



# Concordia Retirement Savings Plan

## The Roth Option

The Concordia Retirement Savings Plan (CRSP) is introducing a new option for workers to save for retirement called the Roth Option. It's being offered alongside our current traditional pre-tax option within a worker's CRSP account.

Workers can now switch to the Roth Option, stay with the traditional pre-tax option, or utilize both to save for their retirement years.

### Traditional 403(b) vs. Roth 403(b):

Traditional Option	Roth Option
<ul style="list-style-type: none"><li>• Workers contribute to the CRSP on a pre-tax basis</li><li>• Because contributions are withheld pre-tax, the worker will pay lower income and SECA tax, and could even be in a lower tax bracket</li><li>• Earnings grow and compound year after year without being reduced by taxes year after year</li><li>• Distributions from traditional 403(b) contributions will be subject to income tax (excluding SECA)</li></ul>	<ul style="list-style-type: none"><li>• Workers contribute to the CRSP on an after-tax basis</li><li>• The great benefit of Roth contributions is that earnings may be tax free</li><li>• Distributions from a Roth account are typically tax and penalty free, provided the following conditions are met:<ul style="list-style-type: none"><li>• the Roth account must be held for a minimum of five years and</li><li>• the worker must meet one of the following conditions: has reached age 59 1/2, is disabled, or (if there's a beneficiary) is deceased</li></ul></li></ul>

### Remember:

Always consult a tax professional before making personal financial decisions. Visit Retirement Connection at [myCPS.org](http://myCPS.org) to learn more about your retirement benefits.



## Who might want to consider the after-tax Roth Option?

- Young workers who have more time to accumulate tax-free earnings
- Workers who expect to pay a higher tax rate once they reach retirement
- Workers who want to leave tax-free money to their heirs or other beneficiaries

## Who might want to consider the traditional pre-tax option?

- Workers who expect to be in lower tax bracket after retirement
- Ministers of religion who pay SECA taxes, as the immediate 15.3% savings received in the pre-tax option would not be realized in the Roth Option

## Interested in contributing under the Roth Option?

### Here's how you can get started:

- Workers can go to **ConcordiaPlans.org** to complete an updated Salary Deferral Agreement, and return the document to their employer.
- Pre-tax contributions in the CRSP can be converted to Roth contributions by doing an in-plan Roth conversion. This becomes taxable income at the time of conversion. Contact Fidelity at **800-343-0860** to get started.
- Traditional pre-tax contributions plus after-tax Roth contributions count towards the annual maximum amount a worker can contribute to a 403(b) or similar plan.
- After-tax Roth contributions are remitted at the same time the employer remits pre-tax or employer contributions to the CRSP.
  - It is very important that the employer report Roth contributions in the appropriate field when remitting after-tax Roth contributions.

## How do Roth Contributions factor into an Employer Match?

- Roth contributions should be included in the calculation of an employer match, if a match is offered.
- Employer contributions are always made on a pre-tax basis and are therefore taxed at distribution.

### Questions?

Please call **Concordia Plan Services** at **888-927-7526** or go to **ConcordiaPlans.org**. You can also call **Fidelity** at **800-343-0860** for complimentary retirement planning and saving guidance.

