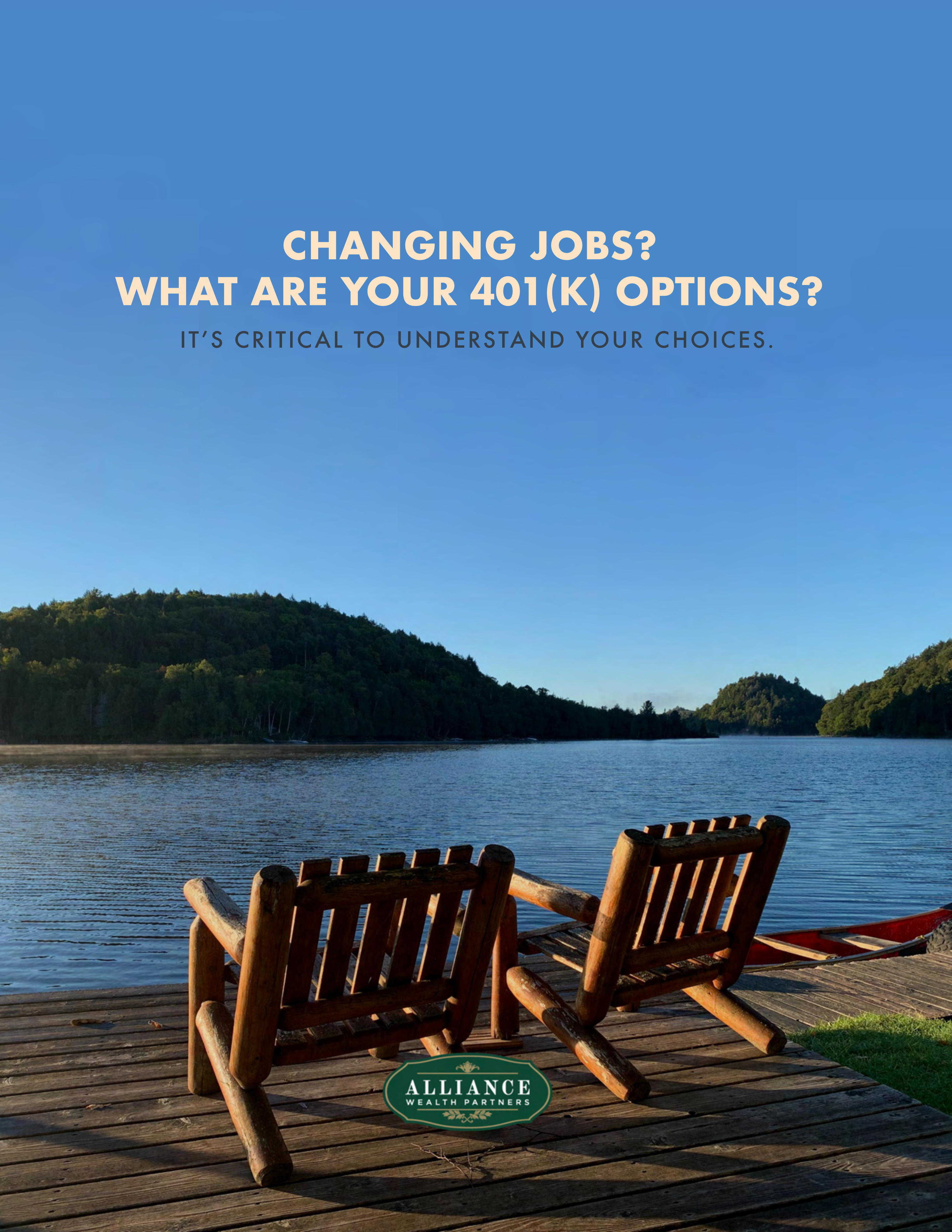
CHANGING JOBS?
WHAT ARE YOUR 401(K) OPTIONS?

IT'S CRITICAL TO UNDERSTAND YOUR CHOICES.



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Changing Jobs? What Are Your 401(k) Options?

Are you changing jobs? Retiring? You may be wondering what to do with your 401(k).
It's critical to understand your options.

WHAT WILL I BE ENTITLED TO?

If you leave your job, you'll be entitled to a distribution of your vested balance. This includes your own contributions and typically any investment earnings on those amounts. It also includes employer contributions that have satisfied your plan's vesting schedule.
It's important for you to understand how your particular plan's vesting schedule works because you'll forfeit any employer contributions that haven't vested by the time you leave your job.

OPTION 1: CASHING OUT YOUR ACCOUNT

Your first option is to take distribution of your 401k's account balance.
If you take a distribution, you'll be taxed at ordinary income tax rates on the entire amount of the distribution . This can place you in a higher tax bracket. And, if you're not yet 55 years old, an additional 10% penalty may apply to the taxable portion of your payout.

OPTION 2: LEAVE IT WITH YOUR PREVIOUS EMPLOYER

If your vested balance is more than $5,000, you can leave your money in your employer's plan. This is commonly used and is the easiest option. This choice potentially provides access to lower cost institutional investment options. In addition, 401(k)s are generally protected from creditors and legal judgements. We've seen a number of people lose sight (and forget) about their previously-invested money. This can potentially lead to an allocation misaligned with your current needs, and an asset disconnected from your financial goals. You will continue to have to abide by your previous employer's guidelines. You are subject to the plan's investment and distribution options. And finally, you will continue to be subject to the plan's fees and expenses.

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OPTION 3: ROLL OVER TO MY NEW EMPLOYER'S 401(K) PLAN

Rolling your 401(k) from your former employer to your new company's plan consolidates your old 401(k) with the new one. Your former employer's plan must allow you to make a Direct Rollover (also called a Custodian-to-Custodian Rollover) to another employer's 401(k) plan. As the name suggests, in a Direct Rollover the funds pass directly from your 401(k) plan custodian to the custodian of another employer's 401(k) plan. Completing a rollover to your new employer's 401(k) plan means you're likely to be keeping a closer watch on these retirement assets as you contribute to the new plan. Additionally, many employer-sponsored plans allow loans. This feature is not available to IRAs. As with your former employer's 401(k), your investment options are generally restricted to those provided by the new plan. A selection of mutual funds are typically the only investment choices available, along with company stock in select instances. The new plan's fees and expenses will apply as well. However, the employer's plan may offer lower cost institutional investments.

OPTION 4: ROLL OVER TO AN IRA

Typically, IRAs provide a larger selection of investment choices compared to 401(k) plans. IRA owners can pick from numerous mutual funds, individual stocks, and other investment options to create a tailored portfolio serving their unique goals. An IRA may also provide you more flexibility with distributions. Distribution options in a 401(k) plan are dependent on a particular plan's terms. With an IRA, the timing and amount of withdrawals is generally at your discretion until age 72. You must start taking Required Minimum Distributions from a traditional IRA at that time. Furthermore, rolling a 401(k) into an IRA could consolidate your investments. This helps streamline portfolio management and often makes it less likely assets will be forgotten. Financial services firms and their representatives generally earn commissions or other fees and compensation as a result of your decision to fund an IRA at their firm.

Vesting schedules are plan-specific and can be difficult to understand. Alliance Wealth Partners can help make sense of your plan's guidelines if needed.
Roth 401(k) and after-tax contributions are non-taxable.

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KNOW THE COSTS

When evaluating whether to initiate a rollover, ask about possible surrender charges imposed by your employer plan or new surrender charges that your IRA may assess. Compare investment fees and expenses charged by your IRA with those charged by your employer plan. Finally, be sure to understand any accumulated rights or guarantees that you may be giving up by transferring funds out of your employer plan.

THE DECISION IS YOURS

So, what's the best choice for you? That's a complex question. If you'd like to learn more about your options, the next step is easy. Click the link in the email or give us a call at 864-591-1099 to schedule a no-cost, introductory call today.

	OPTIONS			
CONSIDERATIONS	LEAVE THE MONEY IN FORMER EMPLOYER'S PLAN	ROLLOVER THE ASSETS TO NEW EMPLOYER'S PLAN	ROLL OVER TO AN IRA	CASH OUT THE ACCOUNT VALUE
INVESTMENT OPTIONS	Limited	Limited	Unlimited	N/A
FEES AND EXPENSES	Plan specific	Plan specific	Firm or product specific	Closing penalty and taxes
SERVICES	Limited	Limited	Comprehensive	None
TAX IMPLICATIONS	None	None	None, if direct rollover	Penalties and taxes
PROTECTION FROM CREDITORS AND LEGAL JUDGMENTS	Yes, generally	Yes, generally	State specific	No
REQUIRED MINIMUM DISTRIBUTIONS (RMDS)	Required at RMD age	May be able to delay beginning date	Required at RMD age	N/A
EMPLOYER STOCK	Yes	Plan specific	Yes	NUA special rules

Retirement account assets in an employer-sponsored retirement plan. Neither the list of factors above nor the information in the chart is meant, and should not be construed, to be exhaustive. Be sure to consider all of your available options and the applicable fees and features for reach option before moving your retirement assets.

Financial services firms, such as banks, broker-dealers and investment advisers, and their representatives, generally earn commissions or other fees and compensation as a result of your decision to fund an IRA at their firm. In contrast, your decision to leave your savings in your former employer's plan or to roll over to a new employer's plan likely results in little or no compensation for such a firm or its representatives. Thus, it is important for you to understand that any financial professional (including your Raymond James representative) who discusses options with respect to rolling over your plan savings into an IRA at their firm benefits financially if you move your assets to the firm.

Any opinions are those of the author and not necessarily those of Raymond James. Expressions of opinion are as of this date and are subject to change without notice. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Past performance is not a guarantee of future results. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

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