



# In-Service Distributions



## OPPORTUNITY CONCEPT

- » Employees with retirement assets held in Employer Sponsored Qualified Plans may have the opportunity to diversify their investments by taking a rollover prior to retirement as early as age 59½, without penalty. This is known as an In-Service or non-hardship distribution.



## IDEAL CUSTOMER

- » Still working employees who wish to rollover to an IRA for greater access, diversification, and income planning opportunities.
- » Employees who wish to utilize IRA distribution rules that do not apply to Employer Retirement Plans, such as those seeking access for qualified higher education expenses, or qualified first time homebuyer exceptions.



## DESCRIPTION

- » Availability for an In-Service Distribution is subject to provision of the Employer Retirement Plan.
- » The employer is not required to offer distribution, and can limit access to distributions at a given age or tenure.
- » We encourage Employees to consult with their employer plan administrator to determine if they are eligible to take an “in-service” distribution, prior to completion of any new account application.



## IMPLEMENTATION PLAN

- » Once it is determined the account is available for rollover, the process can be completed similar to any other rollover, without effecting an early withdrawal penalty.
- » Some considerations to take into account;
  1. Investment in highly appreciated, Employer company stock may make a Net Unrealized Appreciation strategy available. See Job Aid on Net Unrealized Appreciation (NUA).
  2. Loans against Employer Retirement Plan balances must be repaid in advance.
  3. Abilities to defer RMD's past the applicable required beginning date will be lost.
  4. Advisors should consider the costs associated with the current plan and potential costs following the distribution and be prepared to demonstrate how their recommendation is in the client's best interest.



### YOUR PRODUCT CONNECTION:

We provide annuity strategies for different needs of clients retirement phases – accumulation, income and legacy.



### TIPS FROM NEW BUSINESS:

#### For balances available for rollover complete:

- » Application and related paperwork
- » Transfer/Direct Rollover Request form

### CUNA Mutual Group Annuity Sales Team:



877.345.GROW (4769)



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# CUNA MUTUAL GROUP

## IMPORTANT DISCLOSURES

Annuities are long-term insurance products designed for retirement purposes. Clients should consider an annuity's investment objectives, risks, charges and expenses carefully before investing. Variable Annuities and Registered Index-linked Annuities are sold by prospectus which contains this and other information. Encourage clients to read it carefully.

All guarantees are backed by the claims-paying ability of the issuer and do not extend to the performance of the underlying accounts which can fluctuate with changes in market conditions.

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