



ROLLOVER GUIDE

Choose Your DirectionSM



the road to RETIREMENT

Planning for retirement can be confusing and stressful, especially when you experience life events that could alter the plan you already have in place. Retiring or changing jobs may leave you wondering what to do with the money in your current retirement plan. Taxes, inflation and the threat of dwindling Social Security benefits may add to your concerns and can have a significant impact on your retirement.

This brochure is intended to help you understand the options available as you move into the next stage of your life. Working with a qualified representative, you can make choices that are suitable for your financial future.

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Not bank/CU guaranteed • Not a deposit
Not insured by any federal agency

As required by the IRS, you are advised that any discussion of tax issues in this material is not intended or written to be used, and cannot be used, (a) to avoid penalties imposed under the Internal Revenue Code or (b) to promote, market or recommend to another party any transaction or matter addressed herein.

A FORK IN THE ROAD

At some point during your working life, you will most likely find yourself in one of the following situations and in need of creative solutions to meet your retirement objectives:

- > CHANGING JOBS
- > RETIRING
- > IN A RETIREMENT PLAN THAT IS TERMINATING
- > INHERITING RETIREMENT MONEY AS A BENEFICIARY
- > RECEIVING PART OF YOUR SPOUSE'S RETIREMENT ACCOUNT DUE TO A CHANGE IN MARITAL STATUS
- > TAKING AN IN-SERVICE DISTRIBUTION (USUALLY AT AGE 59½ OR UPON DISABILITY)

Each situation requires you to decide what to do with the money you've accumulated in your retirement plan. You typically have several options:

- 1 TAKE THE CASH
- 2 LEAVE YOUR MONEY WHERE IT IS
- 3 TRANSFER YOUR MONEY TO YOUR NEW EMPLOYER'S PLAN

OR

- 4 ROLL YOUR MONEY INTO AN IRA

MAKE AN INFORMED DECISION.
UNDERSTAND THE ADVANTAGES
AND DISADVANTAGES OF ALL
YOUR AVAILABLE OPTIONS.

1 TAKE THE CASH

By taking a lump-sum distribution from your retirement plan, you have immediate access to your money. While this may be tempting, you should be aware that “cashing out” could leave you with a large tax bill today and less money available for retirement tomorrow.

Distributions from qualified plans are subject to income tax. Your former employer is required to withhold 20% of your distribution for federal taxes. You may be subject to additional federal, state and local taxes in the year the distribution is received. A 10% federal tax penalty typically applies if the distribution is taken before age 59½ (or 55 if separated from service). Plus, if you take your money today, your assets will no longer be eligible for tax-deferred potential.

BENEFITS

- > Immediate access to your money

POINTS TO CONSIDER

- > Less money available for your retirement
- > Loss of tax-deferred growth potential
- > A 10% federal tax penalty if you are under age 59½ (or 55 if separated from service)
- > 20% mandatory withholding for federal taxes
- > Federal, state and local taxes on distributed amount

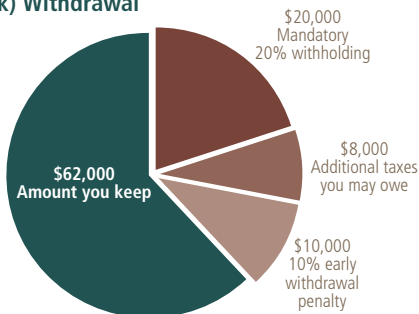
REMINDERS

- > Eligible amounts can be rolled over to an IRA or new plan within 60 days*
- > Lump-sum withdrawals may be eligible for 10-year averaging if you were born before 1936 (consult with your tax representative for more information)
- > Governmental 457 plan assets are not subject to early withdrawal penalties

THE COST OF CASHING OUT

Approximately 40% of your hard-earned retirement savings could immediately disappear to taxes and penalties.

\$100,000 401(k) Withdrawal



This chart is purely hypothetical and for illustrative purposes only. The illustration shown here assumes a participant under age 59½ in a 28% federal income tax bracket. Tax rates are subject to change. Your particular situation may be different.

* Distributions that are not directly transferred will be subject to a 20% mandatory withholding that may create adverse tax consequences.

2 LEAVE YOUR MONEY WHERE IT IS

Generally, if you have at least \$5,000 of assets in your current retirement plan, you may be able to leave it where it is. If so, you would continue to enjoy tax-deferred growth potential and avoid the tax consequences associated with a lump-sum distribution. In a typical company plan, if you retire at age 55, you may take distributions without incurring the 10% federal early withdrawal penalty.

By leaving your money where it is, the investment options are familiar to you; you don't have to worry about choosing a brand new investment mix. And, of course, you'll have minimal paperwork.

However, there are some points to consider before you elect this option. First, your former employer's plan may not allow you to leave your retirement assets. Another issue is that your employer's plan could change, which could entail new investment options or policies that you may not like. You'll also have restricted distribution options and limited investment choices since you must stay within the parameters of the plan. Plus, you'll have one more investment account to keep track of.

BENEFITS

- > Continued tax-deferred growth potential of your assets
- > No additional tax consequences
- > Familiar investments
- > Minimal additional paperwork
- > Loans, if the plan allows

POINTS TO CONSIDER

- > Your former employer's plan may not allow it
- > The company's plan may change
- > Inflexible distribution options
- > Limited investment choices
- > One more investment account to keep track of
- > Death benefit distribution options may be limited

REMINDER

- > You typically need at least \$5,000 to leave your money where it is

3 TRANSFER YOUR MONEY TO YOUR NEW EMPLOYER'S PLAN

By taking your money to a new employer's plan, your assets will continue to have tax-deferred growth potential and you may avoid tax consequences. Having your money with you will also prevent you from needing to keep track of several investment accounts in different places. Your new employer's plan may also include more features that are attractive to you, including loans and investment options.

However, your new employer's plan may not accept rollovers. As with any employer-sponsored plan, the plan may change and some of the features that you looked forward to enjoying may not be available anymore. You may also have restricted distribution options and limited investment choices.

BENEFITS

- > Continued tax-deferred growth potential
- > Fewer accounts to keep track of
- > New plan may allow loans or include other features that your old plan did not

POINTS TO CONSIDER

- > Company's plan may change
- > Restricted distribution options
- > Investment choices may be limited

REMINDER

- > Your new employer's plan may not accept rollovers

4 ROLL YOUR MONEY INTO AN IRA

A rollover is a transfer of money from one retirement plan to another. To maintain the tax-deferred status of your retirement investment, you can roll your former retirement plan assets into another tax-deferred account, like a Rollover or a traditional IRA. You can designate your IRA as a Rollover IRA, one that only accepts money from company-sponsored retirement plans like 401(k)s. The advantage is that at a later date, you can elect to transfer the money back into a different company's retirement plan. If you do not need this ability, then the traditional IRA is sufficient.

No matter which of these IRAs is selected, by transferring your money into an IRA, your money continues to have the potential to grow on a tax-deferred basis. You may also gain access to more broad investment and income options. An IRA typically provides flexible beneficiary designations to ensure your investments are passed on according to your wishes and can even allow your beneficiaries to "stretch" distributions from an inherited IRA over their life expectancies. Plus, by consolidating all of your former retirement plans into a single IRA—meaning one account, one statement, one required minimum distribution (RMD) calculation, one 1099 form—you can more easily monitor and manage your nest egg.

Keep in mind, your employer is legally required to withhold 20% of any retirement plan distribution sent directly to you. To avoid taxation, you must complete the transaction—and make up the 20% federal withholding with other assets—within 60 days or you will owe taxes on the entire distribution. To avoid this mandatory withholding, you must instruct your former employer to send the money directly from your retirement plan to your new IRA. Also, please note that you could lose significant tax advantages if you own company stock in your former plan. It is important that you consult with a qualified financial professional before electing to roll over retirement plan assets.

BENEFITS

- > Continued tax-deferred growth potential
- > No 20% mandatory federal withholding when making a direct rollover
- > Broad investment options
- > Consolidate retirement assets with one provider
- > Flexible withdrawals and beneficiary option capabilities
- > Stretch income across generations
- > Assets can be used for higher education expenses and/or the purchase of a new home without incurring a 10% tax penalty

POINTS TO CONSIDER

- > If appreciated company stocks are in your plan, significant tax advantages may be lost if placed into an IRA
- > No loans allowed
- > 10% federal tax penalty on distributions taken under age 59½, unless accessing money through 72(t) payments or through special situations outlined by the IRS

REMINDER

- > Generally, you must have at least \$5,000 of assets in your current retirement plan to leave it where it is

CONSOLIDATE ALL OF YOUR RETIREMENT ASSETS WITH ONE PROVIDER. SPEND LESS TIME KEEPING TRACK OF VARIOUS INVESTMENTS AND MORE TIME ENJOYING YOUR LIFE.

FUNDING YOUR IRA

You can fund your IRA with numerous investments, including mutual funds and annuities. Each investment vehicle has unique strengths and weaknesses. Your representative can help you decide which one may be right for you.

Annuities can offer flexible investment choices, flexible income options, professional money management and portfolio diversification. An annuity can provide unique benefits other investments cannot, such as lifetime withdrawal options, family protection, death benefits, nursing home riders and terminal illness riders. Of course, any payments or benefits due on the annuity are backed by the claims-paying ability of the issuing insurance company. Such payments and benefits are contractual obligations and subject to the financial condition of the issuing company.

TWO TYPES OF ANNUITIES ARE AVAILABLE TO FUND YOUR IRA:

FIXED ANNUITY – A fixed annuity earns a fixed rate of interest. At your request, your fixed annuity can be converted into a stream of retirement income using one of several available options—including a lifetime option that can provide income for as long as you live.

VARIABLE ANNUITY – A variable annuity allows you to allocate your money among a variety of variable investment options or a Fixed Account. The value of your annuity can vary depending on the performance of the underlying investments. Your money has the potential to grow, though your investment is subject to investment risk, including the possible loss of money. The prospectus should be read carefully before investing.

ADDITIONAL CONSIDERATIONS

There are some points to keep in mind when exploring rolling over your retirement assets into an IRA funded by an annuity. The FDIC, or any other government agency, does not insure annuities. Instead, annuities are backed by the claims-paying ability of the issuing insurance company. Therefore, you should check out company insurance ratings through independent rating services, such as Standard & Poor's, A.M. Best and Moody's before you purchase.

Annuities have withdrawal charges, costs and fees, including additional charges for optional benefits. Be sure you understand the costs associated with the annuity contract you are interested in before you purchase.

An annuity is a long-term, tax-deferred vehicle designed for retirement. Earnings are taxable as ordinary income when distributed and, if withdrawn before age 59½, may be subject to a 10% federal tax penalty.

Tax deferral offers no additional value if an annuity is used to fund a qualified plan, such as a 401(k) or IRA and may not be available if the annuity is owned by a "non-natural person" such as a corporation or certain types of trusts.

BENEFITS

- > Flexible investment choices
- > Professional money management
- > Portfolio diversification
- > Lifetime withdrawal options
- > Optional living benefits
(available at an additional cost)
- > Beneficiary protection including death benefits and pre-selected death benefit options
- > Possible stretch IRA income across multiple generations

POINTS TO CONSIDER

- > Annuities are long-term, tax-deferred vehicles designed for retirement
- > Withdrawals may be subject to withdrawal charges, recapture charges and excess interest adjustments (interest rate adjustments in New York), which may reduce the annuity contract's value
- > Variable annuities carry investment risk, including the possible loss of value

REMINDER

- > Be sure you understand the costs associated with an annuity contract before you purchase it

MOVING FORWARD WITH AN IRA

We understand the investment decisions you must make when you face life-changing events. Jackson National Life Insurance Company® and Jackson National Life Insurance Company of New York® offer various products that may be worth considering to fund your IRA.

Be aware that IRAs may accept funds from a variety of sources, including qualified retirement plans, such as 401(k) and profit sharing plans, 403(b) plans, pension plans or Individual Retirement Accounts (IRAs), 457 government plans, SIMPLE IRA plans (after two years of participation) and after-tax contributions from a company plan (some restrictions apply).

IRAs may not accept funds from distributions that are required after you reach 70½, hardship distributions, certain regular payments scheduled to be made for 10 years or more (i.e., lifetime monthly pension payments) and distributions to correct certain excess contributions. You can find out more about the specific restrictions of your current plan by speaking to the plan sponsor.

Whether you're changing jobs,
retiring or simply looking to take
advantage of the benefits that account
consolidation provides, your financial
professional can access the resources
of Jackson —

**EXPERIENCED RETIREMENT SPECIALISTS
WHO UNDERSTAND THE NUANCES OF
ROLLOVERS AND RETIREMENT PLANNING.**

Contact your representative today to see
if an IRA funded by a Jackson annuity fits into
your retirement plan.

Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of the variable product and its underlying investment options. The current contract prospectus and underlying fund prospectuses, which are contained in the same document, provide this and other important information. Please contact your representative or the Company to obtain the prospectuses. Please read the prospectuses carefully before investing or sending money.

Tax deferral offers no additional value if an annuity is used to fund a qualified plan, such as a 401(k) or IRA and may not be available if the annuity is owned by a "non-natural person" such as a corporation or certain types of trusts.

Jackson and its affiliates do not provide legal, tax or estate-planning advice. For questions about a specific situation, please consult a qualified advisor.

Annuities are issued by Jackson National Life Insurance Company® (Home Office: Lansing, Michigan) and in New York, by Jackson National Life Insurance Company of New York® (Home Office: Purchase, New York). Variable products are distributed by Jackson National Life Distributors LLC. May not be available in all states and state variations may apply. These products have limitations and restrictions. Please contact your representative or the Company for more information. Jackson is the marketing name for Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York.

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