

5 questions to ask before you move a 401(k)

Use these questions to compare your choices before you sign rollover forms.

You may be close to retirement. Or you may have an old 401(k) from a job you left. Either way, moving the money is a choice worth a careful look.

Read the five questions first. Then fill in the comparison sheet. Bring it to your plan contact, a tax professional or a licensed financial professional.

01 What changes if I move it?

02 What will it cost, and how are you paid?

03 Can I get to my money when I need it?

04 What tax rules apply to this move?

05 How will this fit my monthly income?

You can ask for a written comparison that includes leaving the money where it is.

About 5 minutes to read. Worksheets are for your own notes. This guide does not tell you to move your money or buy a product.

What changes if I move it?

Start with the choices your plan allows. A rollover moves your retirement money into another retirement account that can take it.

Your choice	What to check
Keep it in the old plan	Does the plan let you stay? Compare its fees, investment choices and withdrawal rules.
Move it to a new job's plan	Does the new plan accept rollovers? Ask what it offers and what it costs.
Move it to an IRA	An IRA is an individual retirement account. Compare the account's fees, available investments and service.
Take the money as cash	This is different from a rollover. Taxes and early withdrawal taxes may apply.

Also ask about benefits you could lose. Plan loans, protection from creditors and special rules for company stock can differ. Get help if these matter to you.

Ask: "Please compare the proposed account with my current plan. What gets better, and what do I give up?"

The main reason I am considering a move:

Read more: [FINRA \[1\]](#) · [IRS \[2\]](#)

What will it cost, and how are you paid?

Ask for costs in dollars using the amount you plan to keep in the account. Compare the same balance and time period.

- Account fees, and any fee you pay each year for advice.
- Fees inside funds or other products, even if no bill arrives.
- Charges to move, close or withdraw from the account.
- Any optional features and what each one costs.

A free first meeting does not mean every account or product is free. Ask how the advisor is paid. It could be a commission, a fee each year or other pay. Ask if what they suggest changes what they get paid.

If an annuity comes up, ask about the charge to take money out early. Ask what each extra feature costs. Ask if there is a limit on how much it can grow. A product with no yearly fee can still have costs or limits.

Ask: "What is the total cost in the first year and later years? How are you paid if I move this money, and if I leave it alone?"

For a securities broker or investment adviser, request Form CRS. It explains the firm's services, fees and conflicts. Insurance licenses are separate.

Costs or pay details I still need in writing:

Read more: [FINRA \[1\]](#) · [SEC \[5\]](#) · [SEC \[6\]](#) · [SEC \[7\]](#)

Can I get to my money when I need it?

Write down what you may need to spend before you choose an account or product. Include bills, health costs and larger expenses you already expect.

Ask how withdrawals work, how long they take and what charges apply. Having an account balance does not always mean you can take it all out without a cost.

If you take money out before age 59½, you may owe an extra tax. Some ways around that tax work for a work plan but not for an IRA. Here is one. Say you leave your job in or after the year you turn 55. The extra tax may not apply to money in that job's plan. That age-55 exception does not apply to an IRA. Other exceptions may apply, so check before you move the money.

If an annuity is proposed, ask for the surrender schedule. That is the list of charges for taking money out early. Ask whether an extra withdrawal can also change your income benefit. A contract waiver does not remove any tax that may apply.

Ask: "If I need money next year, what can I take out? What would it cost? How does it change my income later?"

Money I may need soon, and when:

Read more: [IRS \[4\]](#) · [SEC \[6\]](#) · [NAIC \[8\]](#)

What tax rules apply to this move?

Ask whether the money is before-tax, Roth or after-tax. These are different tax categories. Confirm where each part will go before you start.

Say you move before-tax money straight to a traditional IRA, or to a plan that takes it. Most of the time, you do not pay tax on it yet. Moving before-tax money to a Roth is not the same. Most of the time, you owe tax on it that year.

In a direct rollover, the old plan pays the new account, not you. Then the plan does not have to hold back tax. Ask both firms to check who the money is paid to.

If the plan pays the money to you, it most often holds back some tax. You often have 60 days to put the money in the new account. To move the full amount, you may need to add your own money to make up what was held back.

Once you reach a certain age, the law makes you take some money out each year. Those required amounts cannot be rolled over. Get help if you have company stock, after-tax money or a plan loan you still owe.

Ask: "Is any part taxable now? Can this be a direct rollover? Which amounts must stay separate?"

Tax details to check with my tax professional:

Read more: [IRS \[2\]](#) · [IRS \[3\]](#)

How will this fit my monthly income?

Start with your spending, then list income from Social Security, pensions and any other sources. Ask how savings might cover a gap. Allow for taxes, rising costs and unexpected bills.

My monthly income worksheet

Monthly spending, including tax	\$ _____
Social Security I expect to receive	\$ _____
Pension and other regular income	\$ _____
Total regular income	\$ _____
Spending minus regular income: my gap	\$ _____

Use monthly figures for every row. A gap is a planning estimate, not a withdrawal recommendation. Set aside a separate amount for one-off costs and emergencies.

If an annuity is part of the discussion

An annuity is a contract with an insurer. Its terms set when payments start, how long they last and any death benefit. Insurer promises depend on its ability to pay claims.

- Will payments cover one life or both spouses? What happens after a death?
- Can income change? How would rising prices affect what it buys?
- Is an extra income feature included? What does it cost?
- Which figures are cash I can withdraw, and which only help calculate income?
- What happens to the payments if I take an extra withdrawal?

An annuity inside an IRA adds no extra tax deferral to the IRA. Review its other features and costs on their own.

Ask: "How does this cover my income gap while leaving money for other needs? Show me the terms in writing."

Read more: [SEC \[6\]](#) · [SEC \[7\]](#) · [NAIC \[8\]](#)

Put the options side by side

Ask your plan contact and any new provider to help fill this in. Compare the same amount of money. Write "not available" if an option is not open to you.

What to compare	Current plan	New job's plan	IRA
Allowed for me?			
Annual costs in dollars			
Investment choices			
Help included			
Withdrawal rules and charges			
Taxes or benefits to review			
How the professional is paid			
Unanswered questions			

An IRA is an account type. An annuity is a product that may be held inside a retirement account. Compare the account choice and any proposed product separately.

The option I want to learn more about, and why:

The answer I need before I decide:

Bring these notes to your review

Gather what you have. Do not send account numbers or other private details by regular email.

- Your latest 401(k) statement.
- Your plan's fee sheet and a short list of its rules.
- A rough monthly budget, and the date you plan to retire.
- Your Social Security estimate, and any pension.
- Details of Roth money, company stock or a plan loan.
- A list of costs coming up soon, and the money set aside for them.
- Who gets your accounts if you die, and any questions about your spouse's income.

If you are planning with a spouse

Compare what each of you would receive if the other died. Discuss which bills would stay and which would change. Bring your spouse if you want to make the decision together.

Check the person you speak with

You can look up an advisor on Investor.gov or FINRA BrokerCheck. Ask who will give the advice and which firm they represent. For insurance, check their license with your state's insurance office. Make sure they are allowed to talk about the product in your state.

My first question for the conversation:

You can keep this guide and review the options at your own pace. A conversation does not require a purchase.

Read the source, check your own terms

The links below go to the groups that make the rules. Some go to the tax agency. Your plan papers and any contract you get show the terms that apply to you.

[1] FINRA

[Retirement accounts: options and plan costs](#)

[2] IRS

[Rollovers of retirement plan and IRA distributions](#)

[3] IRS

[Topic 413: rollover deadlines and tax withholding](#)

[4] IRS

[Exceptions to tax on early distributions](#)

[5] SEC

[Form CRS: a financial firm's relationship summary](#)

[6] SEC

[Annuities: costs, income and contract terms](#)

[7] SEC

[Indexed annuities: limits and insurer risk](#)

[8] NAIC

[Consumer buyer's guide to deferred annuities](#)

[Investor.gov professional search](#) · [FINRA BrokerCheck](#) · [State insurance departments](#)

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Annuities are insurance products, not bank deposits. Contract benefits depend on the issuing insurer's financial strength and ability to pay claims. Ask a tax professional how the rules apply to you.

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