



Why Roll 401(k) to IRA?

The prospect of turning retirement savings into retirement income can be really exciting! It means you're close to calling it a career, and getting ready to move into the next phase of life. At this point it's important to understand your retirement account options, even if you're still a few years away from retiring. Here are three strategic benefits of rolling qualified retirement account money into an IRA:

Increased Investment Choices

While 401(k)s offer attractive tax benefits, your investment choices are often limited to a few options chosen by the custodian and your employer. A rollover to an IRA allows you to reinvest your money in a wider variety of investment options, such as stocks, bonds and ETFs. It also provides you with flexibility in buying and selling your holdings without penalty whenever you want to rebalance your portfolio.

Simpler Communications

Leaving your 401(k) with your previous employer may make it harder to contact an account admin or receive the latest account communications. Rolling multiple 401(k)s into one IRA reduces the complexity of juggling several workplace accounts and makes accessing information easier.

Decreased Fees and Costs

It's common for employer-sponsored 401(k) plans to offer mutual funds that can impose higher management fees, which can add up over time. But the fees don't necessarily make a 401(k) a bad deal: 401(k) contribution limits are three times higher than an IRA, plus you often receive an employer match. Those two benefits can outweigh the management fees you may encounter in a 401(k) fund lineup.

These are just some of the benefits of rolling over a 401(k) into an IRA. We specialize in helping households transition from working years to retirement, so contact us today to discuss the best rollover options for you!