



## IRA Rollover Mistake Avoidance Checklist

A checklist for investors and retirees who want to avoid common rollover errors before moving a 401(k), 403(b), or IRA.

### **Before moving any retirement account**

- Confirm whether the money comes from a former employer plan, a current employer plan, a traditional IRA, a Roth IRA, or an inherited IRA.
- Decide whether the account should stay where it is, move to a new employer plan, roll to an IRA, or be evaluated for a Roth conversion strategy.
- Review fees, investment choices, creditor protection, withdrawal flexibility, and beneficiary options before making a transfer decision.
- Make sure the rollover fits your broader retirement income, tax, and estate planning strategy rather than treating it as a stand-alone transaction.

### **Deadline and transfer checks**

- Use a direct custodian-to-custodian or trustee-to-trustee transfer whenever possible.
- Avoid taking possession of the funds unless there is a clear reason to use an indirect rollover.
- If you do receive a check, confirm the 60-day deadline immediately and document the deposit date.
- Remember that mandatory withholding may apply to eligible employer plan distributions if the rollover is not handled directly.
- Verify that the check is payable to the correct receiving custodian and account registration.

### **Tax and account-type checks**

- Confirm whether the assets are pre-tax, Roth, after-tax, or a mix before opening or funding the receiving account.
- Do not deposit rollover funds into a taxable brokerage account by mistake if the goal is to preserve tax deferral.
- Do not treat a rollover deposit as a regular annual IRA contribution.
- Check whether company stock inside a 401(k) should be reviewed for a potential Net Unrealized Appreciation (NUA) opportunity before any rollover occurs.
- Coordinate any rollover with planned Roth conversions, required minimum distributions, and your current tax bracket.

## **Beneficiary and inherited IRA checks**

- Review primary and contingent beneficiary designations before and after the rollover.
- Update beneficiaries after marriage, divorce, remarriage, birth, death, or estate plan changes.
- If you inherited an IRA and are not a spouse, do not take a check without first confirming the transfer rules and tax consequences.
- If you are a surviving spouse, compare the pros and cons of treating the account as your own, rolling it into your own IRA, or keeping it as an inherited IRA.
- Coordinate retirement account beneficiary designations with wills, trusts, and your overall estate plan.

## **New Jersey and Pennsylvania checks**

- If you live or work in New Jersey, review how RetireReady NJ or New Jersey state tax treatment may affect your planning.
- If you live or work in Pennsylvania or the Philadelphia area, check whether local or state retirement program developments could affect future savings coordination.
- If you work in one state and live in another, confirm the state-tax impact before completing the rollover.

## **Final review before signing paperwork**

- Double-check account number, title, custodian name, and tax registration on every transfer form.
- Save copies of forms, confirmations, statements, and any checks issued during the process.
- Ask whether this rollover creates any impact on your investment allocation, cash flow plan, or near-term withdrawal needs.
- Get guidance before moving funds if the account involves inherited assets, company stock, trust beneficiaries, or a recent life event.

## **Read the full guide**

For a deeper explanation of these issues, read our full article: [11 IRA Rollover Mistakes That Can Derail Retirement](#) in the Retirement, Social Security and Medicare section.

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