ROTH CONTRIBUTIONS

Your employer offers another way to save for retirement.

Take advantage of Roth (after-tax) contributions.

Within your employer retirement plan, you can contribute on both a pretax and Roth after-tax basis. By using the Roth option, you contribute to your plan after taxes are taken out of your paycheck, and you can make future withdrawals from your retirement plan tax-free. **Note**: if your wages* from your employer were greater than $145,000 in the prior tax year, the IRS requires that your age-based catch-up contributions be Roth after tax.

Consider Roth after-tax contributions if you:

Want the ability to take tax-free distributions.
Qualifying Roth distributions are typically tax-free, because you already paid taxes on the contributions, and your earnings are not taxable.

Make too much money and are not eligible for a Roth IRA because of the income limits.
There are no income limits for Roth contributions within an employer-sponsored retirement plan.

Wish to make higher contributions than otherwise allowed in a Roth IRA.
The IRS limit for pre-tax and/or Roth after-tax contributions made to an employer-sponsored retirement plan is much higher than the IRS limits allowed in traditional or Roth IRAs.

Prefer a portion of retirement plan assets to be taxable and another nontaxable.
By having a mix of pretax and after-tax contributions in your retirement account, you may be able to provide a hedge against the uncertainty of future tax rates.

Don't want all of your retirement plan assets subject to Required Minimum Distributions (RMDs).
Roth contributions to employer-sponsored retirement plans (and the earnings) are no longer required to be included in RMDs for tax years after December 31, 2023.

Desire to leave a tax-free distribution to your beneficiaries.
Roth contributions within an employer-sponsored plan are tax-free to the beneficiary, so long as those contributions are at least five years old (starting on the date of the first contribution).

Earned more than $145,000 in wages* in the prior year and want to make age-based catch-up contributions
The IRS requires that age-based catch-up contributions in employer-sponsored retirement plans be designated as Roth after tax for anyone who made more than $145,000 in wages* in the prior tax year from the employer sponsoring the plan.

*Wages generally mean Form W-2, Box 3 compensation.

Is the Roth contribution right for you?

To answer this question, you'll have to consider what is best for your current and future tax situation, and estimate the best you can. Of course, it's also wise to consult a tax advisor as well.

If you expect your tax rate during retirement will be	Your preferred option may be
Higher than your current rate	Roth after-tax contributions
Lower than your current rate	Pre-tax contributions
Equal to your current rate	Either or both

For more information about Roth after-tax contributions, visit **tiaa.org/rothsavings** or call TIAA at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET).

Need help deciding if Roth after-tax contributions are right for you? **Schedule an appointment** with a TIAA Financial Consultant at no additional cost to you.

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