



FINANCIAL SERVICES
FOR THE GREATER GOOD®

Getting It All Together: Consolidate Your Assets

In today's labor market, people change jobs more often than in the past. However, moving frequently from one employer to another can have a detrimental effect on retirement planning: For example, people who've had many jobs often end up with several retirement plans, each with its own set of rules, fees and paperwork. This can make retirement planning more complicated than it needs to be.

If you have retirement plans with more than one financial services company, streamline your planning by consolidating your assets with a single financial carrier. Generally, you can consolidate assets from a variety of retirement plans, such as 401(k), 403(b) and 457(b) plans, into your current retirement plan or an IRA. (Note, however, that there may be tax consequences associated with the transfer of assets. Indirect transfers may be subject to taxation, surrender charges and penalties. Consult with your own tax advisor regarding your particular situation.)

Consolidating retirement assets with a single carrier can help you:

Improve investment planning: If you have assets with different financial companies, it can be difficult to maintain a comprehensive planning strategy. For example, with assets at several different retirement carriers, maintaining an asset allocation strategy appropriately balanced between stocks, bonds and other securities can be challenging. By consolidating your assets, you can create a single, integrated allocation strategy that's in line with your current investment goals, risk tolerance and time horizon.

Simplify recordkeeping: If your assets are only with one financial services company, each month or quarter you will receive a single statement from one carrier instead of several statements from several carriers. This can make it easier to monitor your investment strategy and progress.

Make receiving income easier: Some financial firms provide more options for receiving retirement income than other companies. Consolidate with a company that offers a variety of income options — such as annuities and systematic withdrawals — so you can better tailor your income strategy to your needs. Annuities, in particular, let you create a stream of income that can last your entire lifetime.

Reduce expenses: If you have multiple retirement plans, you're probably paying fees for each of them. This can result in higher costs than if you maintain your assets in a single plan. However, before consolidating assets with one company, make sure you fully understand all the fees, expenses and surrender charges that may apply.

Do a direct rollover: If you decide to roll over your funds, do a direct rollover. This allows you to preserve your entire accumulation without having taxes withheld from the funds you're moving.

The tax information contained herein (including any attachments) is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding any tax penalties that may be imposed on the taxpayer. It was written to support the promotion of products and services addressed herein. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

This article is meant for informational purposes only. Taxpayers should seek advice based on their own particular circumstances from an independent tax advisor.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., distribute securities products.

© 2007 Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017.

C37437