

# OPTIONS FOR YOUR 401(K): WHICH DIRECTION IS RIGHT FOR YOU?

With the forced changes on the horizon, we wanted to take a moment to make sure you have a solid understanding of the options you have with your retirement plan.



## **Transfer the Money Into Your New Employer's Plan:**

Consolidate all retirement funds into one account. You will direct your funds to new investment options within your new employer's plan once that is established.



## **Move to IRA with Current Plan Provider:**

If you do not initiate a rollover, your account may be placed in an IRA with your previous employer's plan provider. (This applies to accounts with balances between \$1,000 and \$5,000).



## **Cash-Out of the Plan:**

Cash-Out allows you to have immediate access to the money in your retirement account, but this is a taxable event. You will be responsible for paying taxes at your current income tax rate on the money withdrawn, plus, you will be subject to a 10% penalty if you are under 59 1/2 years old. You also won't have this money to spend in retirement.



## **Leave your Money in the Current Plan:**

If you have over \$5,000 in your retirement account, you can leave your money in the plan. This approach gives you the ability to continue using the investments that are in the existing plan.



## **Rollover to Existing or New Individual Retirement Account (IRA):**

This approach gives you the flexibility to manage your account with numerous investment options, the ability to add additional money to the account, and accessibility to the funds if you need them (subject to taxes and penalties if applicable).



## **Forced Cash-Out:**

If you do not initiate a rollover, funds in your account will be distributed by the plan provider by check to you minus applicable taxes. (This applies to accounts with balances between \$0 and \$1,000).

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