

CONSOLIDATING YOUR RETIREMENT ACCOUNTS

Putting your retirement savings in one place helps you keep an eye on the big picture

Benefits of consolidating your employer-sponsored retirement accounts into an IRA:

- Easier to monitor and manage your asset allocation
- Easier to calculate required minimum distributions (RMDs)
- Easier to keep beneficiary information updated
- Access to more investment choices than your employer-sponsored plan
- Single point-of-contact for your investment and financial planning questions and concerns

The average Baby Boomer will change jobs more than 11 times in his or her lifetime.* Problem is, people tend to leave their old 401(k)s behind when they switch employers. That's one reason Americans often find themselves juggling a number of different workplace retirement accounts. "There is no instant portability or universality to 401(k)s and other workplace retirement plans," explains Cristina Martin Firvida, director of financial security for AARP. To avoid the headache of keeping tabs on multiple accounts, consider consolidating your various retirement accounts into one individual retirement account (IRA).

TOO MUCH OF A GOOD THING

Having too many retirement accounts may not seem like a problem. After all, the assets in those accounts are still helping you save for retirement. But keeping an eye on multiple accounts can make it harder to know whether or not you're on track to meet your retirement goals. "If you have several accounts, odds are you're not paying close attention to all of them," Martin Firvida says. "And if you're not revisiting your retirement savings, you might find that your asset allocation no longer aligns with your current situation."

For example, say you chose a more aggressive all-stock investment portfolio when you opened your first 401(k) account at the start of your career. That same investment profile may no longer make sense for you now that you are a few decades closer to retirement and have a lower tolerance for risk. Furthermore, many workplace plans limit your investment options to specific funds. Depending on your investment goals, that list of funds may not provide you with the options you need to meet your long-term goals.

CONSOLIDATE AND SIMPLIFY

Workers who want to maintain the tax advantages of their retirement savings but avoid the confusion and paperwork of managing multiple accounts have a simple solution: consolidation. Having just one account makes it easier to ensure your beneficiary designations are up to date. What's more, rolling the assets from multiple funds into a single IRA offers the convenience of keeping track of just one account statement, as well as potentially increasing your flexibility in terms of your investment choices. "It allows you to take a clear view of your allocation," Martin Firvida says. "That can help you more effectively manage your savings to meet your goals. You can see where your money is, how it's growing and whether you're on track."

Rolling your assets into one account makes it easier to ensure your allocation aligns with your goals and time horizon. After all, it can be challenging to track down the specific holdings of each individual account to ensure your retirement assets are properly diversified. With investments in multiple accounts, you may hold a concentrated position without realizing it.

*Bureau of Labor Statistics, 2012. <http://www.bls.gov/news.release/pdf/nlsoy.pdf>

We ask, listen and solve.



The Commerce Trust Company
A division of Commerce Bank

Once you've decided to consolidate your retirement funds, you'll want to work with a financial professional who can help you open an IRA that offers a broad range of investment choices. IRAs tend to offer more choices than 401(k)s, so you may face new decisions on how best to pursue your investment strategy. The upside is that now you are able to focus on what matters. The downside is that you can become overwhelmed with options, without the help of a financial professional.

KEY POINTS

- Having multiple retirement accounts can make it more difficult to manage your retirement savings plan.
- It can be difficult to establish an appropriate level of diversification when your holdings are spread across multiple accounts.
- With the rollover complete, you'll have a clearer picture of whether your retirement assets align with your target asset allocation.

If you're considering an IRA rollover, we can help you evaluate your options. Contact a Commerce Trust advisor who can review your plan with you, assist you with a smooth rollover and help you to choose the asset allocation that's right for you.

1-800-892-7100 x17329 | [commercetrustcompany.com](https://www.commercetrustcompany.com)

We ask, listen and solve.



The Commerce Trust Company
A division of Commerce Bank