



Roth contributions

Are they right for you?

The Valley Hospital provides you with two great ways to save in your 401(k) plan: traditional pretax contributions or after-tax 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.

See how the Roth option compares with the traditional pretax option in the chart below:

	Traditional	Roth
Taxation of contributions	Pretax contributions (pay taxes later)	After-tax contributions (pay taxes now)
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 the distribution is made after one of the following: <ul style="list-style-type: none"> Reaching age 59½ Disability Death
Contribution limits	\$23,000 limit for participants under age 50, plus an additional \$7,500 for those 50 years or older in 2024	

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.

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's best for you.

Would you like to learn more?

Watch a short educational video on Roth contributions by visiting this [link](#).

You may also make an appointment with your Lincoln Financial retirement consultant to learn more. They'd be happy to explain the contribution and withdrawal rules and help you examine your own situation.

To elect Roth contributions

- Log in to your account at LincolnFinancial.com/Retirement and select the **Contributions** tab.
- Call the Lincoln Financial Customer Contact Center at **800-234-3500**, Monday through Friday, between 8:00 a.m. and 8:00 p.m. Eastern.
- Or make an appointment with one of your Lincoln retirement consultants at LincolnFinancial.com/ValleyHospitalSchedule.

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Want to know the current balance of your Roth contributions and earnings?

1. Log in to your account at LincolnFinancial.com/Retirement and scroll down to the **Contributions** tab.
2. See current year information under Year-to-Date contributions. Select **View contribution details** to review more information.

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