The Roth Contribution Option

for the 403(b) Plan

The 403(b) Plan accepts Roth contributions, giving you the flexibility to designate all or a portion of your elective deferrals as Roth contributions.

How are Roth contributions different from before-tax contributions?

Roth contributions are made with after-tax dollars, as opposed to the before-tax dollars you traditionally have contributed. In other words, with the Roth option, you've already paid taxes on the money you contribute. With before-tax deferrals, you pay taxes when you take a distribution.

AT-A-GLANCE COMPARISON	Before-Tax Contribution	Roth After-Tax Contribution
Is my contribution taxable in the year I make it?	No	Yes
Is my contribution taxed when distributed?	Yes	No
Are any earnings on my contributions taxed when distributed?	Yes	No, provided the distribution occurs after age 59½, death or disability and no earlier than five years after your first Roth contribution
If I change jobs, can I roll over my account?	Yes, to a qualified 401(k) plan, traditional IRA, 403(b) plan or governmental 457(b) plan if the plan allows it	Yes, to a Roth IRA, 401(k) plan or 403(b) plan if the plan has a designated Roth account and accepts rollovers
What is the maximum amount I can contribute?	Combined limit for contributions in 2023: $22,500 or $30,000, including the additional $7,500 Age 50+ Catch-Up contribution	
If I experience a hardship, can I make a withdrawal?	Yes[1]	Yes[1]
Are loans available?	Yes, your Plan allows you to borrow the lesser of $50,000 or 50% of your elective deferral account balance; you have up to five years to repay your loan—up to 15 years if the money is used to purchase your primary residence	
Do I have to take a required minimum distribution?	Yes, at age 72 (age 70 1/2 if you turned age 70 1/2 prior to Janary 1, 2020).	Yes, at age 72 (age 70 1/2 if you turned age 70 1/2 prior to Janary 1, 2020).

For more information, please contact your on-site Retirement Plan Representative at (717) 851-2369, visit **wellspansavings.com** or Empower at **877-SAV-WELL (728-9355)**.

1 Withdrawals are subject to ordinary income tax. A 10% early withdrawal penalty may apply to withdrawals made prior to age 59½.

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Roth Q&A

Q: How are Roth voluntary contributions different from traditional voluntary contributions?

A: Roth voluntary contributions are made with after-tax dollars, whereas traditional voluntary contributions are made on a before-tax basis.

Q: Who should consider making Roth voluntary contributions?

A: Roth contributions may be most suitable for investors who:

- Are able to pay slightly more in current-year income taxes in exchange for tax-free qualified distributions during retirement
- Expect their income tax rate to be the same or higher during retirement
- Desire tax diversification for retirement assets (tax-free,tax-deferred, taxable)

Q: What is the maximum voluntary contribution I can make?

A: Roth voluntary or traditional voluntary contributions up to $22,500 in 2023 can be made between the 401(k) and 403(b) Plans. Participants age 50 or older in 2023 may make up to $7,500 in additional catch-up contributions.

Q: How do Roth voluntary contributions differ from a Roth IRA?

A: Contribution Limits: Roth IRA contributions are limited to $6,500 in 2023 (or $7,500 if you are age 50 or older) versus $22,500 for the Roth 401(k) or 403(b) voluntary contributions (or $30,000 if you are age 50 or older). So, you can contribute more on an after-tax basis to your My Retirement Plan Roth accounts than to a Roth IRA.

Eligibility: If you're single and earn more than $153,000 a year or are married with a joint income of more than $228,000 in 2023, you are not eligible to contribute to a Roth IRA in 2023. However, as long as you meet your Plan's eligibility requirements, you can make Roth voluntary contributions regardless of your income.

Q: Can I contribute to both a Roth IRA and a Roth 401(k) or 403(b) account?

A: Yes, in keeping with the contribution limits and eligibility provisions mentioned above

Q: Can I roll over my Roth account if I change employers?

A: Should you leave your current employer, you have the option of rolling over your Roth account to a 401(k) or 403(b) plan (as long as it has a designated Roth account and accepts Roth rollovers), or to a Roth IRA.

You can roll over your traditional 401(k) or 403(b) account balances to a 401(k), 403(b) or governmental 457(b) plan (as long as the plan accepts rollovers), or to an IRA. As with any financial decision, you are encouraged to discuss moving money between accounts, including rollovers, with a financial advisor and to consider costs, risks, investment options and limitations prior to investing.