My Rollover Guide: 5 questions to ask before you move a 401(k) or IRA

Leaving a job? You have choices for your old plan money.

Most people have four common options. Each has trade-offs, and the right one depends on your situation.

- Leave it where it is in your former employer's plan, if the plan allows it. Workplace plans can have features an IRA may not, such as lower-cost institutional funds, penalty-free withdrawals if you leave that employer in or after the year you turn 55, and stronger protection from creditors in some cases.
- Move it to your new employer's plan, if that plan accepts transfers.
- Roll it into an IRA, which can hold different kinds of investments or insurance products.
- Cash it out. Cashing out usually means income tax, and often a 10% early-withdrawal penalty if you are under 59½.

There is no option that is right for everyone. This checklist helps you ask good questions before you decide.

The 5 questions

1. What are all the fees?

Ask for every cost in writing: account or administrative fees, fund or product expenses, rider charges, and any advisory fee. Compare them with what you pay in your current plan today.

2. How long is my money committed?

Some products have a surrender period: a number of years during which taking out more than an allowed amount means a surrender charge. Ask how long it lasts, what the charge is in each year, and what you can take out without a charge.

3. Can I get to my money early, and what would it cost?

Ask what happens if you need money sooner than planned: surrender charges, market value adjustments, and taxes. Withdrawals before age 59½ can also carry a 10% IRS penalty, with some exceptions.

4. How are you paid?

Ask the professional how they are paid for this recommendation (for example a commission from an insurance company, or a fee) and how much. You have the right to ask. In most states the professional must tell you how they are paid, and more detail

if you ask.

5. What would you NOT recommend for me, and why?

A good professional can explain the options they are not recommending, including leaving the money where it is, and why.

Before you sign anything

- Get the answers in writing.
- Ask about taxes: a direct rollover (plan to plan, or plan or IRA straight to the new IRA) has no mandatory withholding. A check made out to you from a workplace plan has 20% withheld, and you have 60 days to deposit the full amount, including the 20%, or the rest is taxed and may be penalized. IRA-to-IRA rollovers by check are limited to one in any 12 months; direct transfers are not.
- Check the professional's license with your state insurance department, and any securities registration on FINRA BrokerCheck (brokercheck.finra.org).
- Take your time. You can say no.

Tax figures current as of November 2026; check IRS.gov for changes.

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