

ROLLOVER STRATEGIES FOR 401(K)S



THE RETIREMENT GROUP^{LLC}
PARTNERS IN RETIREMENT

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Here's what we do

NO NEED TO WORRY.

We'll help you plan for your retirement with our three-part philosophy.

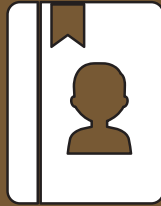
We've been working with Corporate retirees and pre-retirees for the last 20 years. We know the process and we can help you weigh your options for retirement. We know what to expect and will help personalize a plan for you. Now, here are some things you should expect when working with us. These are the cornerstones of our identity as a firm.



We offer our clients our



BEST ADVICE



EXCELLENT SERVICES



DEDICATION

Our three-part retirement -planning
philosophy



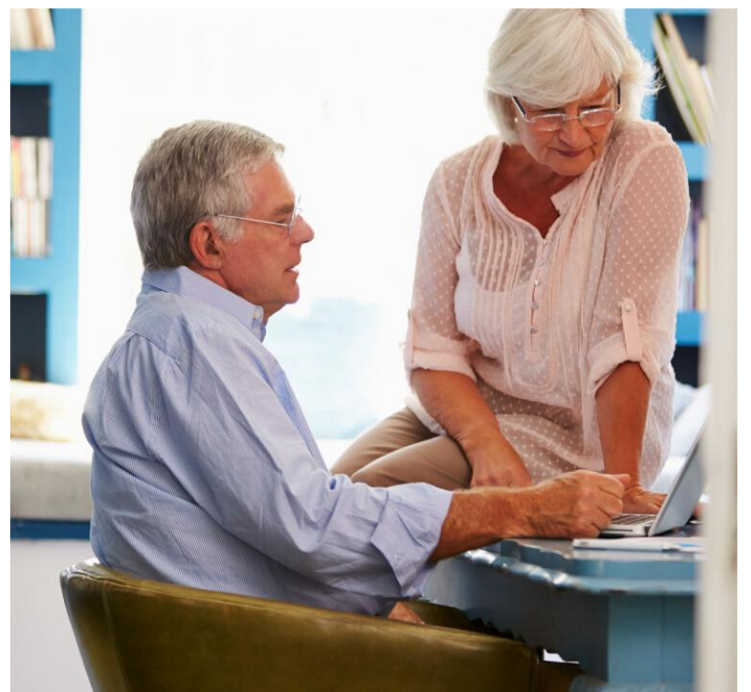
INCOME



LIQUIDITY



GROWTH



Did you leave something behind at your last job?

No, not your favorite stapler. Something much more important. Something that could impact your retirement and your financial future.

Did you leave your 401(k) plan behind?

If so, you're not alone. Leaving a job can be hectic. During the transition, it's easy to forget about your retirement plan. The good news is that it's never too late to do something about it! You have a few options for managing your old 401(k) plan.

" More than 15 million Americans currently have a 401(k) plan with an ex-employer.1 "

<https://www.forbes.com/forbes/2010/0607/investing-roth-ira-conversion-fidelity-tax-rothify-401k.html#776of7a6e27c>



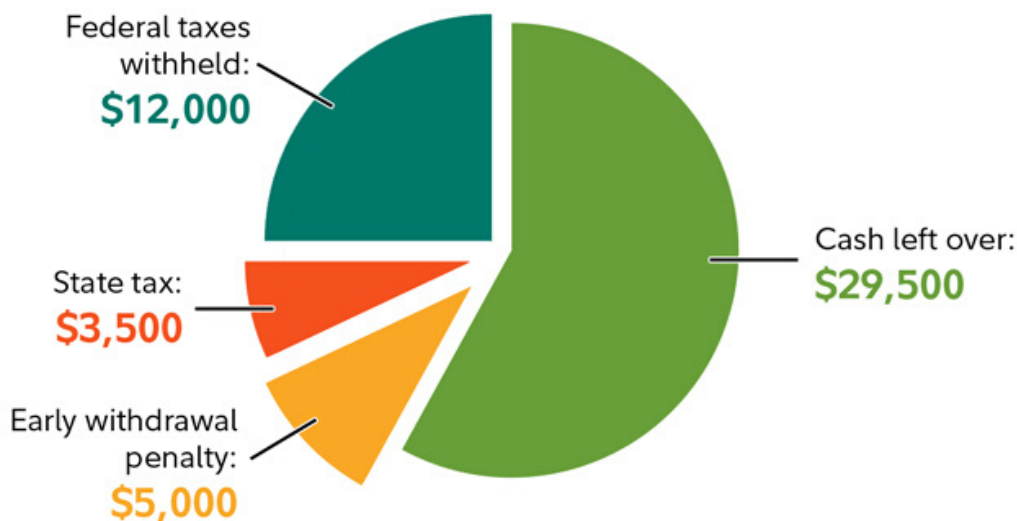
★ Cash it out

Many people choose to cash out their 401(k) plan when they leave their employer. It's easy to see why this is tempting. Many people view that 401(k) plan balance as "bonus" money. They use it to pay bills, buy something special or simply boost their savings account.

Despite the temptation, cashing out a 401(k) isn't wise, especially if under age 59 1/2. First, taxes must be paid on the amount withdrawn. Second, if under age 59 1/2, there's a ten percent withdrawal penalty on top of taxes.

The combined taxes and penalties may use up a big portion of the 401(k) balance. You can avoid this by moving the money into a qualified vehicle.

A \$50,000 cash-out prior to age 59½ could cost \$20,500 in penalties and taxes



Source: <https://www.google.com/url?q=https://www.fidelity.com/viewpoints/retirement/cashing-out&sa=D&ust=1572457676579000&usg=AFQjCNFzgFOeAhNmaJU16MxhkQ63LIDVrA>



★ Leave it at your former employer

If the balance is below a certain threshold, like \$500, the plan custodian may automatically cut a check for the balance. However, outside of this situation, it's possible to leave the money in the plan indefinitely.

Things to consider if you leave the money in the old 401(k) plan include any inconveniences that may come with working with the former employer. First, if you ever want to change the product or access the money for any reason, navigating the old employer's 401(k) platform, and possibly the human resources portal, may be challenging.

It could also create a problem for your beneficiaries. If you pass away, your beneficiaries will need to file death-benefit claims with your retirement contract custodians. Will they know you have a 401(k) plan?

"If you cash out your 401(k) before the age of $59\frac{1}{2}$ you may be subject to a 10% withdrawal penalty.2"



Speak to a
Financial Advisor
Today!!!



★ Transfer it to your new employer

You may have the option to transfer the money into your new employer's 401(k) plan. However, not all employers allow a rollover from a previous employer. This option allows for easier tracking and the continuance of tax-deferred interest potential. However, your 401(k) investment options may be limited when compared to an IRA and you may be subject to your new employer rules, management fees and transaction limits.

★ Roll it into an IRA

Roll money out of the old 401(k) plan into an IRA with no penalties or tax liability. Utilizing the rollover allows more control of your funds. 401(k) plans may offer limited investment options, whereas in an IRA, it is possible to select from a wide variety of financial and insurance products.

<https://www.fidelity.com/building-savings/learn-about-iras/401k-rollover-options>





★ Roll it into an Annuity

An annuity is a tailored insurance product that's offered by life insurance companies. It has many of the same tax advantages of a 401(k) or traditional IRA. Your money grows tax-deferred and you can take tax penalty-free withdrawals after age ⁵⁹1/2. Annuities have other benefits you won't find in a 401(k) or an IRA such as:

<https://www.annuity.org/retirement/401k-ira-annuity-rollover/>

!! By 2017, annual IRA rollover contributions should surpass \$ 450 billion.³ !!

A traditional IRA works much like a 401(k) plan. Your money grows tax-deferred until you make withdrawals. If you wait until after age 59 1/2 to withdraw the money, you avoid paying a 10 percent early withdrawal penalty. At age 70 1/2, you are required to start making withdrawals. Within an IRA, you can use your money to purchase nearly any type of asset including stocks, bonds, real estate, gold, international stocks and more. You can even opt for guarantees and purchase a fixed annuity or keep the money in cash or CDs.



Lifetime Income

Annuities generate streams of income you can't outlive. Immediate annuities convert your savings into an immediate income stream that can last a lifetime and are guaranteed by a life insurance company. A fixed deferred annuity allows your premium the opportunity for growth prior to the guaranteed income stream beginning.

Guarantee of principal

With fixed annuities, you are guaranteed to get back your initial premium amount. Fixed annuities offer no downside market risk and pay a fixed interest rate every year.

<https://www.investopedia.com/terms/a/annuity.asp>





Topics include:

- Collect Social Security Benefits
- Learn about Required Minimum Distributions
- Set up a Withdrawal Strategy
- Review Assets Allocation

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