



Why roll over prior retirement account investments into the CRSP 403(b)?

The Concordia Retirement Savings Plan 403(b) is a great place to save. And did you know you can roll your savings from your previous employers' retirement savings plans or an IRA into the CRSP? There are many benefits to consolidating your retirement accounts.

Low cost:

To put it simply: the costs and fees for the CRSP 403(b) are very competitive. The low administrative fees associated with the CRSP are fixed, so you'll continue to know how much the fees will cost. Even as your account grows, your fee will remain fixed, and you'll never have surprise fees or commission charges.

As a nonprofit organization that brings together thousands of ministries of all sizes, we are able to provide access to resources and cost advantages typically only available to large organizations. The CRSP fund lineup is selected by our professional investment staff in conjunction with NEPC, an industry leading investment consultant, to provide you with the ability to create a well-diversified portfolio using funds in institutional share classes (which have some of the lowest fees). Paying less in fees means fewer reductions in realized investment returns and more money for your retirement.

Simplify:

Having your investments centrally managed makes it easier for you!

- You'll have a holistic picture of your retirement savings, making everything easier – from managing your beneficiaries to monitoring your balance. It will be easier to maintain proper diversification.
- Each separate plan has a cost; the more retirement accounts you have, the more fees you are potentially paying. Consolidating with the CRSP allows you to take advantage of the plan's low fixed fees.
- The CRSP works with the Concordia Retirement Plan to provide the opportunity for lifetime income without commissions and insurance company profit.

Early retirement benefits:

If you are planning to retire early, specifically between the ages of 55 and 59 ½, you can only take penalty-free distributions from the retirement savings associated with your current employer. This benefit would apply to funds you saved in the CRSP and funds rolled into the CRSP from your former employer. If you leave your money in a former employer's plan, you won't be able to access it without a penalty until you are age 59 ½.

Note: Cash distributions from a designated Roth 403(b) account are typically tax and penalty free, provided the Roth account has been held for a least five years and you must reach the age of 59 ½, are disabled or deceased (in which case the distributions go to your beneficiaries).

Benefits when retiring later:

If your retirement plans include working at a CRSP participating employer past age 73 (or age 75 if born after 1959), you don't have to take a required minimum distribution from your CRSP account. You can leave your money invested until you are fully retired. Another advantage of rolling your Traditional IRAs, 401(k)s or other similar retirement accounts into the CRSP is you will also postpone required minimum distribution on those funds.

Other considerations: When does it make sense to leave my previous retirement account at its current location?

Surrender charges: If your plan is invested in variable annuities there may be steep surrender charges (fees for moving your money before the contract ends). You may not want to rollover this type of account until it's no longer subject to these surrender charges, and you can move your money without paying fees.

Time restriction: You may be subject to a waiting period that requires you to leave your money in the account for a certain period of time until you can roll it over.

Fees: The plan administrator may charge a fee to rollover or transfer funds to another qualified retirement plan, especially if you move your money by wire transfer. Ask if there is an option to send the funds by ACH (Automated Clearing House) to waive those fees.

What should I consider if I'm thinking of cashing out my funds?

Fees: Early withdrawals may be expensive due to the cost of taxes. You may owe a 10% tax penalty on the amount that you withdraw in addition to federal income tax (taxed at your marginal tax rate) and any state income tax.

Lost growth: If you cash out your funds, you forego potential continued growth in your investments.

Your plan: While it may be tempting to take funds out of your account for current expenses, remember the reason you saved – to help provide income for your retirement. Review how the withdrawal will affect your overall retirement plan and projected retirement income.

There are many factors to consider when deciding to rollover your investment accounts. Talk it over with one of our Financial Educators. They will be happy to help!

Email: MoneyMatters@ConcordiaPlans.org

Phone: 888-927-7526 ext. 6865

How to roll over your funds.

Moving funds from another retirement plan account into the CRSP 403(b) can be a simple process:

1. Gather important information:
 - a. A statement from your current account with account number.
 - b. The phone number for the financial institution associated with the current account.
2. Call Fidelity, the administrator for the CRSP 403(b) at 800-343-0860. A Fidelity representative will walk you through the process. You can also log on to your Fidelity NetBenefits account from your Member Portal, ConcordiaPlans.org/MemberPortal, to start the rollover process.
3. You may need to call your previous financial institution (or your employer if you're not sure who is the previous financial institution) to get the check initiated; the Fidelity representative will stay on the line to confirm details.

There are two ways to roll over funds into the CRSP 403(b).

- **Direct rollovers:** The financial institution where the savings account currently exists sends a check payable to Fidelity (where your savings account funds will be going into the CRSP). The financial institution will make out a check to Fidelity and mail the check directly to you.
 - > The check should be made out to: **FIDELITY INVESTMENTS CRSP 403(B) PLAN FBO: [YOUR NAME]**.
 - > When you receive the check, you can either forward the check and the Fidelity rollover form to Fidelity at **FIDELITY INVESTMENTS, P.O BOX 770002, CINCINNATI, OH 45277-0090**, or you can upload a photo of the check to the Fidelity NetBenefits app on your smartphone.
- **Indirect rollover:** The financial institution where the savings account currently is held sends a check made payable to you. *This option can have serious tax consequences if not acted upon quickly and correctly.*

If the check is made payable directly to you, the financial institution that is sending you the check is required by the IRS to withhold 20% for taxes. In order to complete the rollover, however, 100% of your account balance needs to be rolled into the CRSP 403(b). This means that you'll need to make up the 20% that was withheld for taxes. You'll only have 60 days to complete everything to avoid being charged taxes and potential penalties. If you complete the rollover process within 60 days, you'll receive back the 20% tax withholding in the form of a tax credit. As you can see, this can be an extremely complicated situation.

Don't Forget: Help is only a phone call away!

Call Fidelity at 800-343-0860.