

# MAXIMIZING YOUR FINANCIAL FUTURE:

Navigating Your 401(k) After Separation



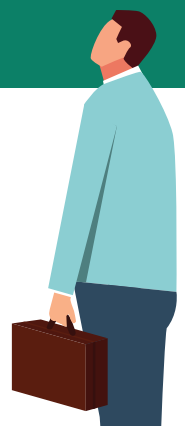
**GenFi 360**  
Genesis Financial



First and foremost, we want to express our sincere empathy for the recent layoffs and the impact they have had on you. Times of transition can be challenging, both emotionally and financially. I understand that you may have concerns about what to do with your 401(k) after leaving your employer, and I'm here to provide you with some guidance and support.

Navigating your 401(k) during a career transition is a crucial step in securing your financial future. As a financial advisor, I can offer you some general information and options to consider. It's important to note that every individual's circumstances are unique, and I strongly recommend seeking well rounded holistic advice tailored to your specific situation.

With regards to your 401(k) plan, you have several options available. I would like to outline them briefly and offer some guidance, but please keep in mind that individual circumstances can vary, and it is crucial to consult with a financial advisor or tax professional for personalized advice.



# 4 Potential Options for Your 401(k):

## A. Leave your 401(k) assets at your former employer:

The first option is to do nothing with the 401(k). This option allows you to maintain the funds in your existing 401(k) account. While you will no longer be able to contribute to it, the account will continue to grow based on market performance. However, it's important to monitor the plan's fees and investment options, as they can impact your long-term returns.

## B. Rollover your 401(k) into an Individual Retirement Account (IRA):

The second option is to transfer your 401(k) to an IRA. By transferring your funds into an IRA, you gain greater control over your investments and potentially access to a wider range of investment options. Additionally, it simplifies managing your retirement savings by consolidating multiple accounts into one. A direct rollover helps you avoid potential tax penalties.

## C. Rollover your 401(k) into your new employer's plan:

The next option is taking your 401(k) with you to a new employer. If you secure new employment with a company that offers a 401(k) plan, you may be able to transfer your existing funds into the new employer's plan. This option allows you to continue building your retirement savings while consolidating your accounts.

## D. Cash out your 401(k):

This option is always available, but has potential consequences that make it the least attractive. While this may seem tempting, we generally recommend against cashing out your 401(k) prematurely. Doing so could result in early withdrawal penalties, tax implications, and the loss of valuable retirement savings. We encourage you to consider this option only as a last resort.

We urge you to take the time to evaluate these options carefully, as each choice carries its own advantages and potential drawbacks. Remember that your retirement savings are a crucial part of securing your financial future, and thoughtful decision-making is essential. On the next page we have outlined some steps to follow.



**1. Understand Your 401(k) Options:** Start by familiarizing yourself with the details of your 401(k) plan. Contact the plan administrator or your HR department to obtain a summary plan description. This document will outline the options available to you, such as leaving the funds in the existing plan, rolling over the funds into an Individual Retirement Account (IRA), or transferring the funds to your new employer's 401(k) plan, if applicable.

**2. Evaluate the Pros and Cons:** Each option has its own benefits and considerations. Leaving your funds in the existing plan may provide you with continued tax-deferred growth, and you can still manage the investments within the plan. Rolling over to an IRA offers more flexibility and control over your investments, as well as the potential to consolidate multiple retirement accounts. Transferring the funds to a new employer's 401(k) plan can simplify management if you find new employment quickly. Weigh the advantages and disadvantages based on your long-term goals, risk tolerance, and financial situation.

**3. Seek Professional Guidance:** Consult with a Financial Planner, Investment Advisor or Retirement Specialist who can provide personalized advice based on your specific circumstances. They can help you analyze the options, assess tax implications, and consider factors such as investment choices, fees, and retirement timelines. Their expertise will be invaluable in helping you make informed decisions aligned with your financial goals.

**4. Assess Your Overall Financial Health:** A layoff can be an opportune time to evaluate your overall financial situation. Consider creating or revising a budget, reviewing your emergency savings, and assessing any other outstanding debts or financial commitments. Take this moment to plan for your short-term needs while keeping a long-term perspective on your retirement goals.

**5. Stay Informed and Engaged:** Stay up-to-date with any changes in legislation or policies related to retirement accounts. Regularly review your retirement savings strategy, adjust your investment allocations as needed, and ensure your beneficiary designations are up to date.



Lastly, remember that you're not alone during this period of transition. Reach out to support networks, former colleagues, and professional associations that can provide valuable insights and job opportunities. Your perseverance, coupled with informed financial decisions, will empower you to overcome this setback and emerge stronger in the long run.

Please keep in mind that the information provided here is for educational purposes only and should not be considered financial advice. Each individual's situation is unique, and I encourage you to consult with a qualified financial professional to tailor your decisions to your specific needs.

If you have any further questions or need additional assistance, please do not hesitate to reach out to us. We are here to support you during this time of change.

Wishing you resilience, new opportunities, and a bright financial future.





**GenFi 360**  
Genesis Financial

Phil Mylet, Founder/Financial Advisor  
(503) 502-9007 | St. Augustine, FL | [phil@genfi360.com](mailto:phil@genfi360.com)  
[www.genfi360.com](http://www.genfi360.com)