

WHAT HAPPENS TO MY 401(K) WHEN I LEAVE THE COMPANY?

When you leave an employer, you generally have four options for handling the money in your retirement plan:

1. **LEAVE THE MONEY IN YOUR FORMER EMPLOYER'S PLAN.** (Note: be aware of forced distribution options for balances between \$1,000 and \$5,000.)
2. **TRANSFER THE MONEY TO YOUR NEW EMPLOYER'S PLAN.** Check with your new employer, as each plan has its own rules for what assets it will accept.
3. **TAKE THE MONEY AS CASH.** The downside is that you'll pay substantial taxes, including a 10% penalty tax if you're under age 59½ not to mention putting your future retirement needs at risk. Cashing out prior to retirement is highly discouraged.
4. **ROLL OVER THE MONEY INTO AN INDIVIDUAL RETIREMENT ACCOUNT (IRA).** With an IRA tax benefits are preserved (i.e., taxes on your earnings are deferred until withdrawals taken at retirement). To learn more contact 401khelp@hubinternational.com.