

Rollovers & Cash Withdrawals – Most Stayed Invested

Nearly 90 percent of the retirement funds for participants that changed jobs in 2006 remained invested in an account for retirement, and just over 10 percent elected a cash withdrawal of the funds. Even a larger percentage of retirees' assets remained invested in a retirement account; only 7 percent of assets were taken as a cash withdrawal.

Of the retirement funds available for rollover or distribution due to a job change or retirement in 2006, more than half — 54 percent¹ — remained invested with The Principal. This figure was higher than the industry average of 46.5 percent.²

Ninety percent of the 401(k) plans with recordkeeping services provided by The Principal allowed annuities as an option at the time of a distributable event. This is significantly higher than the industry average where 16.5 percent of pre-retirees and 22.7 percent of retirees were offered annuities as an option at distribution.³

Fast Fact

Younger participants, those 34 or under, elected to receive a cash distribution option more often when changing jobs than any other age group, with 20% taking the cash option.

