

Rollover Options

When you change jobs or retire you have several choices when deciding what to do with your 401(k) from a former job. While you may cash out a portion or all of the money in the plan, this can be costly as the funds withdrawn may be subject to ordinary income taxes and potentially a 10% penalty.

Generally, there are three options that are important to consider before making a decision. At Heirloom Wealth Management we think it is important to understand how your choice effects your Live Well Plan. With an in depth knowledge and understanding of your personal situation your advisor is well positioned to educate you on your options and how your choice effects your plan.

Below are some factors for you to consider in side a by side comparison. While there are many other things to consider this is a good starting point:

Features:

	Option 1: Roll Over to an Heirloom Wealth Management IRA	Option 2 : Roll Over to New Employer Plan	Option 3: Stay in Previous Retirement Plan
Investment choices	Nearly limitless, you may work with your advisor to tailor your investments to your specific goals. Select from a wide range of options including stocks, mutual funds, ETF's and FDIC insured CD's. Costs depend on underlying investments and may also include an advisory fee or other costs.	Your options are limited by the plan's investment choices. Some plans have low cost investment options. There may be additional expenses.	Your options are limited by the plan's investment choices. Some plans have low cost investment options. There may be additional expenses.
Can I continue contributing?	Yes	Depends on the plan	Depends on the plan
Is consolidation of multiple accounts and option?	Yes	Yes	No
What if I hold appreciated employer stock in the plan?	Special tax treatment may be available for Net Unrealized Appreciation "NUA", consult a tax advisor for more info	Special tax treatment may be available for Net Unrealized Appreciation "NUA", consult a tax advisor for more info	Special tax treatment may be available for Net Unrealized Appreciation "NUA", consult a tax advisor for more info
Are my assets protected from creditors?	Federal protection applies, but state law varies	Yes	Yes

Loans and Withdrawals:

	Option 1: Roll Over to an Heirloom Wealth Management IRA	Option 2 : Roll Over to New Employer Plan	Option 3: Stay in Previous Retirement Plan
Is my account eligible for loans?	No	Depends on Plan	Almost always NO after seperation
Can I withdraw penalty free for a qualifying first home purchase or college expenses?	Yes	Yes	No
Can I defer required minimum distributions past age 73?	No	Yes, if you do not own more than 5% of the company	No