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Laid off with a 401k? It might be better to put it in an IRA

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Many South Floridians are contending with lost jobs -- and homeless 401k retirement accounts. Some companies require workers to move their money once they leave the firm.

A 60-year-old Fort Lauderdale man, who had just lost his job, discovered he could not even make a withdrawal unless he first moved his account.

But don't panic: The switch is easier than what you may think, said William Stronge, an economics professor emeritus at Florida Atlantic University.

Mutual fund companies will handle transferring a 401k account into a new IRA retirement account, he said.

That will help avoid taxes, he said. Workers have to pay taxes on any withdrawals from 401k accounts. They also face a 10 percent penalty if they leave their company and take money out before they are 55.

The unemployed also have a third option: They can transfer money to a new 401k account once they have landed a job.