

Betterment

Options for Your 401(k) When Leaving Your Job

If you're leaving your company and have a balance in your employer's 401(k) plan, you'll need to decide what to do with your money. Even if retirement is many years away, your 401(k) savings will likely be an important part of your income when you're no longer working. So regardless of how much you've saved, we encourage you to carefully review your options.

OPTION	CONSIDERATION
Leave money in current employer's plan	• Continued access to Betterment's platform and portfolios • Continued preferential tax treatment • Managing multiple accounts may complicate your retirement strategy • Assets protected from creditors Note: If your balance is below a certain amount, typically $5,000 (up to $7,000 depending on your plan's design), your employer may require you to take a distribution. If you take no action, they will roll your account out of the plan and into an IRA.
Roll your money into an Individual Retirement Account (IRA)	• Continued preferential tax treatment • Potentially more flexibility in investments and access to your funds • If you choose a Betterment IRA, continued access to Betterment investment platform and portfolios • Loss of bankruptcy protection • Learn more about IRAs
Roll your account into your new employer's retirement plan (if available)	• 401(k) assets in one place • Continued preferential tax treatment • Assets protected from creditors
Take your money out of the plan ("cash out")	• Money no longer working for your retirement • Possible 10% in penalties if you're under than 59 1/2 years old • Additional taxes based on your tax bracket (taxed as income)

You may want to speak with a tax or financial advisor about your personal situation. Betterment cannot provide tax advice.

Interested in initiating a rollover or withdrawal? You can get started here. You'll have to do this for each of your Betterment 401(k) accounts (traditional or Roth, whichever type of account you have).

Questions?

Email us at: support@betterment.com
betterment.com

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