

Cardinal at Work | Retirement Savings Benefits



All About Roth

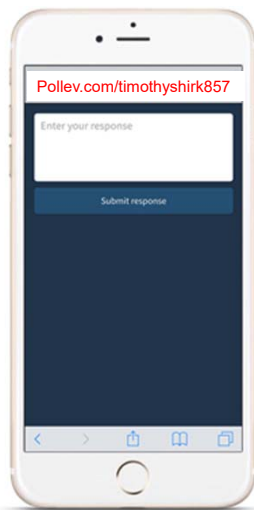
Pay no taxes in retirement with the Roth 403(b)!

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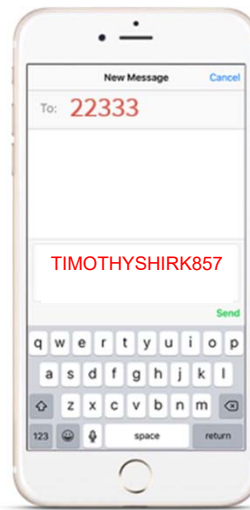


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Let's Hear From You!



Web voting



Text voting



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Disclaimer:

- This meeting is not intended to provide tax or legal advice. Please consult your tax and/or legal advisory for such guidance.

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Understand your options

- Capture all the “free” money*
 - Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)

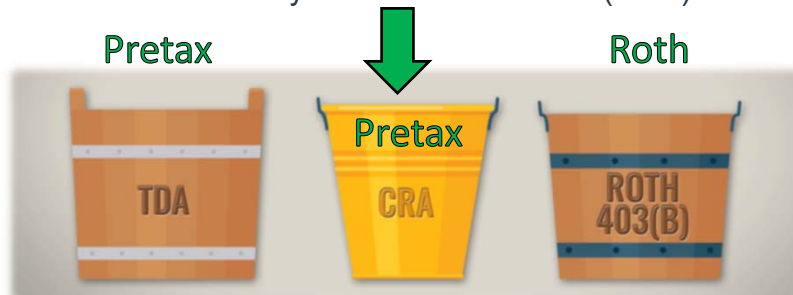


*See the plan's Summary Plan Description for details on qualifying for company contributions.

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Understand Your Options

- Capture all the “free” money*
 - Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
 - At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)



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Understand Your Options

- **Capture all the “free” money***
 - Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
 - At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)
 - Save 1%, get a 1.5% match
 - Save 2%, get a 3% match
 - Save 3%, get a 4% match
 - Save 4%, get a 5% match

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Understand Your Options

- **Capture all the “free” money***
 - Start saving right away in either the Tax Deferred Account (TDA) or the Roth 403(b)
 - At one year of service, elect a 4% contribution to the Contributory Retirement Account (CRA)
 - After 1 year receive the basic company contribution
 - 1 year of service, receive 1% of pay
 - 2 years of service, receive 2% of pay
 - 3 years of service, receive 3% of pay
 - 4 years of service, receive 4% of pay
 - 5 years of service, receive 5% of pay

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Pay your taxes **LATER**
with the Tax Deferred
Account (TDA) and
Contributory Retirement
Account (CRA)!



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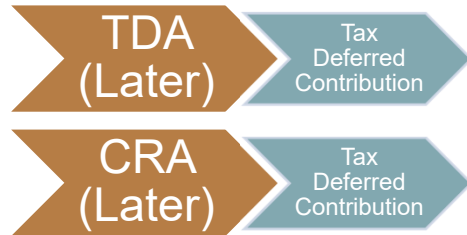
Pay Your Taxes **Later** – TDA/CRA

TDA
(Later)

CRA
(Later)

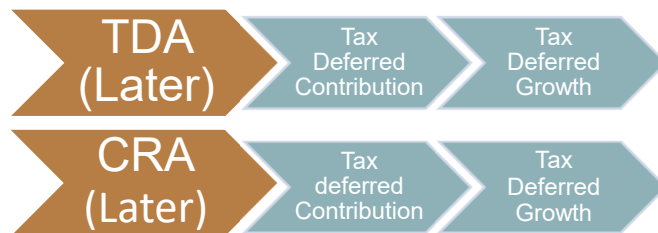
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Pay Your Taxes **Later** – TDA/CRA



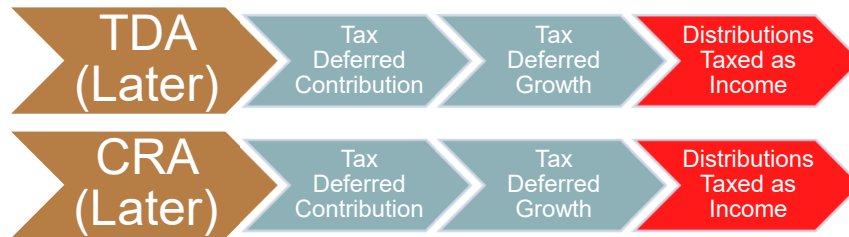
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Pay Your Taxes **Later** – TDA/CRA



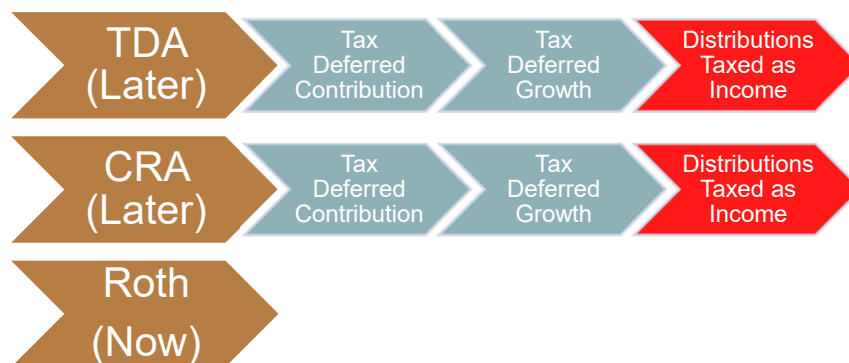
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Pay Your Taxes **Later** – TDA/CRA



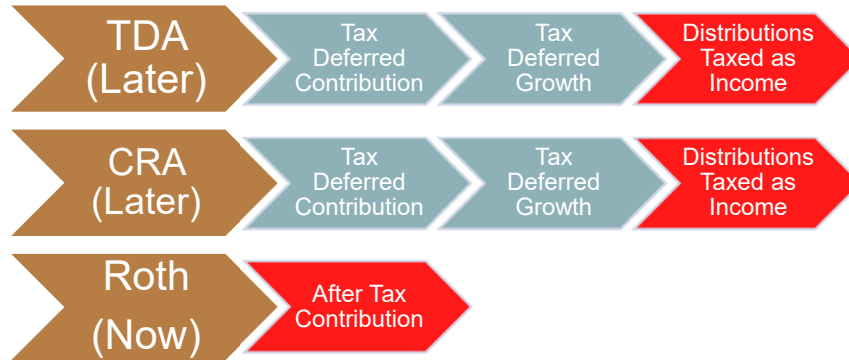
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Pay Your Taxes **Now** – Roth 403(b)!



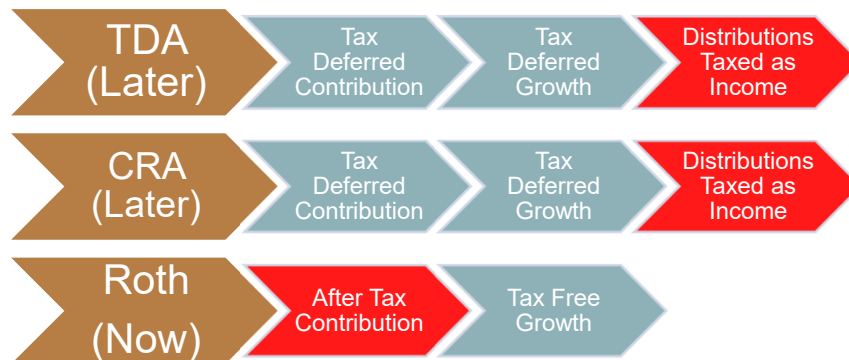
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Pay Your Taxes **Now** – Roth 403(b)!



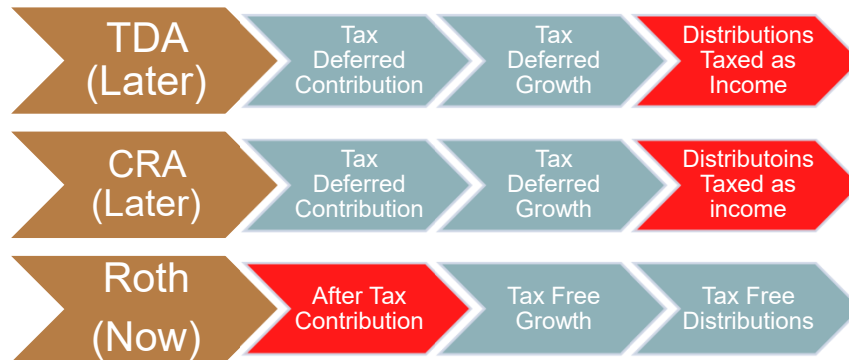
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Pay Your Taxes **Now** – Roth 403(b)!



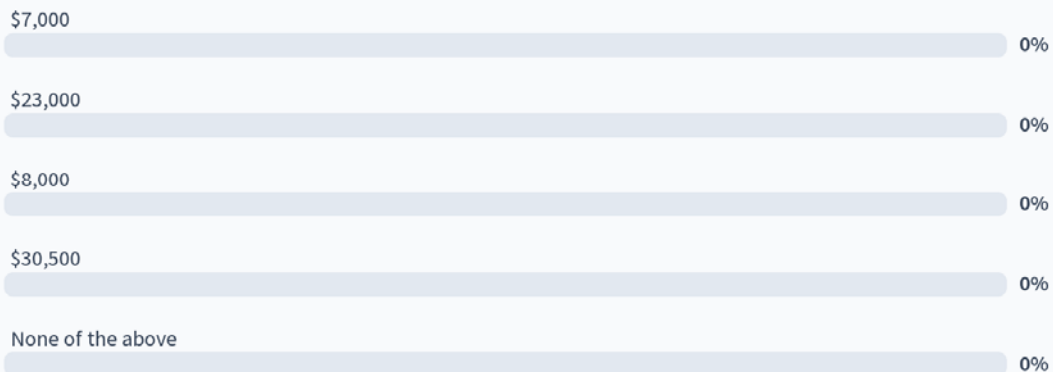
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Pay Your Taxes **Now** – Roth 403(b)!



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In 2024, what is the maximum dollar amount a participant, age 40, can save in the Roth 403(b)?



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Who Benefits from Saving Pre-tax?

- Am I too close to retirement?

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Who Benefits from Saving Pre-tax?

- Am I too close to retirement?
- Am I currently in a high tax bracket?

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Who Benefits from Saving Pre-tax?

- Am I too close to retirement?
- Am I currently in a high tax bracket?
- **Do I need to stay under a certain income limit?**

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Who Needs to Show Lower Income?

Investors who qualify for



Earned Income Credit (EIC)

Investors who are seeking



financial aid

Investors with Income Driven



repayment plan for student loans

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Who Benefits from the Roth 403(b)?

- Am I a younger investor?

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Rules of Thumb to Help you Decide Between Roth and Pre-tax

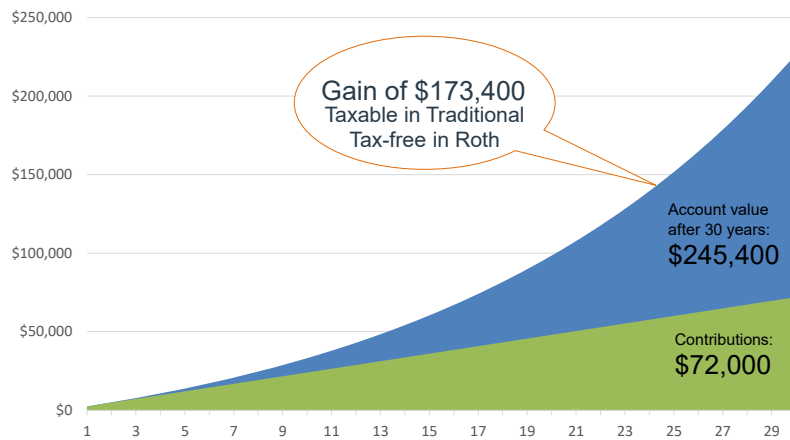


Growth shown for illustrative purposes only using the rule of 72. Actual results will vary, and investments may lose value.

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Let's Look at an Example

\$2,400/yr. deferral with 7% annual gain



For illustration purposes only. The hypothetical scenario above is for illustration purposes and it possible the projected results will not be achieved based on market conditions

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Who Benefits from the Roth 403(b)?

- Am I a younger investor?
- Do I have a reduced effective tax rate?

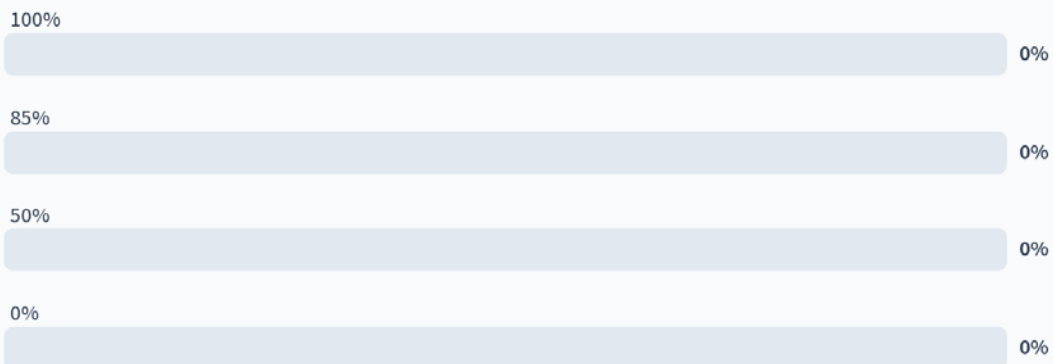
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Who Benefits from the Roth 403(b)?

- Am I a younger investor?
- Do I have a reduced effective tax rate?
- Do I value tax flexibility in retirement?

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How much of your Social Security benefit will be taxed if you file jointly and your "provisional Income" is more than \$44,000?



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Maybe Both Tax Treatments Make Sense

- Having both allows you to control your taxable income in retirement
- Unlike pre-tax accounts (TDA/CRA), there are no RMDs
- Money goes to family income-tax free upon death



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Keep in Mind...

Unlike pretax accounts (TDA/CRA), growth on your Roth account is taxed and penalized until after 59.5 years old, AND 5 years from first contribution.



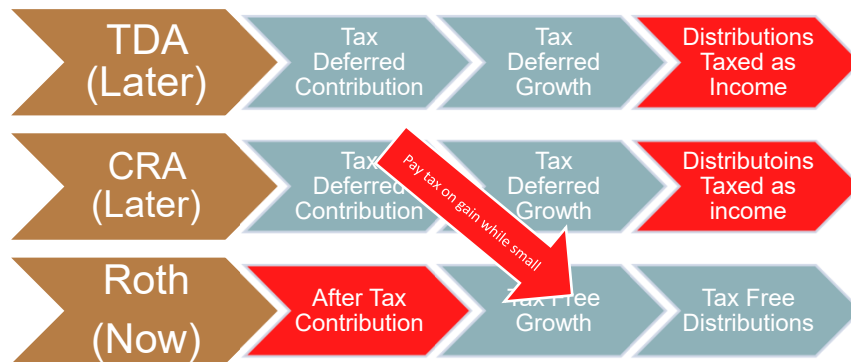
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Who Benefits from the Roth 403(b)?

Almost everyone!

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You Can Convert to Roth



The above summary is from sources believed to be reliable but cannot be guaranteed. For illustration purposes only, not specific tax advice. Seek advice from qualified professionals.

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You Can Convert to Roth

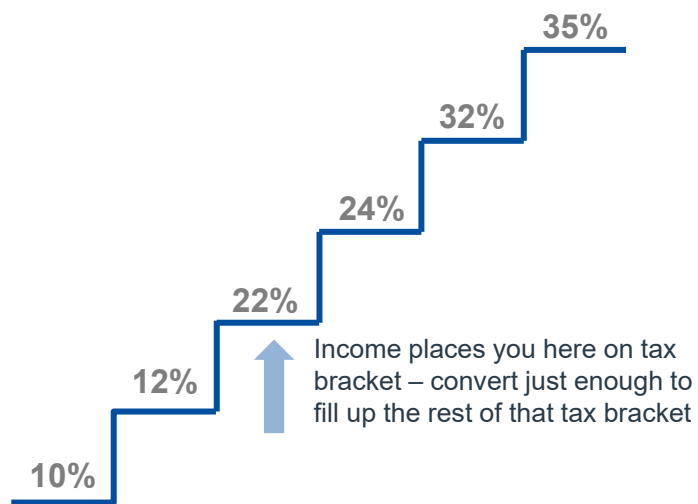
- Roth in-plan conversion
- Pre-tax amounts converted are considered taxable income in the year of conversion
- No penalties apply

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Fill Your Tax Bracket



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Let's Look at a Case Study...



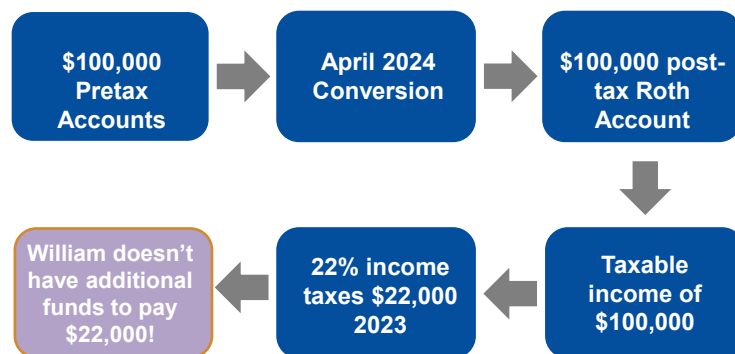
- William
- Age 50
- Has \$100,000 in pretax accounts

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Example #1

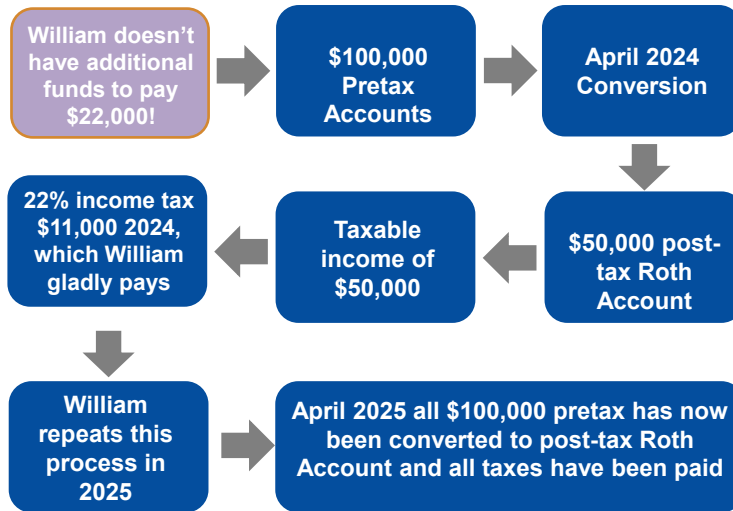


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Example #2



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Roth IRA vs. Roth in Your 403(b) Plan

Roth IRA

- No required minimum distributions (RMD)
- Income limits
- \$7,000 contribution limit \$1,000 catch up
- Many investment options
- Penalty free withdrawal of after-tax basis

Roth 403(b) Plan

- Included in RMD calculations (until 2024)
- No income limits
- \$23,000 contribution limit \$30,500 catch up
- Investment options limited to 403(b) menu

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Thank you!

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