

Have a 401(k) at a former employer?

What to do?



WHITE OAK
FINANCIAL MANAGEMENT, INC.

A Registered Investment Advisor

Four choices: which is right for you?

Know the pros & cons of each so you can learn which is right for you.*



1 Leave your 401(k) where it is

For people 55 and older, leaving the plan where it is may provide opportunities to take penalty-free withdrawals before age 59 1/2, although ordinary income tax would apply.



For larger company plans, fees can be lower.

Many 401(k) plans limit the number of investment choices available to participants.



You may lose some of the benefits of active participants, such as the ability to take a loan or other limitations.

2 Rollover Your 401(k) to a New Employer's Plan

For many people, it is easier to manage their retirement assets if they are all in one place, but check to make sure the new plan accepts rollovers.



Some employer-sponsored plans allow you to defer required minimum distributions (RMDs) if you are still working.

For larger company plans, fees can be lower, although it will be important to consult the new plan to ensure you understand its fee structure.

Many 401(k) plans limit the number of investment choices available to participants.

Plans vary across companies, so it will be important to consult the new plan to ensure that it offers the features that are important to you.



If you have an outstanding loan from your previous 401(k), make sure you understand the consequences of such if you are changing employers and plans.

3 Rollover your 401(k) to an IRA or Roth IRA

A rollover to an IRA (either self-managed or managed by White Oak) offers many more investment choices than most 401(k)s.

For people already in, or planning for, retirement, consolidating retirement assets into a single account makes managing required minimum distributions (RMDs) much simpler.



Depending on a number of different factors, rolling 401(k) assets into a Roth IRA may be beneficial. Consulting with experts will be important in making such a decision.

White Oak clients receive complimentary access to a range of financial planning services, such as retirement income planning, as a part of their investment management fee.

White Oak's investment management fee may be higher than a 401(k) plan's fees. However, because White Oak acts as a fiduciary, we always put client interests ahead of the firm's and will discuss the pros and cons to help people make informed decisions.



4 Cash it out - be careful!

There are few pros to cashing out your 401(k). If you are experiencing extreme financial hardship, then perhaps this is an option. However, ordinary income tax and penalties may apply to the withdrawal. And except in very limited circumstances, you cannot put the money back and thus lose the important opportunity of tax-deferred growth on the withdrawal. Be sure to consult an expert before choosing this option.



* These points are not exhaustive, but highlight the fact that it is important to understand there is no single choice that is best for everyone. Seek advice from an expert who can help you make the right decision.

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WHAT WE DO

White Oak is a fee-based, discretionary investment management firm for individuals and small businesses. Our game plan for investing is logical, organized and disciplined.

Beyond investment management, we offer clients a full range of financial planning services, from:

- the basics such as budgeting/emergency savings;
- goal-based investing for retirement, college, second homes, future generations, & more;
- retirement income planning,
- insurance planning, and
- coordinating with other advisors (CPAs and estate planning attorneys) to ensure clients receive a holistic approach to their financial well-being.

White Oak Financial Management, Inc. does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. White Oak cannot guarantee that the information herein is accurate, complete, or timely. White Oak makes no warranties with regard to such information or results obtained by its use, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

White Oak acts as a fiduciary putting Clients' and prospective Clients' interests ahead of the firm's.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Questions about our process? Call or email us to set up a meeting - either in-person or virtually.