

Rock your rollover



How an advisor can help you get the most from a 401(k) transfer

For many Americans, a significant share of their retirement savings is invested in a 401(k) with their employer. That's not surprising: investing pre-tax dollars is tax savvy, of course, but there's also often a company match available that can add meaningfully to savings over time.

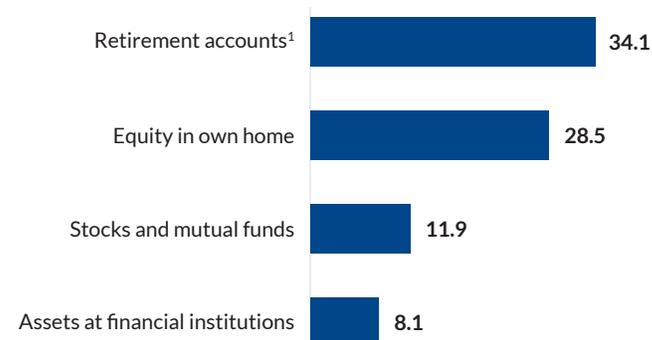
If you have a significant portion of your retirement funds in a 401(k), how you handle it upon retiring or moving to another employer can have a huge impact on your chances of retiring well. Making good choices now can mean the difference between living the retirement you really want and settling for the retirement you can afford.

For most households, retirement plans represent the largest share of assets

How can you make sure you're giving your 401(k) nest egg the best chance to not only grow, but to work in concert with your other assets and investments? One great way is to enlist the help of a wealth advisor, who can help you evaluate investment strategies, provide options to maximize tax advantages and assist you in positioning your 401(k) asset mix to complement your other holdings and pursue your longer-term goals. An advisor can add clarity to your plan and offer solutions you may not otherwise have considered or even known about.

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CHART 1: COMPOSITION OF WEALTH BY ASSET TYPE, IN PERCENT



1. Includes Individual Retirement Accounts (IRAs), Keogh accounts, Thrift Savings Plans and 401(k) accounts. Source: US Census Bureau, 2022 Survey of Income and Program Participation

Strategies to consider with an advisor

If you choose to work with an advisor to help maximize the potential of your 401(k), you have four options to consider when you decide to retire or move to another company:

1. If your employer allows it, leave your money in your current plan
2. Roll over all or part of your 401(k) into your new employer's 401(k), if they offer one
3. Roll over all or part of your 401(k) to an IRA
4. Take your distribution in cash

Here's how an advisor can help you evaluate each option.

1. If your employer allows it, leave your money in your current plan

If you can leave your money in your current employer's 401(k), that's the easiest option. But easier isn't always better. The investment choices you have in your employer's 401(k) may or may not be suitable for your overall goals.

Also, a common problem is that investors who leave assets in an "old" plan can forget how much they have there and how it's invested. It's generally easier to manage funds in one location than it is to keep track of multiple accounts at multiple institutions.

An advisor will know the pros of cons of leaving your 401(k) with a previous employer. A noteworthy con would be that you can no longer take a loan from a 401(k) with a past employer. Regardless of whether you're keeping assets in an old plan or moving them to a new home, a wealth advisor can help you get a holistic view of your financial plan and where your 401(k) assets should fit within it. They can then suggest how your current 401(k) investments might best be divided between asset classes. That way, you can be more assured that you are pursuing your long-term investment goals efficiently.

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2. Roll over your 401(k) into your new employer's 401(k), if they offer one

If your new employer offers a 401(k), you should be able to roll over your existing 401(k) assets into the new plan, subject to the new plan's provisions. That way, you retain the tax-free status of those assets and gain a measure of control over how your investments are handled.

Again, consulting with a wealth advisor can give you some insight into how much you may want to move and how you might want to divide your savings between asset classes. An advisor can help make sure you follow all the 401(k) transfer rules, as a failure to do so may result in extra penalties and taxes. They can also clue you into perks you may not have been aware of. An example is an "in service withdrawal," which is when an employee takes a distribution without leaving their company. This may be done without a tax penalty after an employee reaches age 59½, or under other specific circumstances. This may be an option if you're not pleased with the investment options at your company and you would prefer to roll over assets into an IRA and have them managed. Some plans allow for this, and some do not. A wealth advisor can help you decide if it's an option that makes sense for you.

3. Roll over all or part your 401(k) to an IRA

When keeping money in your current 401(k) or rolling it over into your new employer's 401(k), you are limited in your investment choices to those offered by the plan. When you rollover into an IRA, however, your options are much more varied.

This is where consulting with a wealth advisor can really help you. When you roll over a 401(k) to an IRA, an advisor can provide the full suite of fiduciary services. They'll help you create a holistic plan designed to pursue your goals in a sophisticated, tax-efficient manner.

4. Take all or part of your distribution in cash

This is inadvisable because cash withdrawals will subject you to taxes, fees and an early withdrawal penalty if you're under age 59½. It may also boost your taxable income enough to put you into a higher tax bracket. That said, you may have your reasons to want a cash infusion. A wealth advisor can explain the benefits of retirement plans, investment accounts and savings accounts and help you develop a customized strategy for growth, income and tax efficient distribution in retirement. They take a holistic view — how liabilities such as mortgages and consumer debt can impact your strategy — so that your assets work in concert to help you achieve your own specific vision and goals.

When you know, you know

A recent survey found people with more than \$1.2 million in household assets report higher levels of happiness when working with a wealth advisor compared to those who don't have an advisor.¹ There's a reason for that — when it comes to making decisions that involve a significant amount of money, it's best to be aware of all your options and evaluate the advantages and disadvantages of each in the context of your overall financial plan.

A wealth advisor is a trained, experienced professional who makes it their business to keep up to date on the latest regulations and can guide you through all the possibilities. They'll help you evaluate whether it makes more sense to keep your money where it is, help you compare plans at your new employer and explain the pros and cons of opting for an IRA rollover. Seeking out professional advice is a great way to help make sure you're making smart decisions with years — sometimes decades — of retirement savings.

About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Private Capital & Currency, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture.

The vision of our founder, Norman Mesirow, was to serve with purpose, applying the highest standards of professionalism in advising individuals and families on their most important life goals. More than eight decades later, we measure our client relationships in years and in generations, as we move in unison with our clients toward shared goals.

We look forward to having an opportunity to serve you and your family.

To learn more, visit mesirov.com/wealthmanagement and follow us on [LinkedIn](#).

1. Source: Herbers & Company [Consumer Financial Behaviors Study](#) | The information contained above is for illustrative purposes only and is being provided as a sample illustration of our services. This information is not intended to be relied upon by the reader as each investor's circumstances are different. Mesirow does not provide legal or tax advice. Please discuss any decisions with respect to trusts with your attorney and/or advisor. | Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2026, Mesirow Financial Holdings, Inc. All rights reserved. Any opinions expressed are subject to change without notice. Past performance is not indicative of future results. Advisory Fees are described in Mesirow Financial Investment Management, Inc.'s Form ADV Part 2A. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC registered investment advisor. Securities offered by Mesirow Financial, Inc. member FINRA and SIPC.