

RETIREMENT PLANNING

ARE YOU ROLLING A 401(K) ACCOUNT INTO AN IRA?

We have included a list of items to consider when deciding whether to roll your 401(k) into an IRA or keep them in your current 401(k) account.

401(K): EMPLOYER-SPONSORED

Delaying RMDs: required minimum distributions are not required if you are still employed past age 72

Access dollars earlier: participants who separate from service with their employer may be able to begin taking penalty-free distributions at 55 vs 59 ½ with an IRA

Employer stock: rollover to an IRA could result in loss of the ordinary income exclusion for net unrealized appreciation

IRA: INDIVIDUAL RETIREMENT ACCOUNT

Control of the account: IRA account decisions are made by you – not your employer

Distributions: IRAs typically offer more flexibility for withdrawals than 401(k) accounts

Former employer relationship: rolling a 401k into an IRA normally does not include ongoing communication with prior employers

Consolidation: rolling over to an IRA enables participants to consolidate accounts

Wider investment selection: there are more investment options in an IRA account