Your 401(k) After a Job Change

There are now an estimated 31.9 million "forgotten" 401(k) accounts, holding a combined $2.1 trillion in assets. [1] If you've ever left a job without a clear plan for your old retirement account, you're in good company. With workers age 25 to 34 sticking with an employer for a median of just 2.7 years, [2] job changes have become a normal part of building a career. But every move can leave a few financial loose ends behind. Here's what's worth checking before you get swept up in the excitement of a new role.

Don't Leave Your 401(k) Behind

When you leave an employer, your 401(k) doesn't automatically follow you, and it's easy to lose track of an account you're no longer actively contributing to. Generally, you have a few options to consider, and the right one often depends on your balance, your new plan's features, and how hands-on you want to be:

- **Leave it with your former employer's plan.** This may be worth considering if the plan has strong investment options and low fees, but keep in mind that some plans may require you to move funds out once your balance falls below a certain threshold, subject to plan rules and applicable regulations.
- **Roll it into your new employer's plan.** This can simplify things by consolidating your savings in one place, provided your new employer's plan accepts rollovers and offers investment options that fit your goals.
- **Roll it into an IRA.** An IRA (individual retirement account) can offer a wider range of investment choices than an employer plan and can be a good fit if you'd like more control or if you're consolidating several old accounts into one.
- **Cash it out.** This is generally the option to approach with the most caution, since withdrawing funds before age 59½ typically triggers income taxes and a 10% early withdrawal penalty. It may also reduce the amount available for future retirement savings goals.

Once you've decided on a direction, a few practical steps can help. To see where your money is currently invested, log into your former employer's plan portal or request a recent statement from the plan administrator or HR department. If you're ready to roll the account over, the plan administrator can walk you through the paperwork, and your new IRA custodian or employer plan may be able to initiate the transfer on your behalf. And if you've lost track of an old account altogether, the Department of Labor's Retirement Savings Lost and Found Database (if available and applicable to your situation) is a complimentary tool that can help you search for retirement accounts tied to your Social Security number.

Understand Your Vesting Schedule

Many employer retirement plans include a vesting schedule, meaning you may need to work for a certain number of years before employer contributions fully belong to you. Leaving even a few months before a vesting date can mean walking away from money your employer already set aside for you. Before giving notice, check your plan documents or ask HR when your next vesting milestone hits. It's a simple question that can make a real difference in your total balance.

Review Benefits and Paperwork Before You Go

Health insurance, life insurance, and other workplace benefits typically end on your last day or shortly after, so it's worth understanding your options for coverage in the gap before your new job's benefits kick in. It's also a good time to update beneficiary designations on retirement accounts and any workplace life insurance, since these are often overlooked for years at a time. A quick review can help ensure your accounts reflect your current wishes and may reduce paperwork headaches down the road.

Changing jobs is often a step forward, and staying organized can help you keep track of retirement accounts and workplace benefits during the transition. A quick checklist at each career move can save you time, fees, and hassle later.

To learn more about strategies that put you in control of your financial future, contact the office to schedule a time to talk.

[1] "Forgotten" 401(k)s Grow to Record $2.1 Trillion of Assets, According to New Analysis by Capitalize." 30 SEP 2025, Businesswire.com, https://www.businesswire.com/news/home/20250930788421/en/Forgotten-401ks-Grow-to-Record-$2.1-Trillion-of-Assets-According-to-New-Analysis-by-Capitalize .
[2] "Employee Tenure Summary." JAN 2024, Bureau of Labor Statistics, https://www.bls.gov/news.release/tenure.nr0.htm .