

## 4 Things You Should Consider When Rolling Over an Old 401(k) Account

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Starting a new job is generally exciting. Yet, job transitions can be difficult. There are a lot of moving parts to keep track of; signing up for a new health insurance plan, setting up direct deposit, figuring out how many vacation days you have, and even learning the dress code. Sometimes lost in the shuffle is your 401(k) account still left in your previous employer's 401(k) plan. You did the right thing by contributing into it with discipline. Now what should you do with it? More than likely, your options are: to leave it in your previous employer's plan, to roll it into your new employer's 401(k) plan, to roll it into an IRA, or to cash it out. While there are pros and cons to each option, here are the four primary\* factors you should consider:

### 1. Investment Options

IRAs generally offer a wider range of investment options than a 401(k) plan. On the flip side, being in a 401(k) plan may avail you of share classes, pre-constructed models, or investment options that are not available to you individually. You should be able to find appropriate investments in either investment vehicle, but this is something to be aware of.

### 2. Fees

Depending on the size of your 401(k) plan and the providers your employer chose, your 401(k) plan may cost upwards of 2% of your account balance every year (but hopefully much less)! You can obtain a 401(k) participant fee disclosure from your HR manager. IRA fees vary by provider as well, but tend to be less than 401(k) fees. Seek low-fee IRA providers like [Charles Schwab](#) or [Vanguard](#).

### 3. Services Provided

Most 401(k) plans have a financial adviser attached to them as well as tools and resources designed to help financially prepare you for retirement. Pulling your assets from a 401(k) plan will result in no longer having access to those resources. You are generally on your own in an IRA, unless you have a personal financial adviser managing your account. In that case, the adviser likely would request you roll into an IRA so that they can access your account.

### 4) Account Consolidation

While it is perfectly fine to have several different retirement accounts, you may want to keep your retirement savings together in one account for simplicity or to keep you from forgetting that you had an account with an old employer, like thousands of other Americans have done over the years.

Determining which of these factors is most important to you will help make rollover decision relatively easy. And remember – cashing out is almost never the best option.

*\*There are other factors to consider but for the sake of simplicity most people need only look at these considerations.*

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