ROTH OR TAX-SHELTERED:

Which contribution is right for you?



TAX-SHELTERED

Your contributions will be:

After-tax

Pretax, lowering your current taxable income

When retired, your distributions will be:

Tax-free²

Taxable

You can contribute up to:

\$23,000 annually, plus another \$7,500 if age 50 or older³

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You're required to begin taking distributions:

As of January 1, 2024, Roth distributions are no longer required

At age 73, unless you're still working for the sponsoring employer

This option might be right for you if:

You expect to be in a **higher** tax bracket during retirement

You can afford less take-home pay now, in exchange for tax-free distributions in retirement

You expect to be in a **lower** tax bracket during retirement

You currently need as much take-home pay as possible, even if it means paying taxes on distributions in retirement

This information applies to tax-sheltered contributions and Roth elective deferrals within an employer-sponsored retirement plan. Not all plans offer the Roth options. See your employer for details. ²Roth distributions are not taxable if the account has been held for five years and the participant is over age 59 1/2, deceased or disabled.

3Annual contribution limits apply to tax-sheltered, Roth or a combination of the two. Numbers quoted are for contributions made during 2024. Contribution limits are subject to change each year.

This should not be considered tax advice. You should consult a tax professional to discuss your unique situation

Talk to your **benefits office** to get started or make changes today!

