives, and expectations. Based on a thorough analysis of your needs, I can recommend a course of action. If you determine a Rollover IRA is appropriate for you, I can help you gather and complete the paperwork required to begin the rollover process. Then, once your rollover is complete, we can discuss and implement an investment plan that can help you pursue the retirement lifestyle you envision.

²Traditional tax-deferred retirement account assets and Roth retirement account assets typically cannot be combined. However, you may have the option to convert traditional retirement assets to a Roth account. Ordinary income taxes must be paid on the amount converted. Consult your tax advisor for additional information.

IMPORTANT INFORMATION

The information contained herein is intended for use with current or prospective clients of Northern Trust Investments, Inc (NTI) or its affiliates. The information is not intended for distribution or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. Northern Trust Asset Management's (NTAM) and its affiliates may have positions in and may effect transactions in the markets, contracts and related investments different than described in this information. This information is obtained from sources believed to be reliable, its accuracy and completeness are not guaranteed, and is subject to change. Information does not constitute a recommendation of any investment strategy, is not intended as investment advice and does not take into account all the circumstances of each investor. This report is provided for informational purposes only and is not intended to be, and should not be construed as, an offer, solicitation or recommendation with respect to any transaction and should not be treated as legal advice, investment advice or tax advice. Recipients should not rely upon this information as a substitute for obtaining specific legal or tax advice from their own professional legal or tax advisors. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. Indices and trademarks are the property of their respective owners. Information is subject to change based on market or other conditions.

All securities investing and trading activities risk the loss of capital. Each portfolio is subject to substantial risks including market risks, strategy risks, advisor risk, and risks with respect to its investment in other structures. There can be no assurance that any portfolio investment objectives will be achieved, or that any investment will achieve profits or avoid incurring substantial losses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Risk controls and models do not promise any level of performance or guarantee against loss of principal. Any discussion of risk management is intended to describe NTAM's efforts to monitor and manage risk but does not imply low risk.

Past performance is not a guarantee of future results. Performance returns and the principal value of an investment will fluctuate. Performance returns contained herein are subject to revision by NTAM. Comparative indices shown are provided as an indication of the performance of a particular segment of the capital markets and/or alternative strategies in general. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. Net performance returns are reduced by investment management fees and other expenses relating to the management of the account. Gross performance returns contained herein include reinvestment of dividends and other earnings, transaction costs, and all fees and expenses other than investment management fees, unless indicated otherwise. For additional information on fees, please refer to Part 2A of the Form ADV or consult an NTI representative.

Forward-looking statements and assumptions are NTAM's current estimates or expectations of future events or future results based upon proprietary research and should not be construed as an estimate or promise of results that a portfolio may achieve. Actual results could differ materially from the results indicated by this information.

Hypothetical portfolio information provided does not represent results of an actual investment portfolio but reflects representative historical performance of the strategies, funds or accounts listed herein, which were selected with the benefit of hindsight. Hypothetical performance results do not reflect actual trading. No representation is being made that any portfolio will achieve a performance record similar to that shown. A hypothetical investment does not necessarily take into account the fees, risks, economic or market factors/conditions an investor might experience in actual trading. Hypothetical results may have under- or over-compensation for the impact, if any, of certain market factors such as lack of liquidity, economic or market factors/conditions. The investment returns of other clients may differ materially from the portfolio portrayed. There are numerous other factors related to the markets in general or to the implementation of any specific program that cannot be fully accounted for in the preparation of hypothetical performance results. The information is confidential and may not be duplicated in any form or disseminated without the prior consent of NTAM.

This information is intended for purposes of NTI and/or its affiliates marketing as providers of the products and services described herein and not to provide any fiduciary investment advice within the meaning of Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). NTI and/or its affiliates are not undertaking to provide impartial investment advice or give advice in a fiduciary capacity to the recipient of these materials, which are for marketing purposes and are not intended to serve as a primary basis for investment decisions. NTI and its affiliates receive fees and other compensation in connection with the products and services described herein as well as for custody, fund administration, transfer agent, investment operations outsourcing and other services rendered to various proprietary and third party investment products and firms that may be the subject of or become associated with the services described herein.

Northern Trust Asset Management is composed of Northern Trust Investments, Inc. Northern Trust Global Investments Limited, Northern Trust Fund Managers (Ireland) Limited, Northern Trust Global Investments Japan, K.K, NT Global Advisors, Inc., 50 South Capital Advisors, LLC, Northern Trust Asset Management Australia Pty Ltd, and investment personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

© 2023 Northern Trust Corporation. Head Office: 50 South La Salle Street, Chicago, Illinois 60603 U.S.A.

P-072523-3016298-072424