



What Should I Do With My Old 401(k)?

If you've recently changed jobs — or you're approaching retirement — this is one of the most important financial decisions you'll face. Let's walk through it clearly.

SWIPE TO LEARN MORE →

First: What Actually Happens When You Leave a Job?

Your 401(k) doesn't disappear — but it does sit idle. You have a window of time to decide what to do next. Making no decision *is* still a decision.

It stays in the old plan

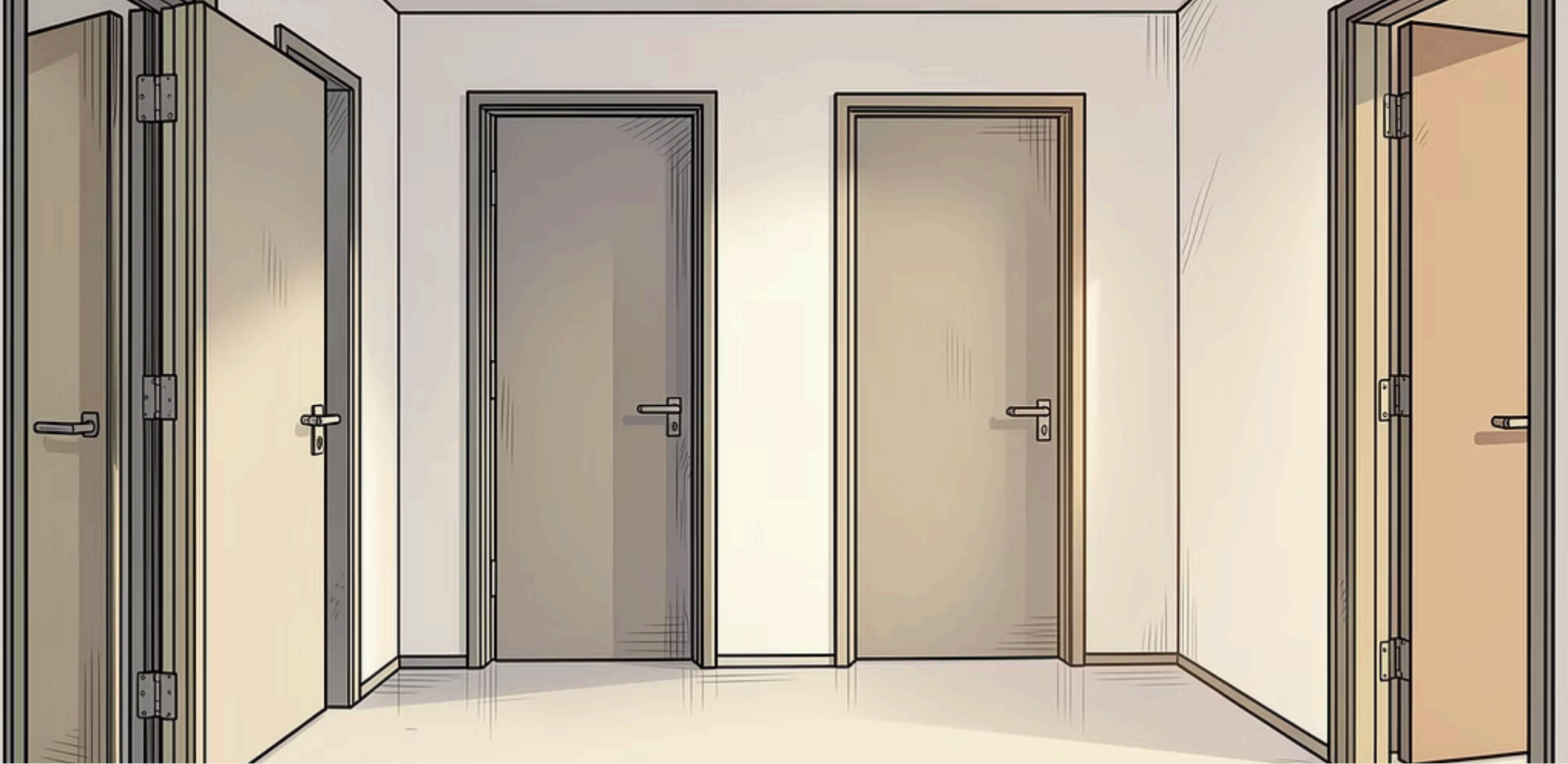
Temporarily — but you lose active management support from your employer.

You have 4 clear options

Leave it, move it, roll it over, or cash it out. Each has real consequences.

Time matters

Some plans force distributions if your balance is under \$7,000. Act before deadlines.



Your 4 Options – At a Glance

① Leave It

Keep funds in your old employer's plan.

② Move It

Roll into your new employer's 401(k).

③ Roll to IRA


Transfer to an Individual Retirement Account.

④ Cash Out

Withdraw the funds – the costliest option.

Pros & Cons of Each Option

Option	Potential Advantage	Key Risk
Leave It	Simple, no action needed	Limited investment choices, fees may rise
New Plan	Consolidated, loan options	Plan quality varies widely
Roll to IRA	More flexibility, broader investments	Requires active management
Cash Out	Immediate liquidity	Taxes + 10% penalty if under 59½

 Most people approaching retirement benefit most from a rollover to an IRA – but it depends on your full financial picture.

Common Rollover Mistakes to Avoid

Even well-intentioned decisions can be costly. These are the errors we see most often after 22 years of guiding clients through transitions.

→ **Taking a 60-day indirect rollover**

Missing the deadline triggers full taxation — and a 10% penalty if you're under 59½.

→ **Forgetting about company stock (NUA)**

Net Unrealized Appreciation rules can offer significant tax savings — often overlooked.

→ **Rolling a Roth 401(k) into a Traditional IRA**

You'll lose the tax-free growth benefit permanently.

→ **Moving funds without comparing fees first**

A 1% fee difference over 15 years can mean tens of thousands of dollars lost.

The Tax Consequences People Often Overlook

1

Ordinary Income Tax

Withdrawals are taxed as regular income – possibly pushing you into a higher bracket.

2

10% Early Withdrawal Penalty

Applies before age 59½. Exceptions exist but are narrow.

3

State Taxes

Many states tax retirement distributions. Residency planning matters.

4

Required Minimum Distributions

Starting at age 73, the IRS requires annual withdrawals – ready or not.

Why Investment Options & Fees Matter More Than You Think

1%

Annual fee difference

Can reduce a \$500K portfolio by over \$100K over 20 years.

28

Avg. fund options

Typical 401(k) plan offerings – vs. thousands available in an IRA.

73%

Of savers

Don't know the expense ratio of their largest holding.



Before you move your money anywhere, compare investment menus and annual expenses side by side. Small differences compound dramatically over time.

Questions to Ask Before You Decide

There's no universal right answer. Your decision should be based on your complete financial picture — not just one account.

01

What are the fees in each option?

02

Do I have outstanding 401(k) loans?

03

What is my current and expected future tax bracket?

04

Will I need income from this in the next 5 years?

05

Does this account fit into my broader retirement income plan?

Retirement Planning Is More Than Investment Performance

Where your money *lives* matters as much as how it grows. A complete retirement plan addresses three pillars before the first dollar is invested.

1

Tax Strategy

When and how you withdraw shapes your lifetime tax bill.

2

Income Planning

Social Security timing, pensions, and withdrawal sequencing all interact.

3

Risk Review

Market risk, longevity risk, and healthcare costs must be stress-tested.

Request a Retirement Stress Test

A Retirement Stress Test is a structured review of your retirement readiness — covering taxes, income, investment risk, and distribution strategy. No pressure. No jargon. Just clarity.

What's included

- 401(k) rollover review
- Tax exposure analysis
- Income gap assessment
- Risk tolerance alignment



Share this post with someone navigating a job change or approaching retirement.

All Securities provided under the name Brady Wealth Management, LLC are offered through Titleist Capital, LLC ("TC"), member FINRA & SPIC. All Advisory Services provided under the name Brady Wealth Management, LLC are offered through Titleist Asset Management, LLC ("TAM"), an SEC Registered Investment Advisor. Brady Wealth Management, LLC is not affiliated with TAM or TC. Registration with the SEC does not imply a certain level of skill or expertise. Information regarding the firm can be accessed via adviserinfo.sec.gov and by following the search instructions.

Neither TAM nor TC offers or provide legal or tax advice. Please consult your attorney and/or tax advisor for such services.



Share this post with someone navigating a job change or approaching retirement.