

ROLLOVER IRA

Take Control of Your Future by Rolling Your Retirement Funds to a Sit Rollover IRA!

Q Why should I move my retirement plan assets to a Sit Rollover IRA?

A By doing so, you:

- postpone paying income taxes until you make withdrawals later
- allow your assets to continue growing on a tax-deferred basis
- have access to retirement specialists who can help you
- can ask us to call you once a year to review your IRA

Q How do I move my retirement plan money to a Sit Rollover IRA?

A Follow these steps:

Step 1: Request a Retirement Plan Distribution Form

Ask your former employer (or their retirement plan provider) to send you this form.

Step 2: Complete and return the Retirement Plan Distribution Form

Indicate that you want your distribution processed as a “Direct Rollover to an IRA” with the check issued payable to:

Sit Mutual Funds Rollover IRA for (your name)

P.O. Box 2165

Minneapolis, MN 55402

Mail the completed distribution form to your previous employer (or their retirement plan provider).

Step 3: Promptly mail to us a completed Sit IRA Application.

We'll need to set up your account before we receive your direct rollover check. You can download an IRA application at www.sitfunds.com/pdfs/ira_application.pdf.

Q Will my rollover affect the amount that I can contribute to my Traditional or Roth IRA?

A No, not at all.

Q Is there an investment minimum?

A Yes. It is \$2,000 per fund.

Q Is there a custodial fee?

A Yes. If your total IRA balance is less than \$10,000, the fee is \$15 per year.

Q Can I take my retirement plan distribution in cash and, at a later date, roll it to an IRA?

A Yes, but only if no more than 60 days have elapsed from the date you received your check. And here's the tricky part. If you take your distribution in cash, your employer is obligated to withhold 20% in taxes. To avoid incurring any tax liability, you'll need to contribute to your IRA an amount equal to the total distribution, including the amount of tax withheld by your employer – all within the same 60-day period.

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SIT MUTUAL FUNDS – ROLLOVER IRA

Q What are some of the pros and cons of rolling my retirement plan balance to an IRA?

A See the chart below.

Option	Advantages	Disadvantages
Roll assets to an IRA	<p>You owe no penalty tax and postpone paying taxes until withdrawals are made in the future.</p> <p>Your assets continue to grow on a tax-deferred basis.</p> <p>You can move your funds into another retirement plan in the future.</p>	<p>If your account balance is less than \$10,000, there is a \$15 annual fee.</p> <p>If you own your previous employer's stock, you could lose an opportunity to receive favorable tax treatment on the unrealized appreciation.</p>
Take the cash	<p>Cash is available to do with as you please.</p>	<p>You owe a 10% penalty tax if you are under age 55.</p> <p>20% of your balance is withheld for taxes immediately (and you may owe more taxes later).</p> <p>You lose the opportunity for your assets to grow in the future (see below).</p>

Q What would the difference amount to on \$50,000?

A See the chart below.

Roll to an IRA	Take the cash
\$50,000	\$50,000
- 0 (no penalty tax)	- 5,000 (10% penalty tax)
- 0 (no federal tax)	- 12,500 (25% federal tax)
- 0 (no state tax)	- 2,500 (5% state tax)
<u>\$50,000</u>	<u>\$30,000</u>

If your \$50,000 grew at 7% each year, you would have \$271,371 in 25 years!

This example is for illustrative purposes only and is not representative of any investment. It assumes a hypothetical 7% annual rate of return and no withdrawals are made.

***For more information or to open a Rollover IRA, please contact
a Sit Mutual Funds Investor Services Representative at:
800-332-5580***