



# Changed Jobs?

## 4 Options for Your Former Employer Retirement Plan

A simple guide to help you understand what you can do with a retirement plan  
from a former employer.

This guide is educational and is not a recommendation to move money from an employer retirement plan.

**Robb Rothrock**

Financial Advisor | Rothrock Financial Group

**Turn Your Retirement Savings Into Future Retirement Income**

# A Job Change Can Leave Behind a Financial Loose End

Moving into a new role later in your career can be exciting.

It can also leave behind an old retirement account from a previous employer - such as a 401(k), 403(b), or profit-sharing plan.

You usually do not have to make a decision immediately.

But at some point, it is worth understanding your options, especially if retirement is getting closer.

An old retirement account is not just an administrative detail.

It may become an important part of your future retirement income plan.

**The Big Question It is not simply: "Where should this account sit?"**

**It is: "What role should this account play in the years ahead?"**

This guide walks through four common options and a few later-career considerations to think about before making a decision.

## Option 1: Leave It Where It Is

In many cases, if your balance is large enough and the plan allows it, you may be able to leave your money in your former employer's plan.

### **Potential Benefit**

There may be no immediate action required. You can settle into your new role without adding another decision to your plate.

### **What to Consider**

You usually cannot make new contributions to the old plan.

And if you have changed jobs more than once, old retirement accounts can become scattered over time. That can make it harder to see your full retirement picture in one place.

## Option 2: Roll It Into Your New Employer's Plan

Some employer plans allow you to move your old retirement balance into your new company's plan.

### **Potential Benefit**

This may help consolidate your retirement money into one account, which can make tracking and managing it simpler.

### **What to Consider**

You are limited to the investment options, rules, and fee structure of the new employer's plan.

For some people, that is perfectly fine. For others, the plan may not offer the flexibility they want as retirement gets closer.

## Option 3: Roll It Into a Personal IRA

A rollover IRA moves the money from your former employer's plan into an individual retirement account.

### **Potential Benefit**

An IRA may provide more flexibility in how the money is invested, coordinated, and eventually used as part of a retirement income plan.

For someone still contributing to a new employer plan, an old 401(k) may also create an opportunity to diversify the purpose of their retirement accounts.

Your new contributions may continue going into the current employer plan.

**The old account may be reviewed through a different lens:  
Could this money begin shifting toward future income?**

### **What to Consider**

A rollover requires paperwork and careful transfer instructions.

It should not be done just for the sake of moving money. There should be a clear reason for the change, and it should fit your overall retirement plan.

Employer plans may offer features that an IRA may not, such as certain institutional investment options, creditor protections, loan provisions, or penalty exceptions in some circumstances.

## Option 4: Cash It Out

You may be able to take the money directly as a distribution.

### **Potential Benefit**

It provides immediate access to the money.

### **What to Consider**

This is usually the most expensive option.

A cash distribution will likely create a tax liability, possible penalties if you are under age 59 1/2, and a permanent reduction in the money available for future retirement income. It can also push you immediately into a higher tax bracket.

For most people, this option should be approached with caution.

## **Important: What If You Have an Outstanding 401(k) Loan?**

Before moving or cashing out an old employer plan, check whether you have an outstanding plan loan.

When you leave an employer, some plans may require the loan to be repaid within a certain timeframe. If it is not repaid, the unpaid loan balance may be treated as a taxable distribution.

In plain English:

The loan may stop being treated like a loan and start being treated like retirement money you took out permanently.

That could create income taxes and, if you are under age 59½, a possible additional penalty.

**Bottom line:** If your old 401(k) has a loan attached to it, **do not move the account, cash it out, or ignore it until you understand the loan rules.**

# Two Late-Career Blind Spots to Consider

## **Blind Spot #1: "It's Doing Fine" May Not Be the Whole Question**

When markets have been strong, it is natural to look at an old 401(k), see that the balance is up, and think: "I'll just leave it alone."

And sometimes, that may be perfectly reasonable.

But as retirement gets closer, the question is not only whether the account has grown.

The question becomes: "What role is this account supposed to play in my future income plan?"

A strong balance is helpful. But it is still worth reviewing whether the account is properly diversified, whether the risk level still fits your stage of life, and whether the investment structure is built only for accumulation - or also for future income.

## **Blind Spot #2: Default Investments May Not Fit Forever**

Many company retirement plans use target-date funds or model portfolios as default investment options.

These can be useful, especially when someone wants a simple, hands-off way to invest.

But as you get closer to retirement, it is worth asking whether a default option still fits your actual situation.

**Does it match my risk tolerance?**

**Does it coordinate with my other accounts?**

**Does it help me think about future income?**

**Are the fees reasonable compared with other available options?**

A default investment may be fine. But it should still be reviewed intentionally.

# The Shift From Accumulation to Income

Earlier in your career, the main goal was usually accumulation: save consistently, invest over time, and let the account grow.

Later in your career, the question begins to change.

It is no longer just: "How much have I saved?"

It becomes: "How will this money help create income when I no longer receive a paycheck?"

And this shift does not have to wait until retirement is right around the corner.

Even if retirement is still several years away, an old 401(k) can be a natural place to begin thinking differently.

Your new employer plan may continue receiving your current contributions and remain focused on ongoing accumulation.

Your old plan may give you an opportunity to ask a different question:

**Could this account begin shifting toward future income?**

For some people, that may mean gradually organizing part of their retirement money around income-oriented strategies, including dividend-focused portfolios or other tools designed to help turn savings into retirement income over time.

Starting the income-planning conversation earlier may give you more time to evaluate, adjust, and coordinate your investments before retirement.

The longer a future income strategy has to work, the more time it may have to develop, grow, and compound.

That does not mean you need to move your old 401(k).

It does not mean you need to make a quick decision.

It simply means the account should be reviewed through a different lens.

The key is to understand the purpose of the account before making a decision.

## Robb's Note

There is no single "right" answer.

And there is absolutely no rush to make this decision during your first few weeks in a new role.

Take your time. Settle in. Then evaluate your options calmly and intentionally.

The goal is not to move money just because you changed jobs.

The goal is to understand what role this account should play in your future retirement income plan.

## Need a Calm Second Look?

If you recently changed jobs and have an old 401(k), 403(b), or retirement plan sitting with a former employer, I'm happy to help you think through your options.

No pressure. No jargon. Just a clear conversation about what you have, what your options are, and how it may fit into your future income plan.

A conversation does not obligate you to make any changes.

**Robb Rothrock | Financial Advisor**

**Rothrock Financial Group**

**550 S. Watters Rd Suite 240, Allen, TX 75013**

**Website: [rothrockfg.com](http://rothrockfg.com) | Phone: 214-764-8282 | Email: [robb@rothrockfg.com](mailto:robb@rothrockfg.com)**

**Schedule a Short Intro Call: [Click Here](#)**



### Disclosure

Fee-based financial planning and investment advisory services are offered through Insight Folios Inc., an SEC Registered Investment Adviser. The firm only transacts business in states where it is notice filed or is excluded or exempted from notice filing requirements. This material is for educational purposes only and should not be considered investment, legal, or tax advice. Retirement plan rollovers involve important considerations, including fees, investment options, services, creditor protections, required minimum distributions, and tax consequences. Insurance products and services are offered through individually licensed and appointed agents in various jurisdictions. Insurance products, such as annuities, life insurance, and health insurance, pay a commission to the licensed agent and can create a conflict of interest. These products are not affiliated in any way with Insight Folios Inc. Any insurance quotes given are subject to change without notice.

[Rothrock Financial Group | Educational Guide | Turn Your Retirement Savings Into Retirement Income](#)