Thinking about consolidating accounts?

Let's review your options.

Step 1: Know your options

Did you know that in many cases, retirement accounts at former employers or prior providers can be consolidated into your current retirement account? Use the comparison chart below to consider what option may be right for you.

	Former Retirement Plan	Current Retirement Plan	IRA	Cash
Maintenance of Tax-Deferred Savings*	✓	✓	✓	
Investment Options	Varies by plan with potential for low-cost institutional investments		Varies	N/A
Fees and Expenses	Varies			
Asset Protection from Creditors	✓	✓	Protection under federal bankruptcy law; state law protection varies by state[1]	
Potential to Take Penalty-Free Distribution at Age 55[2]	✓	✓		
Potential to Defer Minimum Required Distributions If You Are Over Age 72[3]		✓		
Ability to Continue Tax-Deferred Contributions		✓	✓	
Immediate Access to Cash				✓

* Distributions from your employer plan or IRA will be taxed as ordinary income in the year of distribution. If you are under age 59½, the taxable portion of a distribution from an employer plan or IRA is subject to a 10% early withdrawal penalty unless you qualify for an exception.

1 IRAs are protected under federal bankruptcy law; state law creditor protection of IRAs varies. Consult your legal advisor for more detailed information.

2 You may take penalty-free distributions from a qualified employer plan if you terminate employment after reaching age 55.

3 The change in the MRD age requirement from 70½ to 72 only applies to individuals who turn 70½ on or after January 1, 2020. Please speak with your tax advisor regarding the impact of this change on future MRDs.

Step 2: Consolidation considerations

If you decide to consolidate your financial accounts into one place, here are a few possible benefits:

Simplicity
Taking control of your portfolio and having your investments work effectively for your goals are among the most compelling reasons to consolidate multiple accounts. If you have investments in several locations, it can be difficult to stay on top of your overall portfolio. In fact, you could be duplicating exposure to certain investment types. When you consolidate, it's much easier to control your asset allocation and rebalance when needed.

Of course, you always want to weigh your options carefully. You will want to think about the investment choices, fees and expenses, and tax considerations, along with the plan's withdrawal rules and any protection it might offer against creditors.

Taxes
Bringing retirement accounts and brokerage accounts together with one service provider may make it easier to implement a tax-efficient investing strategy.

Fees
If you're investing through multiple providers, you might be paying more fees than necessary. Generally, each provider charges fees (multiple providers = multiple fees). Also, the more assets you have with one financial provider, the more opportunities you may have for reducing or eliminating account fees and lowering investing expenses.

Planning
Consolidating may also help improve your financial planning and retirement income planning. For example, you can model lifetime income projections and set distributions to align with your holistic needs. Having one, central view of your accounts can also help you meet required minimum distributions (when the time comes) to avoid pretty hefty penalties.

Step 3: Look before you leap

If you decide to consolidate, do it wisely. Consider whether consolidating will mean liquidating certain investments and possibly incurring tax consequences. For mutual fund investors, consider the investment options, particularly if your workplace plan offers institutional shares, which may be less expensive. Overall, you need to be sure that the benefits outweigh any potential costs.

Step 4: Let us help

Consolidating is a decision that needs some time and consideration, but the potential benefits may make it worth your while. **We are here to help.** Fidelity Retirement Planners can review your options and help simplify the process. That's a move that, in the end, could improve your overall financial picture.

Get Started
www.Fidelity.com/Schedule

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

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