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May. 21, 2018

More people change jobs than ever before. The average American worker makes 12 employment moves before retirement, according to the Bureau of Labor Statistics.

With all those transitions come important decisions, and high among them is what to do with their 401(k).

Numerous financial experts say one thing you usually shouldn't do is leave your 401(k) behind with your former employer. Some 401(k) accounts are "orphaned" or abandoned every year either by their owner, former employer or plan administrator.

"It's like cleaning out your old office; make sure you grab everything that's important to you," says Peter J. Strauss (www.peterjstrauss.com), an attorney, captive insurance manager and author of *The Business Owner's Definitive Guide to Captive Insurance Companies*.

"When you leave a job and leave your 401(k), failing to roll it into a new retirement account, it's leaving money in a drawer, and worse, with compound interest growth."

Because of the tax penalty for early withdrawal, it's not usually a good idea to cash out your 401(k) before age 59½. But Strauss says the advantages of having a 401(k), keeping it mobile with job moves, and continuing to grow it are vital for personal financial growth and retirement. He lists three consider about your 401(k) when changing jobs:

- **The employer match.** "That can be a great windfall, but it's important to make sure the matching money is vested prior to your departure," Strauss says.

“Otherwise, if you didn’t work there long enough and the match hadn’t vested,

your 401(k) over into your new company, you need to execute the transfer properly, or else you will owe taxes and fees.”

- **Roll into your new company’s plan.** This is the simplest option of moving your 401(k) after a job move. Your funds remain in the same place and continue to grow. A bonus: 401(k) plans allow you to borrow more than an IRA for a first home.

“It’s a sense of comfort having a 401(k), and better, having one that’s not stagnant,” says Strauss. “If you one day go from ‘employee to employer’ and run your own business, you’ll have a heightened appreciation for it because of what it means to your employees. If you’re making a job change, don’t forget the retirement assets you’ve worked so hard for throughout your career.”

Payroll