

Understand your retirement plan distribution options.

Option	Consider this option if you	Immediate tax impact	Possible advantages	Possible drawbacks	Next steps
<i>Leave assets in employer's plan</i>	<ul style="list-style-type: none"> • Don't need assets for current expenses. • Are currently undecided about what to do next with your assets. 	<ul style="list-style-type: none"> • None. No taxes or penalties incurred if assets remain in the plan. 	<ul style="list-style-type: none"> • Preserve tax-deferred compounding and growth potential. • Postpone payment of tax and penalty on assets. • Typically no fee for investment transactions. • Broad protection from creditor's claims. • Continued access to current investment options. 	<ul style="list-style-type: none"> • May have limited investment options. • No new contributions permitted. • No new plan loans. • If you have less than \$5,000 in your plan account, your employer will typically not permit this option. 	<ul style="list-style-type: none"> • No action required.
<i>Roll over assets to a traditional IRA</i>	<ul style="list-style-type: none"> • Don't need 100% of assets for current expenses. • Want to keep assets tax deferred for retirement. • Want more investment choices. • Want to consolidate retirement assets all in one place. 	<ul style="list-style-type: none"> • None. No taxes or penalties incurred in a direct rollover. 	<ul style="list-style-type: none"> • Avoid immediate taxes and penalties. • Preserve tax-deferred growth potential. • Wider selection of investment options. • Access funds at any time (subject to taxes and penalty). • Generally more flexibility in naming non-spouse beneficiaries. 	<ul style="list-style-type: none"> • Forego certain special tax treatments. • Loans are not permitted from an IRA. • Limits opportunity for penalty-free early withdrawals if separated from service at age 55 but are not yet 59 1/2. • Protection from creditors only in bankruptcy. 	<ul style="list-style-type: none"> • Contact Merrill Lynch to open an IRA, or contact your IRA custodian about transfer policies.
<i>Roll over assets to a new employer's plan</i>	<ul style="list-style-type: none"> • Don't need assets for current expenses. • Want to avoid current taxes and penalties. 	<ul style="list-style-type: none"> • None. No taxes or penalties incurred in a direct rollover. 	<ul style="list-style-type: none"> • Avoid immediate taxes and penalties. • Preserve tax-deferred growth potential. • Continue to build assets for retirement. • Typically no fee for investment transactions. • Broad protection from creditor's claims. 	<ul style="list-style-type: none"> • May have limited investment options. • Waiting period may apply before you can participate. • Plan may not accept rollover. • May not have access to your assets again until a later date. 	<ul style="list-style-type: none"> • Contact your new employer for plan information and instructions. • Call Merrill Lynch at (877) 637-1786 for distribution procedures.
<i>Withdraw assets in a lump sum or partial withdrawal</i>	<ul style="list-style-type: none"> • Need assets for current expenses that cannot be met with other resources. 	<ul style="list-style-type: none"> • Withdrawal subject to federal and state income tax and possibly a 10% penalty tax if you are not yet age 59 1/2 or 55 and separated from service. 	<ul style="list-style-type: none"> • Money available for current expenses – although reduced by tax and penalty. • Special tax treatments may be available for certain lump sum withdrawals. 	<ul style="list-style-type: none"> • Forfeit tax-deferred status. • Withdrawal subject to immediate 20% federal tax withholding (plus applicable state tax). • Possible 10% early withdrawal penalty. • Cannot move assets to another qualified plan later. 	<ul style="list-style-type: none"> • Contact your employer or plan administrator about distribution procedures.
<i>Transfer assets directly to a qualified annuity</i>	<ul style="list-style-type: none"> • Want to ensure a stream of income that you cannot outlive*. 	<ul style="list-style-type: none"> • None. 	<ul style="list-style-type: none"> • Preserve tax-deferred compounding and growth potential. • Beneficiaries may receive a death benefit if you die before you begin receiving income. • Create income you can't outlive*. 	<ul style="list-style-type: none"> • Decision is irrevocable. • May involve higher expenses than for an IRA. • May pay a premium tax on purchase in some states. 	<ul style="list-style-type: none"> • Contact your financial advisor. • Call Merrill Lynch at (877) 637-1786 for more information.

Note: The distribution options presented here are those typically available with an employer-sponsored qualified retirement plan. Check with your retirement plan administrator to find out about your plan's actual distribution options.

The 10% penalty tax generally applies to withdrawals before age 59½, but certain exceptions apply, such as death, disability and health insurance premiums during unemployment. If you leave your employer in the year you reach age 55 or later, distributions from your employer-sponsored qualified retirement plan will be exempt from the 10% penalty. A tax advisor can help you determine whether the penalty applies to your situation.

* All guarantees are based on the claims paying ability of the issuing insurance company.

This information is being provided for informational purposes only as Merrill Lynch does not offer tax advice. For more information on the tax consequences of various distribution options, please consult a tax advisor.