

Changing Jobs? Know Your 401(k) Options



As you navigate a job transition, you may be wondering what to do with your 401(k)/403(b) account. Saving for retirement is important, and we encourage you to carefully consider how best to maintain your balance and continue saving toward your retirement goals. It's important to understand your options. You may want to consider the options for your balance as outlined below.

1. Direct Rollover:

You may elect to receive your total investment (excluding any outstanding participant loan balance) as a direct rollover to an IRA or to a qualified plan (e.g. plan with a new employer, for example). You will not be taxed at this time on Direct Rollover amounts; they will be taxed when you take a distribution later (presumably in retirement).

2. Lump Sum Payment:

You may elect to receive your total investment (excluding any outstanding participant loan balance) made payable directly to you. Payments made to you are subject to 20% mandatory tax withholding and may also be subject to a 10% pre-payment penalty if you are younger than age 59½.

3. Partial Lump Sum Payment and Partial Direct Rollover:

You may elect to receive your investments (excluding any outstanding participant loan balance) in a combination of a payment to you, and a direct rollover to an IRA or other qualified plan.

4. Leave Balance in the Plan:

You may elect to leave your balance in the current plan, even if you are separating from the employer.

For questions regarding your retirement plan account and your options during employment transition, call SRP @ 866-777-4015 x2 or email plantoday@srpretire.com.

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