

# IRA-to-IRA Transfer Guide

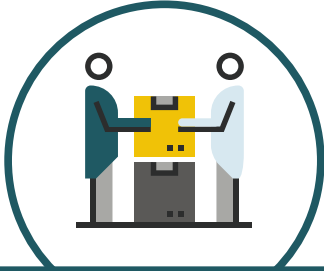
How to alleviate  
transfer delays and  
get your retirement  
account moved quickly.



PREFERRED TRUST COMPANY

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If an IRA-to-IRA transfer is executed perfectly, the transfer can still take 1 to 3 weeks to be completed. While the process typically runs smoothly for most transfers at Preferred Trust Company, delays may occur. We understand that delays are not ideal and can be frustrating for all parties involved. That is why we have put together this guide to help you understand the IRA account transfer process and the ways you can mitigate rejection and further delays.



## STEP ONE

# Open an IRA Account

If you do not already have an existing IRA account at Preferred Trust Company, you must first complete an account application. You can easily open an IRA account via our [online application](#).



## STEP TWO

# Determine What is Being Transferred

Below are a few questions to help you determine what funds you can transfer to your IRA account at Preferred Trust Company. This will ensure proper communication and mitigate confusion between the “delivering custodian”, Preferred Trust Company, and yourself.

- Are you transferring from an IRA or a 401k account?
- Are you transferring your entire cash balance or just a portion? If so, what amount?
- Are you transferring your entire cash balance and investments?
- Are you requesting the delivering custodian to liquidate your investments before transferring?
- Are you requesting the delivering custodian to send all or a portion of the investments in-kind?
- If only a portion of the investments are being transferred in-kind, which ones?

If you transfer your investment(s) “in-kind” that means that you transfer your specific investment(s) over to the receiving custodian without liquidating it. You will need to make sure the receiving custodian will allow you to hold the specific type of investment(s) before having

the investment(s) reregistered under the receiving custodian's name.

Preferred Trust cannot custody any publicly traded assets.

- Are you requesting that no investments be liquidated or transferred?



## Identify the Transfer Process with Your Current IRA Custodian

The most important step is to contact the institution of the account that you are transferring your funds out of to ensure that you understand their process, such as the forms you need to provide to direct the transfer, how you must submit the forms, how the funds are transferred (wire or check), and how long it takes for them to process your request, etc.

**Tips to Prevent Rejection:** Do not skip this step. Every institution has different company policies regarding the transfer process which is why this first point of contact is so important. If you are unsure of a certain company policy or procedure, Preferred Trust Company works with various custodians daily which makes us a great resource for clarification.

**Common Examples of Rejection:** Company policies can vary from requiring an original/wet signature on the Transfer Request Form to how the forms are accepted ie. mail, fax, email to rejecting the transfer because the account name does not match (John A. Smith, IRA versus John Smith, IRA).

It is important to keep in mind that when you request to move your funds from one custodian to another, the custodian that is losing your business is also losing future revenue. Unfortunately, for this reason, some firms make the transfer process unnecessarily difficult and/or prolong the process.



## Initiate the Transfer

In most cases, you will need to complete the **Transfer or Conversion Form** to identify your instructions for the transfer. You will then provide this form to Preferred Trust Company for review and initiation of the transfer. Preferred Trust Company will submit the transfer form with a Letter of Acceptance to the delivering custodian.

**Tips to Prevent Rejection:** Thoroughly review the Transfer or Conversion Form to ensure that all data is accurate, and the form is completed in its entirety. An incomplete or inaccurate form is the number one cause of rejection. For this reason, it is highly recommended that you provide Preferred Trust Company with a copy of your most recent statement from

the delivering custodian. This will ensure the account number, account type, cash balance, the name on the account, and/or the assets to be transferred or not transferred are accurately defined on the form.

It is also recommended that you send the original Transfer or Conversion Form via mail to Preferred Trust Company as soon as possible. Some delivering custodians will accept a fax for an outgoing transfer of funds request, but most require the original wet signature to process the transfer of funds.

Another tip is to provide clarity as to whether the transfer is in whole or part of the account. Preferred Trust Company is continuously making improvements to ensure the direction is clear to the delivering custodian on the Transfer or Conversion Form. There is not a standard form used by all custodians, so transparency is key.



## How to Handle a 401k Rollover to an IRA

This depends on your employment status and the employer's 401k plan policies. If the account is from a previous employer, then you can typically rollover your funds into another tax-deferred IRA account (i.e., a Traditional SD-IRA at Preferred Trust Company) without experiencing any tax consequences. Due to various IRS regulations to protect 401k savings from fraudulent activities, the receiving custodian has very little involvement in the transfer process. This means that it is the sole responsibility of the 401k account owner to initiate, monitor, and complete the rollover process.

If the account is with a current employer, the employer's 401k plan could completely restrict or limit the amount of funds that can be rolled out at any given time. It is the responsibility of the 401k account owner to confirm whether funds can be rolled out of the account.

This information is not intended to scare you from ever initiating a transfer, but to bring awareness to the transfer process and the importance of open communication and accuracy of information shared between the delivering custodian, Preferred Trust Company and yourself.



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