Roth In-Plan Conversion offers the potential for tax-free retirement income on assets targeted for distribution

About the In-Plan Conversion: Your plan now gives you the option to potentially reduce future income taxes on assets eligible to be distributed.[1]

An additional way to save

Directly convert assets that are eligible to be distributed to a designated Roth account within your workplace savings plan.

Examples of eligible assets in your 401(k) or 403(b) plan may include:

- Assets left in an eligible former employer's plan
- Assets rolled over from a former employer's plan into your current employer's plan, as long as the assets are held separately
- Assets in your plan — if you are over age 59½ and the plan allows it — also known as an in-service withdrawal
- Certain other employer contributions, such as profit sharing or matching contributions, provided certain conditions are met and distribution is allowed by your plan

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

With a **Roth In-Plan Conversion** feature, your employer provides you with the option to:

- Diversify your retirement assets between Roth and non-Roth accounts
- Receive potentially federally tax-free earnings and withdrawals[1]
- Reduce future income taxes

Questions to consider

There are three key questions to consider before converting your eligible workplace savings to a Roth account. The decision to convert needs to be made carefully and should include a consultation with your tax advisor.

1 **Do you expect to pay higher taxes in the future?** If you think that you will be in a higher tax bracket after you retire, or if you plan to leave a substantial amount of your retirement assets to your heirs, you may want to consider a Roth conversion. This is because you may pay lower taxes now than if you wait until retirement to begin taking taxable withdrawals.

2 **Do you have a long investment time frame?** The relative benefits of conversion will increase the longer your money remains in the Roth account. Generally, conversion may not make sense if your time horizon is less than five years, as amounts withdrawn may be subject to a 10% penalty.

3 **Can you pay the taxes on the conversion?** This is one of the most critical factors when considering a Roth conversion. You will need to be sure you can pay the current income taxes related to any taxable Roth conversion.

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[1]A distribution from a Roth 401(k), 403(b) or governmental 457(b) plan is tax-free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.

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