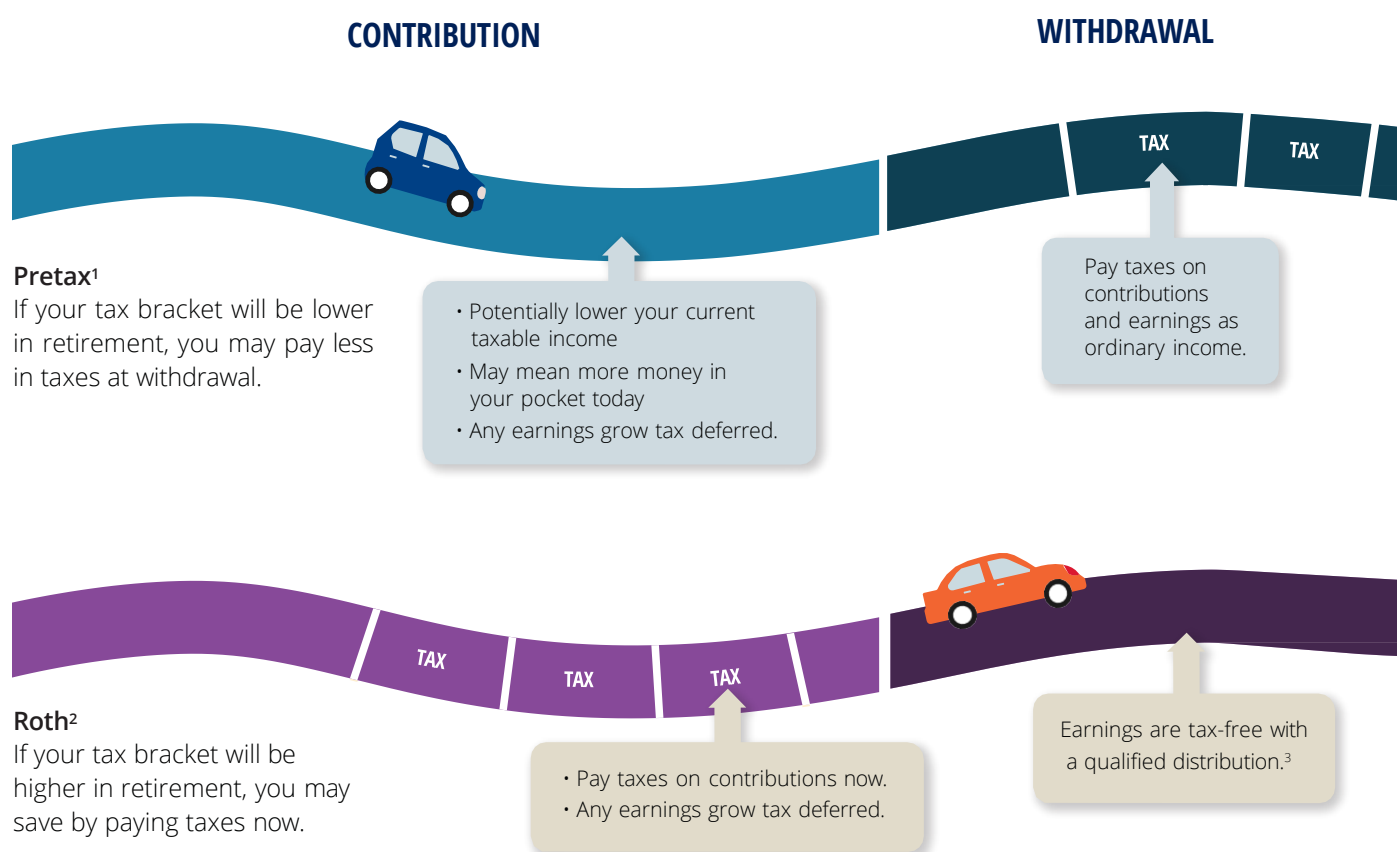


Pretax or Roth: Which road to take?

Before you determine which road or combination of roads may be right for you, you'll need to consider a few important factors, including when you want to pay taxes. Let's take a closer look.



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What to know before you hit the road

	Pretax contributions	Roth contributions
Is my contribution taxable in the year I make it?		
Is my contribution taxed when distributed?		
Are potential earnings on my contributions taxed when distributed?		No, provided that it is a qualified distribution. ³
Can I contribute to both Roth and pretax plans?		
If I change jobs, can I roll over my account?		
	Yes, to an eligible employer plan (if the plan allows it) or to an IRA. ⁴ Consider all your options and their features and fees before moving money between accounts.	
If I experience a financial hardship, can I make a withdrawal?		
	Yes, if your plan allows hardship withdrawals.	
Do I have to take a minimum distribution at age 73?		
	Once you reach age 73, you are generally required to begin taking minimum distributions. ⁵	Not required
What is the maximum amount I can contribute?	You may contribute up to the IRS limit each year. Check irs.gov for the limits.	

1 Contributions are made prior to tax withholding.

2 Contributions are made after tax withholding.

3 Subject to requirements Roth contributions must be in your account for at least five years and the money withdrawn after you have reached age 59½, died, or been disabled. If a distribution is not qualified, the earnings are taxed as ordinary income and may be subject to early withdrawal penalties.

4 Eligible employer plans include qualified plans (e.g., 401(k), governmental 457(b), and 403(b) plans). Roth contributions can only be rolled over to another designated Roth account or to a Roth IRA.

5 If you are still employed with the employer who sponsors the plan or are less than a 5% owner of the business sponsoring the plan, you may not be required to take a minimum distribution. As of January 1, 2023, the IRS generally requires you to start taking minimum distributions at age 73.

Investing involves risk, including possible loss of principal.