



PLATTE RIVER
PRIVATE WEALTH

UNDERSTANDING YOUR OPTIONS

IS A 401(K) ROLLOVER RIGHT FOR YOU?

When you leave an employer, you typically have four choices for your retirement plan. Each option has advantages and disadvantages, and the right decision depends on your personal situation. Here's what to consider:



LEAVE THE MONEY IN YOUR FORMER EMPLOYER'S PLAN (IF PERMITTED)

Pros:

- Your money stays in a tax-advantaged account.
- You may have access to institutional investment options with lower fees.
- No immediate action required.

Cons:

- Limited control over investment choices.
- You'll need to manage multiple accounts if you change jobs again.
- Communication can be harder once you're no longer an employee.

ROLL OVER TO YOUR NEW EMPLOYER'S PLAN (IF AVAILABLE AND ROLLOVERS ARE PERMITTED)

Pros:

- Consolidates your retirement savings into one account for easier management.
- Maintains tax-deferred status.
- May offer strong investment options and lower fees.

Cons:

- Your new plan may have limited investment choices compared to other options.
- Some plans have higher administrative fees.
- Requires paperwork and coordination between providers.



A Roll-Over Example

Let's say Jordan has three old 401(k)s from previous jobs. Each account has a different investment mix, and one of them charges high annual fees. Jordan rarely checks those accounts and isn't sure how they're performing.

By rolling all three into their current 401(k), Jordan now has:

- One login
- One investment strategy
- Lower fees
- A clearer view of total retirement savings

This simple move can make a big difference, not just in organization, but in long-term growth.

ROLL OVER TO AN IRA

Pros:

- Broad range of investment options and flexibility.
- Potential for lower fees depending on the provider.
- Maintains tax advantages.

Cons:

- IRAs generally lack loan provisions that some employer plans offer.
- You'll be responsible for managing investments and fees.
- Risk of losing certain creditor protections available in employer plans.

CASH OUT THE ACCOUNT VALUE

Pros:

- Immediate access to funds.

Cons:

- Taxes and potential penalties can significantly reduce your balance.
- You lose future tax-deferred growth.
- May impact long-term retirement security.

WHY PEOPLE CONSIDER CONSOLIDATION

Managing multiple accounts can be inconvenient. You might face:

- Different investment strategies across accounts
- Overlapping or redundant fund choices
- Forgotten login credentials or outdated contact info
- Multiple statements from different providers

Consolidation—whether into your new employer's plan or an IRA—can simplify things, but it's not the only option. Each choice has trade-offs, so it's important to weigh them carefully.

**We're Here
to Help!**



To get started, **scan the QR Code** above
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