

What is the difference between a Transfer and a Rollover?

Transfer - This is a trustee-to-trustee exchange of funds. You have an unlimited number of transfers. This is a transfer between like accounts such as an IRA to IRA or Roth to Roth. This is not for a 401(k) to IRA.

- A transfer request is submitted from the custodian/administrator when you would like to bring your money. It is required to have a signed acceptance letter from the accepting custodian/administrator.
- Some custodian/administrators require a Medallion Signature Guarantee Stamp in order to process a transfer request. This is to provide security for the client. You can get a Medallion Signature Guarantee Stamp from most national banks. They will need to watch you sign the form and verify your identity (like a notary would).
- Some custodian/administrators require a mailed original form, so they have the best version of your signature to compare to your signatures on file.
- Some custodian/administrators require both the Medallion signature guarantee stamp and original forms, while some do not require either.
- For an efficient transfer process in the shortest amount of time, it is best for the client who would like to have funds transferred, to ask their current custodian/administrator what they require to transfer the funds.

Rollover – A process when funds are moved from one account to another. This is a recordable event and can be sent to either the client or another custodian/administrator. This is best suited for moving funds from a qualified plan (401(k), 403B, Profit Sharing Plan...Etc) to an IRA or vice versa. It can also be done for an IRA to IRA transaction. You must initiate a rollover with your current custodian/administrators

1. **Direct Rollover** – This is a rollover trustee to trustee. You would provide your current custodian/administrator with your new account number and request the funds be directly sent to the new custodian/administrator. You may need wiring instructions or check/mailed instructions.
2. **Indirect Rollover** – This is the process when your current custodian/administrator send you funds personally. You then have 60 days to deposit the money in a retirement account. If you do not have the money in a retirement account before 60 days, you may be responsible for taxes on the funds. You can only do one of these per year.

Please see this link to the IRS Rollover Rules and add this link. <https://www.irs.gov/retirement-plans/plan-participant-employee/rollovers-of-retirement-plan-and-ira-distributions>