Principal

Principal 401(k) Savings Plan When you leave a company, the options for your 401(k) depend on the company's plan rules and your account balance. For Principal 401(k), your options are below:

1. Leave your 401(k) at Principal. Principal is a viable option if your balance exceeds $7,000. This choice allows your funds to keep growing tax-deferred, even though you will not be able to make additional contributions.

2. Roll It Over to a New Employer's Plan: If your new employer offers a 401(k) plan and your balance is over $1,000, you can roll your principal 401(k) into your new employer's plan. This consolidates your retirement savings and makes managing your funds easier.

3. Roll It Over to an IRA: If your balance is over $1,000, you can transfer your 401(k) into an Individual Retirement Account (IRA). This option may provide more investment choices and may have lower fees.

4. Cashing Out your 401(k) in a lump sum is an option, but it is essential to be aware of the significant drawbacks. You will be liable for taxes on the withdrawal, and if you are under 59½, you may also face a 10% early withdrawal penalty.

5. Automatic Distribution: If your balance is below $200, your balance is automatically cashed out and sent a check. You will receive a notice concerning your distribution if it is between $200 and $1,000.

Still unsure what is best for you. Contact Jennifer Martin, our dedicated resource for financial wellness.

Email: jennifer.martin@creativeplanning.com

Phone: 469-564-8233

You can also schedule a meeting with Jennifer. Navigate to the retirement page and click the link to schedule a meeting located in the "Financial Decision Support" grey box.

It is essential to carefully consider your options and consult a financial advisor to determine the best course of action for your retirement savings. Reach out to the ImmunoTek Benefits team at benefits@immunotek.com if you have additional questions.