2023 · SHOULD I ROLL OVER MY DORMANT TRADITIONAL 401(K)?

Start Here



After reviewing your Now consider if any of ↔ Summary Plan Description You have a 401(k) loan. these scenarios might None applies. Your account holds and investment options, If rolled over, the balance of apply to your situation: company stock. There may are you satisfied that your the loan should be repaid be special tax benefits plan is well-managed and by the due date of your tax utilizing Net Unrealized meeting your needs? return for the year you left Appreciation options. You want the option to your employer (including contribute to this account in the future. Yes No You could simplify the You are taking an RMD Consider rolling the or will soon reach your process by consolidating You can only contribute company stock into a Consider rolling the RMD age. 401(k)s and IRAs. taxable brokerage account to an active 401(k) 401(k) into an active to minimize taxes. account. 401(k) or IRA. Substantially Equal Consider rolling the Periodic Payments. You Consider leaving your Now consider if any of 401(k) into an active may be able to elect a You will pay ordinary account where it is. these scenarios might 401(k) or IRA. series of withdrawals from income tax on the basis of apply to your situation: your 401(k). the shares (and a 10% penalty if under 59.5). You are over the age of 59.5 and want income. Consider making this You are younger than 59.5 election if allowed under Distributions are taxable as and want income. ordinary income but there your plan, or rolling the 401(k) into an IRA to make is no 10% penalty. Distributions from a 401(k) 1) You left your employer the election. or IRA are taxable as at the age of 55 or older. Consider these four options: ordinary income but there 2) You are age 50 or older, is no 10% penalty. and you are a public Hardship withdrawal. This Rollover to an IRA. service employee feature is only available if Distributions from an IRA (including state/local rolled into an active 401(k) are taxable as ordinary Distributions are taxable Take a loan. Loans are not correctional officers. account and only applies to income and may be subject as ordinary income but available from dormant private sector firefighters, qualifying expenses. there is no 10% penalty. to a 10% penalty. 401(k) accounts. or forensic security employees). 3) You are under the age of 50 but Consider leaving the assets are a public service Consider rolling the 401(k) Consider rolling the 401(k) employee with 25+ years Distributions are taxable as at the 401(k) as you may into an active 401(k) account into an active 401(k) that ordinary income and may of service for a single qualify for a "separation that allows for hardship allows for loans. be subject to a 10% penalty. from service" distribution employer. withdrawals.

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Get in touch to schedule an introductory meeting today!

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