

# Rollover – Questions You Need to Ask



The ability to transfer (rollover) assets between retirement plans is one of the many benefits provided by the NYSDCP. For many participants, however, a rollover to another plan may not be the most appropriate choice for your needs. The following are some of the questions you will need to get answers to before making a decision:

## Tax Consequences:

- If you transfer assets to a new plan, will you be subject to a 10% penalty tax if you make a withdrawal prior to the age of 59½?
- What is the tax impact of the transfer itself, if any?

## Distribution Flexibility:

- Will the plan provider allow you to change your benefit payment option at any time without cost?
- Can the plan provider make automatic distributions to ensure you meet your “minimum distribution” requirement?

## Investment Options and Performance:

- Does the plan provider offer a broad range of attractively priced investment options that are consistent with your objectives?
- What is the performance record of the investment options, or the investment advisor, net of fees? Please keep in mind past performance does not guarantee future results.

- Can you make transfers between the options? Is there a charge for transfers? Some mutual funds may impose a short-term trading fee or may be subject to a trading restriction policy. **Please read the underlying prospectuses carefully.**

## Expenses (use the chart below to compare plans):

- Does the plan provider charge you an annual maintenance fee? Are there hidden costs?
- Will you pay an asset based fee for the management of your account? Are there transaction costs?
- What are the operating expense ratios of the mutual funds or other investment options you will be investing in?

## Qualifications:

- What professional certifications and licenses does the plan provider have?

## Expense Comparison:

Expenses that are charged to your retirement plan may have a profound impact on the size of your account, particularly when they compound over time. While expenses may not be the only criteria you use in evaluating retirement plan providers, it makes sense to obtain an estimate for each category of expense you will incur before you make a decision. The chart below is designed to assist you in making such a comparison.

Category of Expense	NYSDCP	Provider A	Provider B	Provider C
Annual Maintenance Fee <sup>1</sup>	\$			
Fund Operating Expenses <sup>2</sup>	Varies by Fund			
Sales Loads (Front End, Back End)	\$0			
12b-1 Fee	\$0			
Contingent Deferred Sales Charge	\$0			
Investment Advisor Fee	\$0			
Other				
<b>Total Estimate of Annual Expenses*</b>				

<sup>1</sup> The annual administrative fee is a combination of a \$20 fixed fee and an asset-based fee (currently 3.5 basis points) levied in two installments each April and October. The asset-based fee is not levied on accounts below \$20,000 or on account assets that exceed \$200,000.

<sup>2</sup> Available in “How Did Your Plan Account Funds Perform”, the prospectus for the investment option or by calling the HELPLINE at 1-800-422-8463.

\* To view the impact of expenses on your account, use the interactive calculator on the SEC’s Web site: [www.sec.gov/investor/tools/mfcc/mfcc-int.htm](http://www.sec.gov/investor/tools/mfcc/mfcc-int.htm)

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