

Another Reason to Rollover Your Old Employers' 401K Account

By Alfred Dilamani

- If the old employer who managed the retirement plan is no longer in business, then the new agency receiving the funds will need a letter from the old account's Plan Administrator.
- In the letter, the receiving agency will need to list the effective date of the Plan termination, state if the company is still open or closed and it will need to be signed and dated.
- Once, the receiving agency receives the letter it will start the process of closing out the old plan and transferring the monies received to the new personal retirement account.
- You may want to consider avoiding delay in starting the transfer of the funds, as it can take as little as 30 days or as long as 90 days.
- The process is lengthy in order to check and make sure the Plan has completed all ERISA testing.
- If the old Plan administrator cannot be reached, it can potentially be designated an abandoned plan...if that's the case, the Department of Labor will get involved. This can be a very frustrating and time consuming process.
- Therefore, rollover of your previous employments' retirement funds, to a new retirement account can save a great deal of time and future headaches.

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