

# UNDERSTAND YOUR 401K

## Montini&Co

TAX ADVISORY GROUP

www.Montinico.com | (480)428-8005

### 401K PLAN Q & A

#### If My Company Closes, What Happens to My 401k?

Your 401k money usually holds several different types of contributions. The contributions you put in are called salary deferral contributions. These always belong to you. The company cannot take this money.

#### What About Penalty Taxes if Your Company Shuts Down the 401k?

If your company shuts down, files bankruptcy, or closes the 401k plan, you have several ways to keep your 401k money growing for your future without having to pay any penalties or income taxes. You can do what is called a rollover, where you move your 401k money to an IRA account. Contact us to evaluate your options if this applies to you.

#### How Much Time Do You Have to Rollover a 401k?

No taxes will be withheld from your transfer amount. 60-day rollover – If a distribution from an IRA or a retirement plan is paid directly to you, you can deposit all or a portion of it in an IRA or a retirement plan within 60 days.

### 401K DEFINED

A 401(k) plan is a tax-deferred defined contribution retirement plan that gives eligible employees the opportunity to defer a portion of their current compensation into the plan.

The amounts that are deferred are excluded from the participant's gross income for the year of the deferral. The plan may provide for employer matching contributions and discretionary profit-sharing contributions.

### 401K & TAXES

Withdrawals from traditional 401K's and qualified plans (other than Roth-type plans) are taxable. There are strategies to reduce your tax bill, but each strategy is customized to the needs of each individual.



To discuss ways to lower your taxable income, you'll need a full evaluation from our sophisticated team of professionals.

### WE'RE YOUR 401K RESOURCE

**Contact Montini & Co Advisory Group for comprehensive information about retirement planning, including 401K rollovers, saving, and investing for retirement. Our team holds a vast amount of knowledge concerning 401k & IRA accounts, and we are happy to be a resource to you and your loved ones.**

**Our phone number is:**

(480)428-8005

**Our address is:**

11811 N Tatum Blvd #1090

Phoenix, Az 85028