



## **OWN YOUR RETIREMENT WITH A SLAVIC MANAGED IRA**

Some of the most important aspects of saving for retirement are control and flexibility, and those are exactly what investors get with a Slavic Managed IRA. Whether you're transitioning between jobs, entering into retirement, or simply seeking a solution for your individual saving and investing needs, the Slavic Managed IRA provides many of the same powerful features and benefits developed by Slavic401k over 20 years of serving 401(k) participants.

### **THE SLAVIC IRA SOLUTION:**

- Fidelity Investments, one of the most trusted names in the financial industry, provides fund custody, online account access and quarterly account statements.
- Slavic Mutual Funds (SMF) serves as the investment advisor to your IRA account, and provides robust ongoing customer service support.
- The fee for a Slavic Managed IRA account is just 0.40% annually, and is assessed to and automatically withdrawn from your account on a quarterly basis.
- Investors may choose an Aggressive, Moderate or Conservative managed portfolio to match your time horizon to retirement and personal risk tolerance.

## **A SLAVIC MANAGED IRA ALLOWS YOU TO:**

- Take full control of your retirement savings and separate your funds from your former employer
- Make new, ongoing contributions to your account (up to the annual IRS limits)
- Never have to move your money again, if you don't want to (as an IRA account is your personal investment account with no ties to your employer)
- Have your investments professionally managed as an included service of the IRA administration fee
- Roll funds into or out of an employer-sponsored plan in the future, if desired







## **Participant Options Educational Brochure**



## **NOW WHAT?**

Now that you've recently changed jobs or retired, you're facing new opportunities for yourself, and for your 401(k) money.

What you do with this money is an important decision. It may represent a good portion of your retirement savings. The decision you make next can go a long way toward preparing you for and living the retirement you envision.

You have several options to choose from, and Slavic401k wants to ensure you fully understand all of your options, in order make an informed, educated and wise decision.

There are many aspects you should consider as a part of this decision including investment options, fees and expenses, account services, penalty-free withdrawals, required minimum distributions (RMDs), protection from creditors and legal judgments, and more.

## **KNOW YOUR OPTIONS**

The options available to you for handling your 401(k) money upon separation from service with your employer are outlined below. Also included are the potential advantages and disadvantages of each option, along with the steps required to initiate each.

## **OPTION 1: LEAVE THE MONEY IN YOUR FORMER EMPLOYER'S PLAN**

### **Advantages**

- Pay no penalties or taxes now
- Your money can continue to grow tax-deferred
- Your former employer's plan may have lower administrative and/or investment expenses and fees than a new employer's plan or an IRA.
- You may continue to be eligible for loan provisions, penalty-free distributions (if of age), investment options and other services that are not available with a new employer's 401(k) or your own individual IRA.
- A plan fiduciary is charged with periodically reviewing the plan's investments and services to determine whether they are appropriate for the plan participants.

### **Disadvantages**

- The plan may charge you more for exercising this option
- You will not be able to make any new contributions to the plan
- Your range of investment choices and options may be limited
- The fees of your former employer's 401(k) may be higher than those in a new employer's 401(k) or your own individual IRA
- You may not be able to take a loan from your account
- You may be required to take a lump sum distribution of your entire account if you need access to your money

### **Action Required to Initiate:**

None. As long as your former employer's plan doesn't put up roadblocks that discourage terminated employees from keeping their accounts in the plan, there is no action you need to take.



## **OPTION 2: TRANSFER THE MONEY TO YOUR NEW EMPLOYER'S PLAN**

### **Advantages**

- Pay no penalties or taxes now
- Your money can continue to grow tax-deferred, and your retirement savings can be consolidated into a single account
- Your new employer's plan may have lower administrative and/or investment expenses and fees than your former employer's plan or an IRA
- You may have access to investment choices, loans, distribution options and other services in your new employer's plan that are not available in your former employer's plan or an IRA

### **Disadvantages**

- You may not be able to transfer the money to your new employer's plan – at least not when you want to – because you may have to work for your new employer for a year before you are eligible to join the plan
- Your new employer's plan may have higher administrative and/or investment expenses and fees than your former employer's plan or an IRA
- You may have limited access to investment choices, loans, distribution options and other services in your new employer's plan
- You may be required to take a lump sum distribution of your entire account if you need access to your money

### **Action Required to Initiate:**

#### **Direct Rollover**

Once you've verified you can transfer the account to your new employer's plan, you may contact Slavic401k to initiate the account transfer. Keep in mind, there will likely be paperwork to complete with both the new plan provider and Slavic401k.

#### **Indirect Rollover**

If desired, the rollover distribution can be paid to you in the form of a check or ACH. 20% of the account value will be automatically withheld and sent to the IRS for income tax. You will then have 60 days to deliver the distribution to your new plan, or it will become subject to ordinary income tax, as well as a 10% penalty if you are under the age of 59<sup>1/2</sup>.



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## **OPTION 3: TAKE A CASH DISTRIBUTION**

### **Advantages**

- Get access to the money right away
- Have easy access to your accumulated retirement savings
- Use the money for immediate expenses, if needed

### **Disadvantages**

- Taxes and penalties may be substantial, eating up a significant portion of the distribution amount
- You may be required to pay a 10% penalty tax on the money if you are under age 59-1/2
- Your savings will no longer continue to grow tax-deferred
- No opportunity to make future contributions into your account

### **Action Required to Initiate:**

You may request a distribution within your Slavic401k online account, or by contacting Customer Service at **800-356-3009** or **customers@slavic401k.com**.





## **OPTION 4: ROLLOVER TO AN IRA**

### **Advantages**

- Pay no penalties or taxes now
- Your money can continue to grow tax-deferred
- The IRA may have lower administrative and/or investment expenses and fees than your former employer's plan or a new employer's plan
- You may have access to investment choices that are not available in your former employer's plan or a new employer's plan
- The IRA account is yours to fully control and manage, meaning you won't have to move your money if you change jobs again in the future
- You can take money out of your IRA when and as you want or need it, subject to income tax and a possible 10% penalty tax if you are under age 59-1/2

### **Disadvantages**

- The IRA may have higher administrative and/or investment expenses and fees than your former employer's plan or a new employer's plan
- You may not have access to investment choices that are available in your former employer's plan or a new employer's plan
- You may not take a loan from your IRA
- The annual IRA contribution limit is substantially lower (approximately 70%) than the contribution limit allowed by a 401(k)

### **Action Required to Initiate:**

#### **Direct Rollover to Slavic Managed IRA**

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a. Slavic Mutual Funds, which operates under the same ownership as Slavic Integrated Administration d/b/a Slavic401k, offers a managed IRA platform with fund custody and the trading platform provided by Fidelity Investments. In most cases, the types and cost of the investment funds, as well as the administrative fees, within the Slavic Managed IRA will be very similar to what you have experienced within your current 401(k) account. To find out more, visit [www.slavic401k.com/IRA.html](http://www.slavic401k.com/IRA.html). You may also initiate the Slavic Managed IRA account creation and transfer process within your online 401(k) account, or you may contact IRA Customer Service for additional assistance via 800-356-3009 x1015 or [ira@slavic401k.com](mailto:ira@slavic401k.com).

#### **2. Direct Rollover to New IRA Provider**

a. Once your account is established with your new IRA provider, you may contact Slavic401k to initiate the account transfer. Keep in mind, there will likely be paperwork to complete with both the new IRA provider and Slavic401k.

#### **3. Indirect Rollover to New IRA Provider**

b. If desired, the rollover distribution can be paid to you in the form of a check or ACH. 20% of the account value will be automatically withheld and sent to the IRS for income tax. You will then have 60 days to deliver the distribution to your new IRA provider, or it will become subject to ordinary income tax, as well as a 10% penalty if you are under the age of 59<sup>1/2</sup>. You may request an indirect rollover within your online 401(k) account, or by contacting Customer Services at **800-356-3009** or [customers@slavic401k.com](mailto:customers@slavic401k.com).

## **HERE'S TO YOUR FUTURE**

We hope this brochure has proved to be valuable as you consider the options for your retirement savings. If you have an existing relationship with a financial advisor or other licensed financial securities professional, we encourage you to reach out to them should you need further guidance beyond the content provided here.

We wish you all the best as you take this next step of your employment or retirement journey.