OUT OF SIGHT OUT OF MIND

It can be easy to lose track of retirement accounts from previous employers when you no longer work there.

If you're like most people, you've changed jobs throughout the years. Once, twice, maybe more. That means you could potentially have several different retirement accounts from those jobs. It may feel daunting to think about what to do with them — easier to leave them alone, out of sight, out of mind. But taking that approach may not be the best thing to do when planning for retirement.

Your old retirement plan balances can be an important part of your overall retirement savings and you have several options to consider:

- Move them into your current retirement plan
- Move them to an Individual Retirement Account (IRA)
- Leave them where they are
- Take a cash distribution (may come with substantial penalties)

So how do you know which option makes the most sense for you? While it may be tempting to cash out the money you've saved in your old retirement plan balances, that may not be your best option. There are significant tax ramifications to consider. And, depending on your age, you could be subject to an IRS penalty for withdrawing your money too early.

Leaving the money where it is or moving it to an Individual Retirement Account (IRA) are certainly solid options. In either case, your money will continue to have the potential to compound and grow on a tax-deferred basis.

Many people choose to move their money into their current employer's plan, simply for the convenience of being able to track and manage all of their retirement savings in one place.

Whatever option you choose, it's important to think ahead and understand the pros and cons of any actions you take.

We're here to help you create confidence that you're on track to realize your financial goals and aspirations.

LPL Financial

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