Information Related to Retirement Account Rollovers to MissionSquare Wealth Management Accounts

Direct Rollover

Retirement plans and individual retirement accounts (IRA) assets can be transferred directly to another plan or IRA and/or from one financial institution to another financial institution.

Rollover eligibility can be found within the Internal Revenue Services (IRS) Rollover Chart.

Rollover and retirement plan and IRA distribution information is provided by the IRS.

Tax Withholding

No taxes are withheld from direct or indirect rollovers that are transferred to another eligible retirement account, including Individual Retirement Accounts (IRA) held with MissionSquare Wealth Management.

Types of IRAs

A traditional IRA is a tax-advantaged personal savings plan where contributions may be tax deductible.

A Roth IRA is a tax-advantaged personal savings plan where contributions are not deductible but qualified distributions may be tax free.

For additional information related to Types of Retirement Plans

Roth Assets

If your rollover includes Roth assets, the receiving account must be a Roth IRA. You should carefully consider how Roth assets are withdrawn because of the tax-free growth and income of Roth accounts and that Roth accounts do not have a Required Minimum Distribution (RMD) requirement.

Required Minimum Distributions (RMDs)

Required minimum distributions (RMDs) are the minimum amounts you must withdraw from your retirement accounts each year. You generally must start taking withdrawals from your traditional IRA, SEP IRA, SIMPLE IRA, and retirement plan accounts when you reach age 73.

Beneficiaries of retirement accounts, including IRAs

Beneficiaries of retirement plan and IRA accounts after the death of the account owner are subject to required minimum distribution (RMD) rules. A beneficiary is generally any person or entity the account owner chooses to receive the benefits of a retirement account or an IRA after they die. The owner must designate the beneficiary under procedures established by the plan. Some retirement plans require specific beneficiaries under the terms of the plan (such as a spouse or child).

Beneficiaries of an IRA, and most plans, have the option of taking a lump-sum distribution of the inherited account at any time. Beneficiaries must include any taxable distributions they receive in their gross income.