

HELP ENHANCE YOUR 401(k) WITH AN IN-SERVICE WITHDRAWAL



As you continue to save for retirement, you may be looking for additional investment opportunities that offer the potential for security and longevity. One such strategy, not commonly discussed by your employer, is an in-service withdrawal.

You may know that you can move your accumulated money from your employer-sponsored plan, such as a 401(k) or a 403(b), into an IRA when you leave your employer. However, an in-service withdrawal provides the opportunity for you to move your retirement investments while still employed with the company.

How Does an In-Service Withdrawal Work?

An in-service withdrawal may be made from a qualified plan account before the holder experiences a triggering event, such as retirement or termination of employment. In some cases, companies may allow active employees to move funds from an employer-sponsored qualified plan, which could potentially allow you to leverage your 401(k) plan while increasing diversification, reducing cost, and mitigating risk within your retirement portfolio.

What are Some Advantages of an In-Service Withdrawal?

Additional Investment Choices

Your options are no longer limited to your company's plan, meaning you can invest your assets into other options apart from your 401(k).

Help Insulate From Risk

By separating your investments from your employer, you may be able to protect your retirement funds from market volatility, such as fluctuating company stock prices, depending on the product.

Beneficiaries Possibilities

Depending on how you invest your assets, your beneficiary options may be broader outside of your 401(k).

Tax Benefits with Direct Transfer

If you roll your 401(k) funds directly to a traditional IRA, you are not required to pay federal income tax at the time of the rollover, nor will the plan be required to withhold 20% of the distribution for federal income tax withholding at that time, or possible state withholding. If you elect to invest your 401(k) funds into a non-qualified investment, taxes are payable upon withdrawal and a 10% early withdrawal penalty may apply to any withdrawal prior to age 59 ½. Some companies may impose penalties, including charges and suspension of plan contributions on participants for non-hardship employee withdrawal.

Guaranteed Retirement Income Stream

With your funds outside of your company's 401(k) plan, you may be able to reposition those assets in insurance products that offer guaranteed retirement income. Guarantees are backed by the financial strength and claims paying ability of the issuing insurance company.

Professional Guidance

With your employer-sponsored plan, you may not have the option for working with a financial professional that can help you invest and grow your assets.

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Take the Next Steps to Maximize Your Retirement Savings

Before making a decision that will impact your financial future, we believe it is important to seek professional guidance. Sitting down with a professional will help identify any risks, fees or charges and ultimately help determine if an in-service withdrawal is right for you.

Your financial future is important to us. We encourage you to explore any opportunities that may enhance your retirement savings.

To discuss the next steps and determine what strategies are right for you, contact our office for a free, no-obligation, retirement analysis.



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