



## START HERE

After reviewing your Summary Plan Description and investment options, are you satisfied that your plan is well-managed and meeting your needs?

Yes  
No

Consider rolling the 401(k) into an active 401(k) or IRA.

Consider leaving your account where it is, but be mindful of automatic distribution rules that may apply (if your balance is under \$5,000).

You are over the age of 59.5 and want income.

Distributions from a 401(k) or IRA are taxable as ordinary income but there is no 10% penalty.

Distributions are taxable as ordinary income but there is no 10% penalty.

Now consider if any of these scenarios might apply to your situation:

You want the option to contribute to this account in the future.

You can only contribute to an active 401(k) account.

Consider rolling the 401(k) into an active 401(k) or IRA.

1) You left your employer at the age of 55 or older. 2) You are age 50 or older, and you are a qualified public safety employee (including state/local correctional officers, private sector firefighters, or forensic security employees). 3) You are under the age of 50 but are a qualified public safety employee with 25+ years of service for a single employer.

Consider leaving the assets at the 401(k) as you may qualify for a "separation from service" distribution.

None applies.

You are taking an RMD or will soon reach your RMD age.

Now consider if any of these scenarios might apply to your situation:

You are younger than 59.5 and want income.

Consider these four options:

Take a loan. Loans are not available from dormant 401(k) accounts.

Consider rolling the 401(k) into an active 401(k) that allows for loans.

You have a 401(k) loan. If rolled over, the balance of the loan should be repaid by the due date of your tax return for the year you left your employer (including extensions).

You could simplify the process by consolidating 401(k)s and IRAs.

Substantially Equal Periodic Payments. You may be able to elect a series of withdrawals from your 401(k).

Consider making this election if allowed under your plan, or rolling the 401(k) into an IRA to make the election.

Hardship withdrawal. This feature is only available if rolled into an active 401(k) account and only applies to qualifying expenses.

Consider rolling the 401(k) into an active 401(k) account that allows for hardship withdrawals.

Your account holds company stock. There may be special tax benefits utilizing Net Unrealized Appreciation options.

Consider rolling the company stock into a taxable brokerage account to minimize taxes.

You will pay ordinary income tax on the basis of the shares (and a 10% penalty, unless an exception applies).

Distributions are taxable as ordinary income but there is no 10% penalty.

Rollover to an IRA. Distributions from an IRA are taxable as ordinary income and may be subject to a 10% penalty.

Distributions are taxable as ordinary income and may be subject to a 10% penalty (unless an exception applies).

**Elizabeth L. Whitteberry, RMA®, CFA®, CIPM®, AIF®, ChFC®**

Elizabeth L. Whitteberry specializes in Retirement Income Planning, Tax Minimization Strategies, Wealth Management, Investment Management, Risk Management, Estate Planning, and Gifting Strategies.

Securities offered through J.W. Cole Financial Inc. (JWC) Member FINRA/SIPC. Advisory Services offered through J.W. Cole Advisors, Inc. (JWCA). Best Path Advisors and JWC/JWCA are unaffiliated entities. Neither J.W. Cole Financial, Inc. (JWC) nor its representatives provide legal, tax nor accounting advice. Persons who provide such advice do so in a capacity other than as a Registered Representative of JWC.

**Elizabeth Whitteberry**

105 Quail Run Street Colleyville, TX 76034

[liz@bestpathadvisors.com](mailto:liz@bestpathadvisors.com) | 817-849-1375 | [www.bestpathadvisors.com](http://www.bestpathadvisors.com)