

TAX-SHELTERED OR ROTH:

Which contribution is right for you?

TAX-SHELTERED

ROTH

1

Your contributions¹ will be:

Pretax, lowering your current taxable income

After-tax

2

When retired, your distributions will be:

Taxable

Tax-free²

3

You can contribute up to:

\$19,500 annually, plus another \$6,500 if age 50 or older³

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4

You're required to begin taking distributions:

At age 72, unless you're still working for the sponsoring employer

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5

This option might be right for you if:

- 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

- 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

¹This information applies to tax-sheltered contributions and Roth elective deferrals within an employer-sponsored retirement plan. Not all plans offer the Roth option. 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 ½, deceased or disabled.

³Annual contribution limits apply to tax-sheltered, Roth or a combination of the two. Numbers quoted are for contributions made during 2019. 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!


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