

1.

Advantages of rolling your PSP into an IRA

- Greater control over your investment choices.

2.

What is the process to roll over your PSP to an IRA?

- Open a rollover IRA account with your new IRA custodian.
- Process rollover through the PSP custodian.
- Request that the plan administrator issue a check payable to the new IRA custodian to the benefit of your new IRA account.

3.

How are your IRA distributions taxed?

- All distributions are taxed at ordinary income tax rates.
- Possible penalties for early or late distributions.

4.

What is the earliest age I can begin taking IRA withdrawals without penalty? What are exceptions?

- At age 59 1/2 you can take distributions without penalty.
- Equal and even periodic payments (72T-5 yr requirement)
- Death
- Total and permanent disability
- Excessive unreimbursed medical expenses
- Medical insurance premiums while unemployed
- Purchase of a first primary residence
- Higher education expenses

5.

When are you required to begin taking IRA distributions?

- You must begin taking a required minimum distribution (RMD) at age 70 1/2.
- Failure to do so results in a hefty 50% penalty on any RMD amounts not taken.