

# Considerations for Terminating a 401(k) or Profit-Sharing Plan

October 13, 2020

Corporate restructuring in light of economic volatility often gives rise to questions of whether, and how, to terminate an employer's 401(k) or profit-sharing plan. These can arise, for example, in negotiating merger or purchase agreements, or in connection with a more general rethinking of corporate structure and benefit programs. In addition to business-related considerations such as cost, transaction leverage, and employee relations, there are a number of potential legal and logistical issues. This article provides a general overview of legal and logistical points to consider and practical tips for the termination process.

## [Related Professionals](#)

---

- **Katrina E. McCann**  
Senior Counsel