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## **MESSAGES from the Masters**

### ***IT IS A CHALLENGE TO SUCCEED by Jim Rohn***

It is a challenge to succeed. If it were not, I'm sure more people would be successful, but for every person who is enjoying the fruit from the tree of success, many more are examining the roots. They are trying to figure it all out.

"I am a nice person," the man says to himself. "How come this other guy is happy and prosperous, and I'm always struggling?" He asks himself, "I am a good husband, a good father and a good worker. How come nothing seems to work out for me? Life just isn't fair. I'm even smarter and willing to work harder than some of these other people who just seem to have everything going their way," he says as he slumps into the sofa to watch another evening of television. But you see you've got to be more than a good person and a good worker. You've got to become a good planner, and a good dreamer. You've got to see the future finished in advance.

You've got to put in the long hours and put up with the setbacks and the disappointments. You've got to learn to enjoy the process of disciplines and of putting yourself through the paces of doing the

uncomfortable until it becomes comfortable. You've got to be prepared and willing to attack the challenges if you want the success because challenges are part of success. Now that may sound like a full menu of activities, but let me assure you that the process of going from average to fortune isn't really all that difficult. Thinking about it is the difficult part.

I've often said that to have more, we must first become more, and to become more, we must begin the process of working harder on ourselves than we do on anything else.

I'd like for you to discover some strong feelings about your life and about what you want to do with that life. You probably have much of the knowledge and a lot of the experience and perhaps most of the skills that it takes to become successful. What you may be lacking in are the strong feelings about what you want and what you want to do. You may be one of those who have become so involved in the process of earning a living that you've forgotten about the choices and the chances you have for designing your own life.

Let these strong feelings help you take a second look at your life and where you're headed. After all, you've only got one life, at least on this planet. So why not make it an adventure in achievement? Why not discover what all you can do and what all you can have?



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## When You Change Jobs...

### You May Have an Important Decision to Make...

What to do with your money in an employer-sponsored retirement plan, such as a 401(k) plan. Since these funds were originally intended to help provide financial security during retirement, you need to carefully evaluate which of the following options will best ensure that these assets remain available to contribute to a financially-secure retirement.

#### Take the Funds

You can withdraw the funds in a lump sum and do what you please with them. This is, however, rarely a good idea unless you need the funds for an emergency. Consider:

- A mandatory 20% federal income tax withholding will be subtracted from the lump sum you receive.
- You may have to pay additional federal (and possibly state) income tax on the lump sum distribution, depending on your tax bracket (and the distribution may put you in a higher bracket).
- Unless one of the exceptions is met, you may also have to pay a 10% premature distribution tax in addition to regular income tax.
- The funds will no longer benefit from the tax-deferred growth of a qualified retirement plan.

#### Leave the Funds

You can leave the funds in your previous employer's retirement plan, where they will continue to grow on a tax-deferred basis. If you're satisfied with the investment performance/options available, this may be a good alternative. Leaving the funds temporarily while you explore the various options open to you may also be a good alternative. (**Note:** If your vested balance in the retirement plan is \$5,000 or less, you may be required to take a lump-sum distribution.)

#### Roll the Funds Over

You can take the funds from the plan and roll them over, either to your new employer's retirement plan (assuming the plan accepts rollovers) or to a traditional IRA, where you have more control over investment decisions. This approach offers the advantages of preserving the funds for use in retirement, while enabling them to continue to grow on a tax-deferred basis.

### Why Taking a Lump-Sum Distribution May Be a Bad Idea:

While a lump-sum distribution can be tempting, it can also cost you thousands of dollars in taxes, penalties and lost growth opportunities...money that will not be available for future use in retirement.

**Please contact my office if you would like additional information on rolling funds over from a previous employer's retirement plan.**

The purpose of this newsletter is to provide information of general interest to our clients, potential clients and other professionals. The information provided is general in nature and should not be considered complete information on any product or concept described. For more complete information, please contact my office at Office: (715) 627-4302.