

Roth contributions

Are they right for you?

Ballad Health provides you with two great ways to save in your retirement plan: traditional pretax contributions or Roth contributions. Which is the right choice for you?

What is the Roth option?

Roth contributions are made with after-tax money. Unlike traditional contributions, they provide no immediate tax break, but when you are finally ready to make qualified withdrawals from your account, those contributions — and earnings on those contributions — are tax-free.

Use this chart to compare Roth and traditional pretax options.

	Traditional	Roth
Taxation of contributions	Pretax contributions	After-tax contributions
Taxation of withdrawals	Withdrawals of contributions and earnings taxed as ordinary income	Withdrawals from your Roth balance are tax-free if the initial Roth contribution was made at least five years ago and: <ul style="list-style-type: none">• You are at least 59½• Or the withdrawal is due to your disability or death
Contribution limits	\$22,500 in 2023 — Roth and pretax contributions combines; \$30,000 if you're age 50 or older	

Consider the following before you decide how to contribute:

- 1. Which do you think is higher: your annual income today or your income during retirement?**
 - The Roth option may benefit you more if your career is just getting started and you expect to move to a higher tax bracket by retirement.
 - If you believe you may move to a lower tax bracket by retirement, pretax contributions may help you save more money.
- 2. Do you believe that your marginal tax rates will change in the future?**
 - Roth contributions may be more beneficial to you if you believe that your tax rates will increase.
 - If you think that your tax rates will decrease, pretax contributions may be a better option for you.



It's your story. We're listening.

Make the best choice for you.

Making Roth contributions allows you to minimize your taxes in certain circumstances. It's hard to predict the future, but you can prepare for it by making an informed decision. Evaluate where you are and choose what is best for you.

Would you like to learn more?

Watch a [short education video](#) on Roth contributions.

You may also make an appointment with your Lincoln Financial retirement consultant. He would be happy to explain the contribution and withdrawal rules in person and help you examine your own situation.

To choose Roth contributions

- Log in to your account at LincolnFinancial.com/Retirement and go to the **Contributions** tab.
- Call the Lincoln Financial Customer Contact Center at **800.234.3500** on weekdays between 8:00 a.m. and 8:00 p.m. Eastern.
- Make an appointment with your Lincoln retirement consultant.

Want personal help?

Visit LincolnFinancial.com/BalladSchedule to set up a meeting.



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