



Maximize your tax savings

When you save money in the Rentokil Initial USA 401(k) Plan, you can choose to make **pre-tax contributions**, **Roth after-tax contributions**, or a little of both. But what's the difference?

	PRE-TAX	ROTH AFTER-TAX
What is it?	The money you save in your plan that comes directly out of your paycheck before it's been taxed.	The money you save in your plan that comes directly out of your paycheck after it's been taxed.
How does it affect your taxes today?	You pay less in taxes today. Pre-tax contributions come out of your pay before your pay is taxed. This lowers your taxable income.	Your Roth contributions don't affect your taxes today. Roth contributions come out of your pay after your pay is taxed. Your taxable income doesn't change.
How does it affect your taxes in retirement?	When you take the money out of your account (most likely in retirement), you'll owe income taxes on your contributions and any earnings.*	You can take Roth money out of your account tax-free—both your contributions and any earnings —as long as you're at least age 59½ and made your first Roth contribution at least five years earlier.*

Roth could be right for you if . . .

- **You're in a lower tax bracket now.** No one can predict the future. But if you think you may be in a higher tax bracket when you retire, paying taxes on your Roth contributions now to avoid the taxes later could save you money in the long run.
- **You make too much money to save in a Roth IRA.** You can get the same benefits without the income limits by making Roth contributions to your plan.

Important note about tax credits

If you receive the income tax credit or the additional child tax credit, switching from pre-tax to Roth contributions could raise your taxable income—which could cost you these valuable tax credits. These credits may be available to you if your family income is generally between \$16,000 and \$59,000, and they could be more valuable to you than Roth contributions.

Of course, everyone's situation is different. To help you decide what may be best for you, talk to a tax advisor or check out what Roth can do for you at vanguard.com/rothcontributions.

Ready for Roth?



Log in to your account at vanguard.com/retirementplans.

Here's your plan number if you need it:
093934.

For more information on how much you can contribute, visit vanguard.com/contributionlimits.

Need help?

Call **800-523-1188** Monday through Friday, 8:30 a.m. to 9 p.m., Eastern time.

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Whenever you invest, there's a chance you could lose the money.

***Taxes:** Taking money from your retirement account can affect how much you'll have to pay in taxes. You'll owe taxes on pre-tax money. You won't owe taxes on Roth earnings as long as you are age 59½ or older and it's been at least five years since your first Roth contribution. If required by law, Vanguard will withhold some taxes for you. You may need to pay a 10% federal penalty tax if you take money out early.

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