

Nova News

PREDICTABLE. SUSTAINABLE. INCOME.



National 401(k) Day - September 6th 2024

Exploring Post-Employment and In-Service Rollover Options

National 401(k) Day is an important reminder to prioritize retirement planning. If you're transitioning to a new job or retiring, it's essential to understand your options for handling your employer-sponsored 401(k) plan.

Post-Employment Options for Your 401(k)

After leaving your job, you typically have four main options for your 401(k):

1. **Leave it in the Current Plan:** You can keep your funds in your former employer's 401(k) plan as long as your balance meets the minimum requirement. This may be a good option if your plan has low fees or unique investment options. However, you won't be able to make further contributions, and your investment choices may be limited.
2. **Rollover to an IRA:** Rolling over your 401(k) to an Individual Retirement Account (IRA) can give you more control over your investment choices. This option allows you to continue growing your retirement savings in a tax-advantaged account while avoiding immediate taxes or penalties. Be sure to choose a direct rollover to avoid potential tax consequences.
3. **Rollover to a New Employer's 401(k):** If you're moving to a new job, you may be able to roll your old 401(k) into your new employer's plan. This can simplify your retirement savings by consolidating your accounts. Check with your new employer for details on plan eligibility and rollover procedures.
4. **Cash Out:** You can cash out your 401(k). However, this option can have significant tax implications, as the withdrawal is subject to income tax and, if you're under age 59½, a 10% early withdrawal penalty. This should be considered only as a last resort.

In-Service Rollovers

For employees who are still working, an in-service rollover allows you to transfer a portion of your 401(k) to an IRA while still employed and contributing to your plan. This option is often available once you reach age 59½ and can provide more flexibility and broader investment choices. It's also a way to diversify your retirement funds while benefiting from your employer's plan. However, reviewing your plan's rules is crucial, as not all 401(k) plans offer in-service rollovers.

When deciding how to manage your 401(k) post-employment or considering an in-service rollover, evaluating factors such as fees, investment options, and tax implications is essential. Consulting with a financial advisor can help you make the best decision for your retirement goals. This National 401(k) Day, take the time to review your retirement plan options and ensure you're on track for a secure financial future. [CONTACT US](#) for more information!

UPCOMING EVENTS



Tuesday, Sept. 17th - Medicare Workshop - 5:30PM

with Paula L. Venné-Clendening -Benefits Consultant
Mt Tomato Pie - Amherst, NY



2024 Nova Giving - Charity Nominations Open

November 1st through November 15th 2024
Charity to be selected at Toys for Tots brunch 12/07/2024

Saturday, Dec 7th - Annual Toys for Tots Brunch

Salvatore's Italian Gardens - Depew, NY
Save the date - formal invite to follow

What's going on with the markets?

Last month, Elizabeth and Jeff met with Brian Weisenberger, Senior Market Strategist and Executive Director of Kensington Asset Management, to discuss the recent market volatility and what to expect going forward.



Planning Services Spotlight



RETIREMENT INCOME DISTRIBUTION PLAN UTILIZING ADVANCED TIME SEGMENTATION ©

**cost subject to change based on scope of project*

Our most comprehensive planning option provides a full Retirement Income Plan, including a Social Security Analysis, a recommendation on funding needed for each time segment, and an outline of income distribution annually. We will analyze your current assets and holdings and provide advice on changes needed to implement the plan.

**We hope you enjoyed our BBQ this year!
- Save the Date for 2025 -
Wednesday, August 13th**



Thank you!



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