

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 \$150,000 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 \$150,000 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 \$150,000 in wages* in the prior tax year from the employer sponsoring the plan.

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
	Lower than your current rate
	Equal to your current rate



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.



Withdrawals other than qualified Roth distributions are pro-rated between your after tax contributions and taxable earnings. A 10% penalty may apply to the taxable amount. For governmental 457(b) plans, withdrawals are only allowed following separation from service or (plan permitting) when you reach age 59 1/2, unless you establish to your employer that you have an unforeseeable emergency.

The TIAA group of companies does not offer tax advice. See your tax advisor regarding your particular situation.

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action.

Investment products may be subject to market and other risk factors. See the applicable product literature or visit tiaa.org for details.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

©2025 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017