

TOP 10 IRA ROLLOVER MISTAKES

PROVIDED BY
ED SLOTT & COMPANY, LLC



RICHMOND BROTHERS, INC. IS AN SEC-REGISTERED INVESTMENT ADVISER.



01

**IRA-to-IRA
Rollovers and
Roth IRA-to
Roth IRA
Rollovers**

mistakes...

**USING 60-DAY IRA
ROLLOVERS INSTEAD
OF USING TRANSFERS
TO MOVE IRA FUNDS**

**IRS HAS NO AUTHORITY
TO CORRECT THESE
MISTAKES**

**NEW CLIENT ROLLOVER
MISTAKES - NOT ASKING
ABOUT PRIOR
ROLLOVERS**

**ONCE-PER-YEAR RULE IS
FOR ALL IRAS AND
ROTH IRAS**

**NOT KNOWING THE
EXCEPTIONS TO THE
ONCE-PER-YEAR IRA
ROLLOVER RULE**

**Non-Spouse
Rollovers are
NOT Permitted**

02

mistakes...

**NON-SPOUSE
BENEFICIARY CANNOT
DO A ROLLOVER**

**TAKING A LUMP-SUM
DISTRIBUTION**

**PUTTING A DECEDENT'S
IRA FUNDS INTO YOUR
OWN IRA**

**PAYING OUT THE ENTIRE
IRA TO A TRUST
BENEFICIARY**

03

Spousal Rollovers

mistakes...

**SPOUSAL ROLLOVER
BEFORE AGE 59½**

**FORGETTING TO
DO THE SPOUSAL
ROLLOVER AT AGE
59½**

**NOT NAMING A
SUCCESSOR
BENEFICIARY OF THE
INHERITED IRA**

**401(k)
Rollovers
to IRAs**

04

mistakes...

**NOT REVIEWING ALL
OPTIONS (IRA
ROLLOVER IS NOT THE
ONLY OPTION.)**

**NOT FIRST ASKING
ABOUT THE NUA (NET
UNREALIZED
APPRECIATION) TAX
BREAK**

**RECEIVING A
DISTRIBUTION
PERSONALLY AND
BEING SUBJECT TO 20%
WITHHOLDING**

**ROLLING OVER HIGHLY
APPRECIATED
COMPANY STOCK
TO AN IRA**

**NOT KNOWING THE
CREDITOR PROTECTION
OF IRAS IN YOUR STATE**

**NOT ALLOCATING THE
AFTER-TAX PORTION
(BASIS) TO A ROTH IRA
TAX FREE**

05

**After-Tax
Rollovers
From Plans to
IRAs and Roth
IRAs**

mistakes...

**NOT BEING AWARE OF
THE ALLOCATION
RULES THAT ALLOW
THE TAX-FREE ROTH
CONVERSION OF
AFTER-TAX PLAN
FUNDS**

**ROLLING OVER ALL
FUNDS TO A
TRADITIONAL IRA
(RULES DO NOT
APPLY TO IRA
DISTRIBUTIONS)**

**FAILING TO
ALLOCATE PRE-TAX
AND AFTER-TAX
AMOUNTS TO THE
CORRECT ACCOUNT**

**CHOOSING TO
RECEIVE ALL FUNDS
PERSONALLY**

**Roth
Conversions
(Technically
IRA-to-Roth
Rollovers)**

06

mistakes...

**NOT ADVISING ON THE
INCOME IMPACT OF A
ROTH CONVERSION
(OTHER TAXES MAY BE
TRIGGERED OR TAX
BENEFITS LOST)**

**RMDS (REQUIRED
MINIMUM
DISTRIBUTIONS)
CANNOT BE CONVERTED**

**CHOOSING TO
RECEIVE ALL FUNDS
PERSONALLY**

**SIMPLE IRA CANNOT
BE CONVERTED
UNTIL AFTER 2 YEARS**

**INHERITED IRAS
CANNOT BE
CONVERTED, BUT
INHERITED COMPANY
PLAN FUNDS CAN**

07

**In-Plan Roth
Rollovers
(401(k) to Roth
401(k)
Conversions)**

mistakes...

**NOT ASKING IF IN-
PLAN CONVERSIONS
ARE AVAILABLE IN THE
PLAN**

**NOT ESTIMATING THE
TAXES DUE ON THE
CONVERSION**

**NOT CHECKING FIRST IF
A ROTH IRA
CONVERSION IS
AVAILABLE**

**Rollovers to Any
Retirement
Account
(60-Day Rule)**

08

mistakes...

**NOT KNOWING
ABOUT THE SELF-
CERTIFICATION
PROCEDURES FOR
LATE ROLLOVERS**

**NOT KNOWING
ABOUT THE 20%
MANDATORY
WITHHOLDING FROM
PLANS**

**LOSING TRACK OF
THE 60-DAY
DEADLINE**

**DEPOSITING THE
FUNDS INTO A NON-
IRA ACCOUNT**

**CHOOSING A 60-DAY
ROLLOVER INSTEAD
OF A TRANSFER**

09

**QDRO Rollovers
in Divorce (From
Plans Only) to
Ex-Spouse as
Alternate Payee**

mistakes...

**ROLLING OVER ALL OF A
QDRO (QUALIFIED
DOMESTIC RELATIONS
ORDER) DISTRIBUTION TO
AN IRA AND THEN TAKING
AN IRA DISTRIBUTION
BEFORE AGE 59 1/2**

**REMEMBER! A QDRO
DISTRIBUTION IS A 10%
PENALTY EXCEPTION, BUT
ONLY ON DISTRIBUTIONS
FROM THE PLANS!**

**NOT KNOWING THAT
AN IRA ROLLOVER
VOIDS THE 10%
PENALTY EXCEPTION**

**NOT KNOWING THAT
QDROS DO NOT APPLY
TO IRAS**

**Rollovers From
IRAs Back to
Plans**

10

mistakes...

**ROLLING OVER BASIS
INTO THE COMPANY
PLAN**

**ONLY PRE-TAX
FUNDS CAN BE
ROLLED TO THE PLAN**

**NOT ASKING IF YOUR
PLAN ACCEPTS IRA
ROLLOVERS**

**NOT FIRST CHECKING
PLAN RESTRICTIONS ON
ACCESSING FUNDS
(FUNDS ARE NOW
SUBJECT TO PLAN RULES.)**

**FAILING TO CONVERT
REMAINING IRA
BASIS TO A ROTH IRA**

A woman with blonde hair, wearing a grey sleeveless top and a pearl earring, is shown in profile, shouting with her mouth wide open and her right fist clenched. She is sitting at a desk with a white keyboard in front of her. The background is a blurred office setting.

ROLLOVERS
are extremely complex....



**RICHMOND BROTHERS
IS HERE TO HELP**

The background of the image is a photograph of an office interior, overlaid with a semi-transparent teal filter. In the center, a woman with short blonde hair is smiling and talking on a mobile phone. She is seated at a desk with two ViewSonic monitors. To her left, on the wall, is a large circular logo with the letters 'R' and 'B' and the word 'BROTHERS' below it. Further left, the words 'RICHMOND BROTHERS' are written in large, 3D block letters. On the desk in the foreground, there are several small white boxes and a small chalkboard with some writing on it.

HAVE QUESTIONS ON A ROLLOVER?
CONTACT US TODAY!

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