

# Changing Jobs? Remember Your Retirement

- By Christina Couch
- Posted: Thu Aug 12 10:25:02 EDT 2010

- [Comments 0](#)
- [Email](#)
- [Print](#)
- 

Some people seem to change jobs faster than they change outfits—once every 18 months on average through your 20s, according to the Department of Labor. Keep it up, and you'll have had 26 jobs by the time you retire, which would be great for dinner party conversation but could really [screw up your retirement account](#).

Changing employers means changing rules on your 401k, and not always in your favor. "If you have a balance of under \$1,000"—or \$5,000 in certain cases—"your employer could force you out of your plan," says Chad Nehring, certified financial planner with Conceptual Investment Advisors in Appleton, Wisconsin. "An employer could opt to give you a cash distribution that you'd have to pay taxes and a 10 percent penalty on."

To keep from losing your balance, [roll over your nest-egg money](#) into your new employer's 401k as soon as possible. "There's probably going to be a waiting period before you can be involved in a new company's retirement plan," he says. "If that's the case, [invest in an alternative plan](#), like a Roth IRA, until the waiting period is over."

## Follow the Paper Trail

If your balance is substantial, you might be able to keep it in a retirement plan through your former employer. You won't keep collecting your old boss's matching contribution, and you won't have as much control over what you invest in as you would if you had it in your own retirement account, but the funds will stay on the same investment track.

If the old employer's fund comes with lower fees than the new employer's that could be reason enough to keep the money where it is. A mere 1 percent increase in fees on your account could lower your account balance by 28 percent over 35 years, according to the Department of Labor.

But make sure to keep track of all your accounts. "If you leave an employer and then you go to three others, eventually you have money all over the place," says John Comer, a certified financial planner with Comer Consulting in Plymouth, Minnesota.

Read the fine print on both plans, and talk to both companies' human-resources representatives, to learn the fees and penalties associated with each plan and to make sure you're investing in the right deal. "Don't be afraid to ask questions or even to get a financial planner to help you compare," Nehring says. ""These decisions are worth spending a little time on."

This article is retrievable at <https://getcurrency.com/article/changing-jobs-remember-your-retirement>

Conceptual Financial Planning, Inc./Conceptual Investment Advisors, Inc. does not necessarily endorse or recommend the particular authors comments as each investor's situation varies.

Advisory Services offered through Conceptual Investment Advisors, Inc., a Registered Investment Advisor.

Securities offered through [WRP Investments, Inc.](#), a Broker/Dealer, Member [FINRA/SIPC](#). Chad Nehring, CFP® Registered Representative. Securities activities supervised by WRP home offices located at 4407 Belmont Dr. Youngstown, OH 44505 800-589-2023.

[Certified Financial Planner Board of Standards, Inc.](#) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

IRS Circular 230 Disclaimer: To ensure compliance with IRS Circular 230, any U.S. federal tax advice provided in this communication is not intended or written to be used, and it cannot be used by the recipient or any other taxpayer (i) for the purpose of avoiding tax penalties that may be imposed on the recipient or any other taxpayer, or (ii) in promoting, marketing or recommending to another party a partnership or other entity, investment plan, arrangement or other transaction addressed herein.