



KEEP YOUR MONEY MOVING IN THE RIGHT DIRECTION

As the year winds down, it's a natural time to revisit how your money is working for you, especially within your 401k. From open enrollment decisions to reviewing old retirement accounts and fine-tuning your investment mix, the end of the year presents key opportunities to put your financial plan in motion.

This month, we highlight three areas that can help keep your money moving with purpose.

A SEASON TO REVIEW, REALIGN, AND REFRESH YOUR PLAN



REVIEW YOUR 401K CONTRIBUTIONS DURING OPEN ENROLLMENT

If your employer offers both traditional and Roth 401k contribution options, it may be time to review which approach best fits your goals. Traditional 401k contributions are made before taxes, while Roth contributions are made after taxes. Each option carries different implications for how your earnings are taxed over time. Reviewing your current strategy during open enrollment can help ensure your contributions align with your broader financial plan and cash flow needs. If your employer provides a matching contribution, taking full advantage of that benefit can further strengthen your long-term savings potential.



REALIGN WHAT YOU HAVE SO IT CONTINUES TO WORK FOR YOU

If you have changed jobs, you may still have retirement accounts held with previous employers. Consolidating those assets can simplify your financial life and give you a clearer view of your overall investment strategy. Rolling old 401k plans into an Individual Retirement Account (IRA) may provide greater flexibility, more coordinated oversight, and expanded investment choices. Bringing these accounts into your existing Raymond James or Phases portfolio can also help ensure your assets are aligned under one cohesive plan. Alternatively, you can also move it into your current employer 401(k) plan or even withdraw as cash. Keep in mind your current employer plan may not accept rollovers and if you withdraw as cash you can be penalized 10% plus whatever taxes that would incur. Before making any decisions, it is important to review potential tax implications and confirm that a rollover supports your broader financial goals.



REFRESH YOUR PORTFOLIO FOR THE YEAR AHEAD

Market performance and regular contributions can shift your asset allocation over time. Year-end is an ideal opportunity to review and rebalance your 401k to keep it aligned with your goals and comfort level with risk. Adjusting your portfolio helps ensure that your intended mix of stocks, bonds, and other investments continues to reflect your financial plan rather than short-term market changes. A balanced approach can help you maintain discipline and consistency as you move into the new year.



CONCLUSION

At Phases, we believe a strong financial plan is one that stays in motion, evolves with your life, and remains grounded in clarity and intention. Whether you are evaluating your 401k, consolidating accounts, or preparing for the year ahead, we are here to help you navigate each step with confidence.

KNOW SOMEONE READY TO PUT THEIR PLAN IN MOTION?

We are always grateful when clients introduce us to friends or family who may benefit from professional guidance. If someone you know is looking to take the next step in organizing or optimizing their financial plan, we would be happy to connect with them. Simply reply to this email with their contact information or forward this newsletter directly.

GET IN TOUCH

REACH OUT TO US



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«EXCELLENCE IMPLIES STRIVING FOR THE HIGHEST
STANDARDS IN EVERY PHASE OF LIFE»

— John W. Gardner —

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401(k) plans are long-term retirement savings vehicles. Withdrawal of pre-tax contributions and/or earnings will be subject to ordinary income tax and, if taken prior to age 59 1/2, may be subject to a 10% federal tax penalty.

Matching contributions from your employer may be subject to a vesting schedule. Please consult with your financial advisor for more information.

Contributions to a traditional IRA may be tax-deductible depending on the taxpayer's income, tax-filing status, and other factors. Withdrawal of pre-tax contributions and/or earnings will be subject to ordinary income tax and, if taken prior to age 59 1/2, may be subject to a 10% federal tax penalty.

Roth 401(k) plans are long-term retirement savings vehicles. Contributions to a Roth 401(k) are never tax deductible, but if certain conditions are met, distributions will be completely income tax free. Unlike Roth IRAs, Roth 401(k) participants are subject to required minimum distributions at age 72 (70 1/2 if you reach 70 1/2 before January 1, 2020).

Unless certain criteria are met, Roth IRA owners must be 59 1/2 or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount may be subject to its own five-year holding period. Converting a traditional IRA into a Roth IRA has tax implications. Investors should consult a tax advisor before deciding to do a conversion.

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