## 2024 · 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 extensions). in the future. No Yes You are taking an RMD or will soon reach your You can only contribute RMD age. to an active 401(k) account. Substantially Equal Now consider if any of Consider leaving your Periodic Payments. You these scenarios might You will pay ordinary account where it is, but may be able to elect a apply to your situation: income tax on the basis of be mindful of automatic series of withdrawals from the shares (and a 10% distribution rules that your 401(k). penalty, unless an may apply (if your exception applies). balance is under \$5,000). 1) You left your employer at the age of 55 or older. 2) Consider making this You are younger than 59.5 You are age 50 or older, and election if allowed under Distributions are taxable as and want income. you are a qualified public your plan, or rolling the ordinary income but there safety employee (including 401(k) into an IRA to make is no 10% penalty. You are over the age of state/local correctional the election. officers, private sector 59.5 and want income. Consider these four options: firefighters, or forensic security employees). 3) You Hardship withdrawal. This are under the age of 50 but feature is only available if Distributions from a 401(k) are a qualified public safety rolled into an active 401(k) or IRA are taxable as employee with 25+ years of Take a loan. Loans are not account and only applies to ordinary income but there service for a single available from dormant qualifying expenses. is no 10% penalty. employer. 401(k) accounts. Distributions are taxable Consider leaving the assets as ordinary income and Distributions are taxable at the 401(k) as you may may be subject to a 10% as ordinary income but penalty (unless an qualify for a "separation there is no 10% penalty. from service" distribution. exception applies).



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