



How to Exit ROBS in 6 Steps

Ready to exit your Rollovers for Business Startups (ROBS) plan? Whether you're selling your company or purchasing the stock back early, following these six steps is key.

Following this 6-step guide will help you comply with all regulatory requirements, steer clear of potential tax pitfalls, and safeguard your retirement assets.

By partnering with your Plan Administration team, they'll ensure you take the right steps to exiting ROBS as every business scenario varies.

Check out our [6-Step Guide to Exiting ROBS](#) blog for more details on each step.

1 Call Your Plan Administration Team

Discuss your specific situation and reasons for wanting to exit ROBS with your Plan Administration Team. Your team will provide you with written instructions.

2 Determine the Value of Your Company's Stock

Your Plan Administration Team will give you detailed instructions to get a valuation of your company stock. Valuing the stock is a necessary first step as it determines the price.

3 Identify the Buyback and Plan Termination Requirements

Your Plan Administration Team will give you specific steps that need to take place to complete a buyback and to terminate the company 401(k) plan.

Since these steps vary greatly, it's important to meet with your Plan Administration Team to review these details.

4 Finalize the Stock Buyback

Once the stock is valued or the business is sold, you can move forward with repurchasing the stock from the 401(k) plan established initially with ROBS.

In most cases, you'll need to create a 401(k) bank account. The funds are moved from the corporate operating account into the newly created 401(k) bank account.

5 Complete Required Year-End Documentation

After the stock buyback is complete and your Plan Administration Team has reviewed the paperwork, you'll need to complete all the required year-end documentation.

You'll receive a detailed list of the requirements to be completed and returned to your Plan Administration Team.

6 Close the Company 401(k) and File Your Final IRS Form 5500

The company 401(k) will now be officially and legally closed. In this process, you will need to work closely with your Plan Administrator to help you understand the details.

In addition, [IRS Form 5500](#), the Annual Return/Report of the Employee Benefit Plan, must be filed annually by the employer. The IRS will view the company 401(k) as active until they receive the final Form 5500.

Congratulations! You've completed your ROBS exit plan. [Learn more about how to exit ROBS in depth with our *Exiting ROBS Structure and Overview Complete Guide*](#)