What should you do with a retirement account from a past job?

Use this chart to help see which options match your wants and needs.

	Roll to an IRA	Keep money where it is[1]	Move to a new employer plan
I want to keep my savings invested. You'll keep the same tax advantages and stay open to potential market growth.	✓	✓	✓
I want to add more money to the account. Once you leave an employer, you can't add money to that account.	✓	–	✓
I like the investments I have today. If you leave your money in the plan, you'll keep the same investment options. You may be able to choose similar investment options in an Individual Retirement Account (IRA) or new employer plan.	Varies by account	✓	Varies by plan
I'd like to choose from a wider range of investment options. IRAs typically offer more investment options to choose from than employer plans.	✓	Varies by plan[2]	Varies by plan[2]
I want help picking investments and managing my account. IRAs may offer investment advice and ongoing account management.	✓	Varies by plan	Varies by plan

[1] If your account balance is below a certain dollar amount set by the plan, you may not be allowed to leave your savings in the plan.
[2] Your plan may offer brokerage windows, which could provide additional investment options.

	Roll to an IRA	Keep money where it is	Move to a new employer plan
I want to combine multiple accounts into a single account. Some people combine retirement accounts to simplify managing their savings. An IRA lets you roll in outside accounts; a current employer plan may allow this.	✓	–	Varies by plan
I want to be able to borrow money from my account. You might be able to take a loan from a current employer's plan, but not your former employer's plan or an IRA (though you might be able to withdraw IRA contributions for certain expenses).	–	–	Varies by plan
I want to retire and withdraw money as early as age 55. You may be able to start withdrawing money from an employer plan penalty free at age 55 if you leave your job. With an IRA, you have to wait until age 59½ (with a few exceptions).	–	✓	✓
I want my retirement savings account to belong to me individually. An IRA belongs to you and isn't tied to your job (past or present).	✓	–	–

Thinking about cashing out?

It can be tempting to take your savings as a lump sum, but there are consequences:

- You might lose up to 30% of your account to taxes and penalties.
- You'll miss out on any future growth or earnings.
- It may move you to a higher tax bracket, so you might have to pay more in taxes.

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833.224.5660 or info@oswaldfinancial.com

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