



# Your §457 Plan Options Upon Separation from Service

*When you separate from service, you are faced with the challenge of choosing the best option for your retirement savings. While you have several choices, many investors find that rolling their retirement savings to an IRA may make the most sense.*

## The Legend Group

4600 East Park Drive, Suite 300  
Palm Beach Gardens, FL 33410

Telephone: (561) 694-0110  
Facsimile: (561) 626-6465  
E-mail: [mailbox@legendgroup.com](mailto:mailbox@legendgroup.com)  
[www.legendgroup.com](http://www.legendgroup.com)

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**W**hen you separate from service, you are faced with the challenge of choosing the best option for your retirement savings. Your choices include leaving assets in your previous employer's §457 plan, transferring or rolling your funds to a new employer's retirement plan, or rolling your assets into an Individual Retirement Account (IRA).

### Leaving assets with previous employer's §457 plan

- Distributions are available with no premature penalty
- Investment options are restricted to those approved by previous employer

### Transferring to new employer's §457 plan, if applicable

- Distributions are restricted to unforeseeable emergencies or after separation from service
- Loans may be available
- Distributions, when available, are not subject to premature penalty
- Investment options are restricted to those approved by new employer

### Rolling to new employer's §401(k) plan, if applicable

- Distributions are restricted to hardship distributions (strict guidelines), or after separation from service
- Loans may be available
- Investment options are restricted to those approved by new employer
- 10% premature penalty may apply to any distribution taken prior to attaining age 59½ unless employee separates from service after attaining age 55 or employee arranges for §72(t) stream of payments

### Rolling to new employer's §403(b) plan, if applicable

- May take distributions for hardships, after attaining age 59½ or after separation from service
- Loans are available
- Investment options are restricted to those approved by new employer but employees may transfer assets to any vendor desired after contributions are deposited
- 10% premature penalty may apply to any distribution taken prior to attaining age 59½ unless employee separates from service after attaining age 55 or employee arranges for §72(t) stream of payments

*(continued on reverse)*



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## Rolling to an IRA

- 10% premature penalty may apply to any distribution taken prior to attaining age 59½ unless a §72(t) exception applies.
- loans are not permissible
- wide choice of investment options available
- self-directed accounts available
- asset allocation services and managed accounts available

## There are several advantages to rolling your retirement savings to a Legend IRA:

- **More investment options**  
Gain control of your financial future by selecting an a mix of investments that reflects your unique needs
- **Increased flexibility and control**  
Your assets are in an account that you control, enabling you access to your money if you need it.<sup>1</sup> Furthermore, when you retire, you may choose from a variety of payment options.
- **Continued tax deferral**  
100% of your retirement plan assets can maintain their tax-deferred status without penalties or immediate taxes which can cut your nest egg by as much as half if you cash in before age 59½.

## Local Office:

- **Penalty-free early distributions prior to age 59½**

Distributions can be made for certain purposes, including:

- §72(t) stream of payments for the longer of five years or until age 59½;
  - higher education expenses for the IRA owner, spouse or dependents;
  - first time homebuyer expenses (up to \$10,000 lifetime limit);
  - medical care expenses in excess of 7.5% of AGI
  - health insurance premiums for unemployed individuals in certain circumstances
  - disability
- **Expert Financial Guidance**  
Receive professional investment advice from a Financial Advisor. In addition, when you work with The Legend Group, you have access to professional asset allocation services through the Strategic Asset Management program.<sup>2</sup>
  - **Consolidation**  
Reduce administrative fees, simplify your finances and keep track of your retirement funds by consolidating multiple retirement accounts

As your Advisor, I can assist you in maximizing your retirement nest egg with a Rollover IRA, and help you to plan your distribution strategy to your best advantage. Call today for a complimentary consultation regarding your financial needs.

<sup>1</sup> Taxes and penalties may apply.

<sup>2</sup> Advisory services offered through

Legend Advisory Corporation, a registered investment advisor.

Securities offered through

Legend Equities Corporation, member NASD and SIPC.

National Office: 4600 East Park Drive, Suite 300

Palm Beach Gardens, FL 33410 • (561) 694-0110