

# Rollover IRA

## Make the Right Move

### Changing jobs or retiring?

Deciding what to do about the retirement savings you've accumulated may not be the first thing on your mind. But, it's one decision you can't afford to put off.

You may be able to request a withdrawal from your employer's retirement plan. This withdrawal could be quite sizable. For many people, this type of withdrawal is often their single largest source of retirement assets.

The choice you make today may make a world of difference later in how you spend your retirement years.

Will you...

- Take the cash?
- Leave the money where it is?
- Transfer the money to your new employer's plan?
- Roll the money into an IRA invested in Huntington Funds?

### You have options.

Use this pamphlet as a guide—and talk to your financial advisor to make sure you have all the facts before you take this crucial step.

Learn more, call 800-253-0412.

Rollover IRAs:  
you're in control.



### What is a rollover?

A rollover is a tax-free transfer from one eligible retirement plan or individual retirement account (IRA) to another eligible retirement plan or IRA. Rolling money from your retirement plan at work into an IRA allows your money to keep its tax-deferred status and typically broadens your investment choices.

Accounts eligible to rollover include:

- 401(k) plans
- 403(b)(7) arrangements
- Roth 401(k) and Roth 403(b) plans
- 457(b) governmental plans
- Defined benefit plans
- Employee stock ownership plans
- Keogh plans
- Money purchase pension plans
- Profit sharing plans
- SARSEPs
- SEP IRAs
- SIMPLE-IRAs

# Why Consider a Rollover?

Convenience, control and consolidation are among the reasons many choose a Rollover IRA.<sup>1</sup>

Having all your retirement funds in one place can help you manage the big picture. You should be in a better position to ensure your investments are well-diversified and rebalanced as you get closer to retirement.

## Options for Your Withdrawal—the Pros and Cons

	<b>TAKE</b> the cash	<b>LEAVE</b> the money where it is	<b>TRANSFER</b> the money to your new employer's plan	<b>ROLL</b> (indirect) the money into a Huntington Funds IRA <sup>2</sup>	<b>ROLL</b> (direct) the money into a Huntington Funds IRA
<b>ADVANTAGES</b>	<ul style="list-style-type: none"> <li>Take the cash and spend it as needed or put into a taxable investment account</li> </ul>	<ul style="list-style-type: none"> <li>Tax-deferred status of assets is preserved</li> <li>Assets may be protected from creditors in case of bankruptcy</li> </ul>	<ul style="list-style-type: none"> <li>Tax-deferred status of assets is preserved</li> <li>Assets may be protected from creditors in case of bankruptcy</li> </ul>	<ul style="list-style-type: none"> <li>Tax-deferred status of 80% of assets (amount not withheld) is preserved</li> <li>Larger investment selection</li> <li>Flexibility in naming beneficiaries</li> <li>Flexibility in withdrawal options</li> <li>Assets may be protected from creditors in case of bankruptcy</li> </ul>	<ul style="list-style-type: none"> <li>Tax-deferred status of entire distribution is preserved</li> <li>Larger investment selection</li> <li>Flexibility in naming beneficiaries</li> <li>Flexibility in withdrawal options</li> <li>Assets may be protected from creditors in case of bankruptcy</li> </ul>
<b>DISADVANTAGES</b>	<ul style="list-style-type: none"> <li>Retirement assets lose tax-deferred growth opportunities</li> <li>20% immediate withholding for federal income taxes on taxable portion of withdrawal; balance due (if any) when income taxes are filed; state withholding and taxes may also apply</li> <li>Possible 10% early withdrawal penalty tax, if under 59½ years old</li> </ul>	<ul style="list-style-type: none"> <li>If account is less than \$5,000, prior employer might not allow you to stay in their plan</li> <li>Limited investment choices</li> <li>Limited methods of beneficiary designation</li> <li>Limited withdrawal options</li> <li>Can't make additional contributions</li> </ul>	<ul style="list-style-type: none"> <li>New employer's plan might not allow rollovers into it</li> <li>Limited investment choices</li> <li>Limited methods of beneficiary designation</li> <li>Limited withdrawal options</li> </ul>	<ul style="list-style-type: none"> <li>20% immediate withholding for federal income taxes on taxable portion of withdrawal; before due when income taxes are filed; state taxes may also apply</li> <li>If the 60-day deadline is missed, taxable portion of withdrawal, including amount withheld if not otherwise made up, may be taxed as ordinary income and 10% early withdrawal penalty tax may apply, if under 59½ years old</li> </ul>	

<sup>1</sup> If you are rolling over money from your employer's plan that includes a designated Roth account, you must establish a Roth as well as a traditional IRA rollover account.

<sup>2</sup> With an indirect rollover, you will receive the funds less 20% federal income tax withholding (and possibly state income tax withholding), you may, within 60 days of the distribution, roll up to 100% of the gross distribution over to an IRA, but you will have to find an alternative source of cash for amounts withheld.

Diversification does not assure profit or protect against loss in a declining market.

# FREQUENTLY ASKED QUESTIONS

**Q** How does a “rollover” work?

**A** There are direct and indirect rollovers. If you are changing jobs or retiring, you may be able to ask for a lump sum withdrawal from your employer’s plan. In a “Direct Rollover,” you instruct your current plan to transfer the money, net of withholding, directly to a retirement account at another employer or institution. In an “indirect rollover,” you take possession of the money, net of withholding, and have 60 days to “roll” the withdrawal into another retirement account to maintain its tax-deferred status. You may also, subject to certain limits, take a withdrawal personally from your individual retirement account (IRA) and move those monies (within 60 days) into a new IRA account, typically at a different financial institution.

**Q** How is a Rollover IRA different from an IRA account?

**A** The IRA itself is no different; the difference is in the contribution amount. Traditional and Roth IRA contributions are subject to an annual contribution limit, but there is no limit to how much you can rollover or how much you can convert to a Roth IRA. Be careful not to confuse the unlimited rollover amount with the IRA annual contribution limit.

**Q** Can I roll my lump sum withdrawal into an IRA that I already have?

**A** Yes. You can generally consolidate money from as many employer plans as you like. However, it’s sometimes a good idea to roll lump sum withdrawals from an employer’s plan into a rollover traditional IRA, keeping them separate from an IRA that contains non-deductible contributions.

**Q** Do I need to report a rollover on my tax return?

**A** Yes. You will receive two tax forms — an IRS Form 1099-R reporting that you took a withdrawal from your former employer’s plan and an IRS Form 5498 reporting that you made a rollover contribution to your IRA. Even if no portion of your rollover is taxable, you must report it on your tax return.

**Q** What if I need to use some of the money? Should I still rollover my lump sum withdrawal?

**A** Yes. Rolling over the withdrawal will help preserve the value of your retirement savings. Under certain circumstances, you may be able to withdraw money from your IRA without penalty. There are a number of exceptions to the 10% early withdrawal penalty, such as qualified higher education expenses, qualified healthcare expenses over 7.5% of your adjusted gross income, health insurance payments if you’ve been unemployed for more than 12 weeks and certain acquisition costs when purchasing a first home. It is also possible to withdraw money from an IRA without a penalty if you take a series of substantially equal periodic payments over the course of your life expectancy. Your financial or tax advisor can help you with your particular circumstances.

**Q** If I already took the cash, can I still do a rollover?

**A** Yes, if you’ve had the money for 60 days or less. Be aware that your employer withheld at least 20% of your distribution for federal income taxes already. To avoid paying taxes plus a possible 10% penalty on amounts withheld, you will have to fund the IRA with an equal amount from your own personal savings within 60-days of the original distribution. As with all tax matters, be sure to consult your tax advisor.

**Q** What do I do about company stock left in my employer’s plan?

**A** A withdrawal of employer stock may be subject to special, generally favorable, tax rules. You may generally roll the stock over to an IRA, but you would lose the opportunity to benefit from these special rules. You should consult your tax or financial advisor for more information.

# Getting Started

If you are thinking about taking a withdrawal from your employer's plan, talk to your financial advisor about whether a Rollover IRA invested in Huntington Funds is right for you. Once the account is opened, you'll select from an array of Huntington Funds designed to help you realize your retirement dreams.

**Learn more, call 800-253-0412.**

Neither Huntington nor any agents or representatives are authorized to give legal, tax or accounting advice, and this information is not intended to be considered as legal, tax or accounting advice. We suggest you consult your attorney, tax advisor or accountant on specific points of interest to you.

Huntington Funds are investment options only and are not providers of retirement plans.

**For more complete information about the Huntington Funds call 800-253-0412 or visit [huntingtonfunds.com](http://huntingtonfunds.com) for a prospectus and/or summary prospectus. You should consider the Funds' investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the Funds' prospectus and/or summary prospectus, which you should read carefully before investing.**

**Mutual funds are subject to risks and may fluctuate in value.**

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