

# Client Letter: Age 55 Early Retiree Candidates



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## Uncovering new opportunities with existing clients

Clients considering early retirement can potentially use “separation from service” after attaining age 55 to withdraw assets from their 401(k) plan and pay only ordinary income tax on the amount withdrawn with no penalty. They can transfer the remaining assets to their IRA.\* Withdrawals from the IRA before age 59½ may be subject to a 10% penalty.

There is another opportunity if the client also has company stock in their 401(k) with net unrealized appreciation (NUA). Please be sure to review with your client their financial goals, objectives and risk tolerance before making any recommendations.

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**2. Copy and paste** the letter onto your computer and then print it on your letterhead.

**3. You also can paste the letter into an email**, using a subject line such as “Let’s start retirement income planning.”

Changes cannot be made to the text other than to insert the date, salutation, contact information and closing. This piece may need to be reviewed by your compliance department.

[Date]

Dear [Name]:

My best wishes on your [recent/upcoming] birthday.

Now that [you have reached/are approaching] age 55, you may be considering early retirement, changing jobs or even changing careers.

Before you make any decisions that could affect your retirement plans, we should get together to talk about your retirement portfolio and how you plan to use the funds in it. There are provisions you should be aware of in the Internal Revenue Code that pertain to separation from service after attaining age 55 and the treatment of net unrealized appreciation (NUA) on company stock holdings in your 401(k).

**[I will call you to discuss/Call me today to learn more about]** these provisions and what they could mean to your retirement planning.

I look forward to speaking with you soon.

Sincerely,

[Your name]

[Firm]

[Phone number]

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

← This disclosure must appear if used by a banking affiliate.

\* There are advantages and disadvantages to an IRA rollover depending on investment options, services, fees and expenses, withdrawal options, required minimum distributions, tax treatment and the investor’s unique financial needs and retirement plans. Please be aware that rolling over retirement assets into one IRA account could potentially increase fees as the underlying funds may be subject to sales loads, higher management fees, 12b-1 fees and IRA account fees such as custodial fees.

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