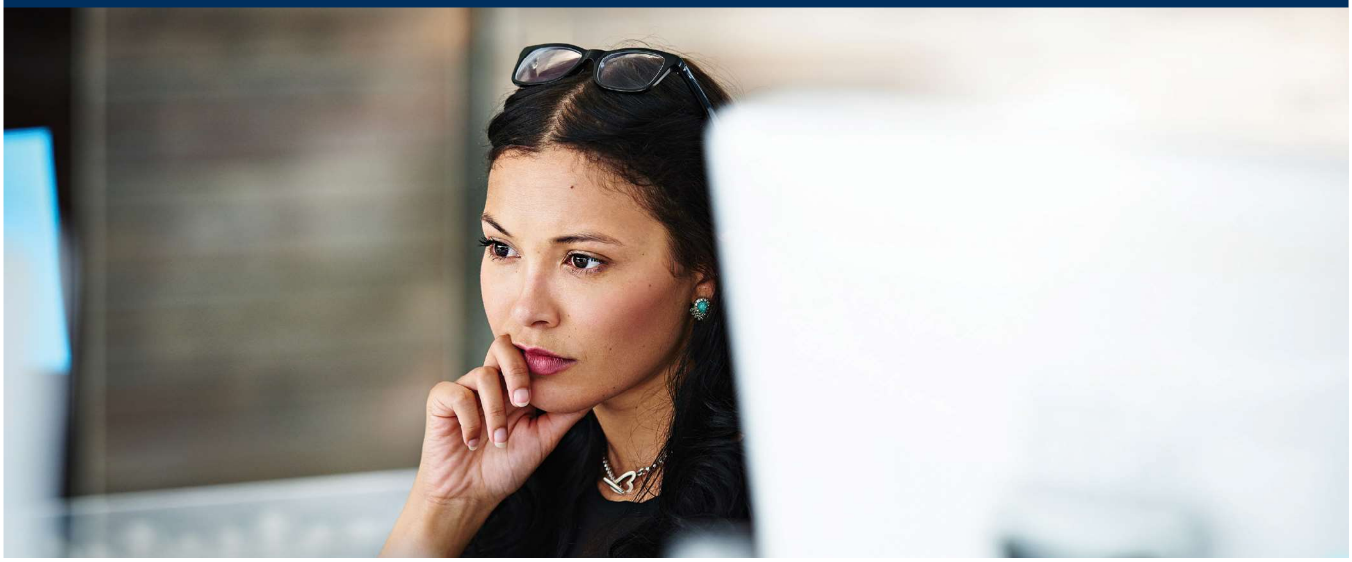
SUCCESSFULWOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



Navigating employer retirement plans

Know the ins and outs when making a career move

Gone are the days of staying at the same job with the same company for decades. In fact, people aren't even staying in the same line of work for a whole career anymore. According to research from the U.S. Department of Labor, the average American worker will change careers five to seven times throughout their life, and approximately 30% of the workforce now changes jobs every 12 months.

People are changing jobs for one reason or another – more money, less stress, more opportunity, more stability – and often their employer retirement account is not what's top of mind. But when you're switching jobs, you should always understand the status of your retirement account. Where is it held? How is it invested? What are the rules for transfers or withdrawals?

Here are some considerations to keep in mind as you embark on your new opportunity and leave the past in the rearview (except for your retirement account, of course).

KNOW YOUR OPTIONS

Before you start actioning a plan for your former employer retirement account, determine if any action needs to be taken in the first place. If your career move is between companies that are somehow related – as in a parent-subsidiary relationship, for example – they may be part of what's called a "controlled group," and no action on your part will be necessary. It's possible that the same plan is offered with all companies in a controlled group.

If that's not the case, there are a few options for you to think about.

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Navigating (cont.)

An estimated 24.3 million 401(k) accounts with an average balance of over $55,000 were left behind by job changers in 2021.

Leave the funds where they are. The path of least resistance is to leave your account where it is. But the first step is to ensure that your former employer allows you to do so. If you can leave your account with your old employer and choose to do so, how can you make sure you'll remember that money is there in 20, 30 or 40 years?

The amount of money you have in the account may factor into whether you can keep it with your previous employer. Some employers require a transfer if there's less than $5,000 in an account, or even automatically cut the employee a check for the balance if it's under $1,000. (If your employer does this, you'll need to sock that money into another retirement account ASAP, or face paying taxes and possibly penalties on it.) Something else to note is that employer plans often have higher fees and fewer investment choices while an IRA has more investment options, potentially lower fees, or might also include the help of a financial advisor.

Roll funds into a new plan. While keeping your balance with your previous employer plan can save you the trouble of a rollover, that might not always be the most beneficial move. Due diligence is important to avoid transferring funds from a former employer account to a more restrictive one. Some accounts have rules like not allowing you to access your funds until 65 years old, or not until you've been separated from the company for a certain number of years. You don't want it to be more difficult to access your funds.

If you decide to transfer your 401(k) balance to your new employer's plan, your top priority should be following the transfer rules to a T. A direct rollover orchestrated by your new employer's plan administrator is the most straightforward method. If you don't perform a direct rollover, you could face penalties and taxes on the transaction.

Cash out the plan. If you're thinking about taking the money and making a run for it, think twice. If you don't meet a 10% penalty exception, you'll likely pay an early withdrawal penalty, plus income tax – state and federal – on the balance. You'll also sacrifice the potential growth your investments could've seen with more time in the account.

WHAT HAPPENS WHEN YOU RETIRE?

When it comes time to retire and you have retirement accounts scattered about, there's no need to panic. If you have a variety of employer-sponsored plans – like 401(k)s, Roth 401(k)s, 403(b)s, 457(b)s, IRAs and Roth IRAs – whether you want to withdraw from the taxable accounts first depends on factors such as your tax bracket, account balances and other income sources. Your advisor, who understands your entire financial picture, should be able to advise you on what will be the most beneficial order in which to take distributions.

With any employer-sponsored retirement plan, you'll be required to withdraw a minimum amount of money each year (a "required minimum distribution," or RMD) once you reach your Required Beginning Date. This might get a bit complicated to keep track of if you maintain multiple accounts. Familiarize yourself with each plan's terms because each may include additional specifications for accessing your money.

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Always remember you have options for what to do with your savings in retirement plans. When changing jobs, consider those options carefully to position your savings to do the most for you. ■

NEXT STEPS

If you're about to make a career move:

- Assess what employer-sponsored retirement accounts you have, and how much money is in them.
- Look at each plan's terms and determine what your options are for transferring funds.
- If you have questions or concerns, consult your advisor to determine how best to move forward.

Sources: latimes.com; humaninterest.com; novoresume.com; zippia.com; raymondjames.com; fidelity.com; irs.gov; cnbc.com

Colleagues from coast to coast

Tips for staying connected with remote coworkers

In the remote world so many of us are now working in, connecting with coworkers takes effort. It's easy to be efficient: Log in, get the job done and log off. (That's what we love about working virtually, right?) But research shows that people who take the time to nurture good connections in the workplace are happier, more loyal, less stressed and feel like they belong.

Networking with coworkers will help you strengthen existing relationships and foster new ones, and even expose you to more learning and development opportunities. The trick is networking effectively when and where face-to-face opportunities are scarce.

Here are some tips for networking – albeit, virtually – with your colleagues.

KEEPING CONNECTIONS, BUILDING NEW ONES

Connect on LinkedIn. You'd be surprised to find how many people you work with every day are not among your connections on LinkedIn. Take an inventory and send out invites to people you talk to on a regular basis. Make a habit of connecting with new colleagues immediately after a first meeting to seal that digital bond. You may also consider making professional accounts on other social media platforms to expand your options.

Focus on quality over quantity. Your goal for networking virtually should be to make genuine, meaningful connections. To do this, create posts on social media that your colleagues will gain something valuable from. Share what you know and your passions, like trends in your space. This will start real conversations in your network.

Interact online where you see an opportunity! If you come across a colleague sharing interesting content on social media, reach out and let them know. Direct messaging people will get you in front of them and can help you make a meaningful connection. From a social media perspective, you can comment on one of their posts to help their posts gain reach. (They may even repay you the favor.) Networking digitally means mustering the courage to make the first move.

Take some time to break the ice. Get to know your coworkers by encouraging a bit of chit-chat to kick off meetings. If it's not possible to start off slow with conversation, consider hosting a weekly huddle, coffee break or happy hour to get coworkers chatting.

Remember that while networking virtually means using various methods to connect, be sure to remain authentically you in your interactions. Your personal brand shouldn't be too curated, but should carry through from live conversation to your social media presence. ■

NEXT STEPS

To build your virtual networking web:

- Connect with colleagues online to create a digital bond
- Dedicate time to building relationships by scheduling touchpoints with colleagues
- Post to social media mindfully and interact with posts to expand your network

Pro tip: Block time on your calendar once a week for scheduling your posts, using a free tool like Hootsuite or Crowdfire. Consider another, smaller block of time midway through the week to share and interact with other people's content and respond to comments on your posts and profiles.

Sources: raymondjames.com; raymondjames.com; hbr.org; project.co; pcmag.com

Lessons from famous female philanthropists

How we can give big – and be smart about it

MacKenzie Scott made headlines when she gave part of her Amazon fortune away after divorcing Amazon founder Jeff Bezos. And she's not the only woman who's made waves in the philanthropy space. Melinda French Gates and Priscilla Chan shine in their own right.

Wondering how you can follow in their footsteps by blazing your own philanthropic path?

DO YOUR DUE DILIGENCE

Upon her divorce from Bezos, MacKenzie was praised for the colossal donations she made to charity. In particular, she was hailed for the variety of charities she gave to – and the depth of research she conducted before committing to those charities.

The lesson to take from MacKenzie's approach is to conduct your due diligence before donating to an organization, regardless of how much you donate. Be sure the charity aligns with your values and is fulfilling your philanthropic objectives. MacKenzie evaluates organizations based on their "potential for sustained positive impact" and analyzes finances, outcomes and whether the leadership is representative of the community served. Your criteria can differ, but having your own methodology will ensure you're supporting organizations doing work that's meaningful to you.

GIVE COLLECTIVELY

Bill Gates himself has reportedly said he probably wouldn't have contributed as much to charity without the urging of his (now ex-) wife Melinda. She's known for collaborating with others on charitable endeavors (beyond the Bill & Melinda Gates Foundation), such as founding – with Crown Princess Mette-Marit of Norway – the Maverick Collective, an organization that has contributed more than $1 million to women's health.

Melinda's approach illustrates that collective giving is a powerful tool to make your contributions go further. There are many "giving circles," or organizations focused on identifying local giving opportunities or specific causes. Philanthropytogether.org publishes a directory listing more than 2,500 giving circles. Grapevine.com is another great resource.

CREATE YOUR OWN GIVING ENTITY

From supporting education and technology to funding healthcare and science, Priscilla Chan and her husband, Facebook cofounder Mark Zuckerberg, are among the most generous American philanthropists. Together they have a philanthropic limited liability company called the Chan-Zuckerberg Initiative that includes investment, charity and advocacy arms.

Priscilla's approach of creating a giving entity, like a donor-advised fund (DAF) can be a great option for the right financial situation. You can contribute to the fund over time, and then donate from it to charities of your choice when you're ready. You'll get the tax deduction now but can wait to distribute your contributions until the fund has grown, or until you find the perfect nonprofit to support. Want to involve your children? Ask them to recommend charities so they feel like they have a say – and the power to make a difference.

While you can look to each of these women for inspiration, dig deep to discover what will work best for you and help you reach your own giving goals. ■

NEXT STEPS

As you embark on your philanthropic journey:

- Take the time to conduct due diligence for any organization you plan to donate to
- Consider joining a giving circle to maximize impact
- Talk with your advisor about whether creating a charitable vehicle is right for your financial situation

Sources: grapevine.org; charitywatch.org; chanzuckerberg.com; gatesfoundation.org; philanthropytogether.org