

# 401(k) Options After a Job Loss

**Few life events are more stressful than a job loss.**

If you or someone you know is in this situation due to COVID-19, you'll likely have several questions about job hunting, unemployment insurance, and health care. You may also be wondering, "What should I do with my 401(k)?"

People leaving an employer typically have four options with their 401(k) retirement plan, but it's not an all-or-nothing decision.



Depending on your situation, it may be possible to engage in a combination of these options:

- Leave the money in your former employer's plan, if permitted
- Roll the assets over to your new employer's plan, if one is available and rollovers are permitted
- Roll the assets into an Individual Retirement Account (IRA)
- Cash out the account value

Each choice offers advantages and disadvantages. If you are uncertain what action to take with your retirement accounts, please reach out. Over the years, we've found the best financial decisions are the ones that consider all available options.

You also may have heard that the CARES Act waives the 10% early withdrawal penalties on 401(k) plans, giving some account owners up to three years to replace what they took out.

Remember, this new legislation may not cover loans unrelated to the COVID-19 crisis.

If you have questions about what rules apply, you may want to get in touch with your former employer's human resource team. As always, we are here to help, too.

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Before deciding whether to retain assets in a 401(k) or roll over to an IRA, an investor should consider various factors including, but not limited to, investment options, fees and expenses, services, withdrawal penalties, protection from creditors and legal judgments, required minimum distributions and possession of employer stock. Please view the Investor Alerts section of FINRA website for additional information.