2025 · SHOULD I ROLL OVER MY DORMANT TRADITIONAL 401(K)?





After reviewing your Now consider if any of Summary Plan Description these scenarios might None applies. Your account holds and investment options, apply to your situation: company stock. There may are you satisfied that your the loan should be repaid be special tax benefits plan is well-managed and by the due date of your tax utilizing Net Unrealized meeting your needs? Appreciation options. You want the option to contribute to this account in the future. Yes No You could simplify the You are taking an RMD Consider rolling the or will soon reach your process by consolidating You can only contribute company stock into a 401(k)s and IRAs. Consider rolling the RMD age. taxable brokerage account to an active 401(k) 401(k) into an active to minimize taxes. account. 401(k) or IRA. Substantially Equal Now consider if any of Consider rolling the Consider leaving your Periodic Payments. You these scenarios might You will pay ordinary 401(k) into an active may be able to elect a apply to your situation: income tax on the basis of 401(k) or IRA. be mindful of automatic series of withdrawals from the shares (and a 10% your 401(k). penalty, unless an exception applies). 1) You left your employer at the age of 55 or older. 2) You are younger than 59.5 You are age 50 or older, and Distributions are taxable as and want income. you are a qualified public ordinary income but there safety employee (including is no 10% penalty. You are over the age of state/local correctional officers, private sector 59.5 and want income. Consider these four options: firefighters, or forensic security employees). 3) You Hardship withdrawal. This Rollover to an IRA. are under the age of 50 but feature is only available if Distributions from an IRA Distributions from a 401(k) are a qualified public safety rolled into an active 401(k) are taxable as ordinary or IRA are taxable as employee with 25+ years of Take a loan. Loans are not account and only applies to income and may be subject ordinary income but there service for a single available from dormant qualifying expenses. is no 10% penalty. to a 10% penalty. employer. 401(k) accounts. Distributions are taxable Consider rolling the 401(k) as ordinary income and Distributions are taxable Consider rolling the 401(k) may be subject to a 10% into an active 401(k) account as ordinary income but into an active 401(k) that penalty (unless an that allows for hardship there is no 10% penalty. exception applies). allows for loans. withdrawals.



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