

# Understanding your contribution options



When planning for your retirement, it's essential to understand the different contribution options available to you. This guide will help you navigate the benefits and implications of both Pre-tax and Roth contributions.

Description	Pre-tax	Roth
Contributions	Taken out of your paycheck before taxes. <i>(Contribution is eligible for the company match)</i>	Taken out of your paycheck after taxes. <i>(Contribution is eligible for the company match)</i>
Taxable income and take-home pay	Lowers your current taxable income, resulting in more take-home pay for the year compared to Roth contributions.	Does not lower your current taxable income, resulting in lower take-home pay compared to pre-tax contributions.
May be appealing to	Those who will be in a lower income tax bracket during retirement and want to take advantage of the tax break on current income.	Those who will be in the same or higher income tax bracket during retirement and can afford to pay taxes on contributions now to get tax-free savings in the future. Those who have a longer time to invest their retirement savings.
Taxes on a distribution/ withdrawal	Contributions and earnings are taxed as ordinary income at the time of distribution.	Earnings are tax-free if you take a qualified distribution, meaning you must have been contributing to the Roth account for at least five years and the distribution is made after age 59½, death, or disability.
Investments	You can invest in any of the funds in the plan, regardless of what contribution option(s) you choose.	

## Roth Q&A

### What is a Roth contribution?

A Roth contribution is made to a separate money source in an employer-sponsored plan, similar to a Roth IRA. Contributions are made on an after-tax basis, and qualified distributions are tax-free. Unlike a Roth IRA, there are no income limits for making Roth contributions.

### Can I make both pre-tax and Roth contributions?

Yes. Contributions to your plan can be made with only pre-tax, only Roth or both contribution types. You may not contribute more than the plan limits and annual Internal Revenue Service (IRS) limits in one or both contribution types combined.

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# Roth Q&A

## Can catch-up contributions be designated as Roth contributions?

Yes. If you will be age 50 or older during the year and are eligible for catch-up contributions, you may designate all or a portion of your contribution as a Roth contribution.

Starting in 2026, catch-up contributions must be made on a Roth basis for employees with wages more than \$145,000 for the prior calendar year.

## Is there an impact on my paycheck if I switch from pre-tax contributions to Roth contributions?

Because Roth contributions are made after-tax, typically your net pay will be reduced if you contribute the same dollar amount as your pre-tax contribution. However, when you retire, distributions from your Roth source may be tax-free (compared with fully taxable distributions from your pre-tax source), and this may more than make up for the impact on your paycheck.

## If I leave or change jobs, can my Roth contributions be rolled over to another qualified plan?

Yes, Roth contributions can be rolled over to another qualified plan that accepts Roth amounts or into a Roth IRA. They cannot be combined with pre-tax contributions in a traditional IRA or employer plan.

IRS rules do not allow combining pre-tax contribution money with Roth contribution money. You may not roll over money from your Roth source to a traditional IRA or to a traditional rollover account in an employer's plan.

## What qualifies Roth contributions to be distributed tax-free?

To qualify for tax-free distribution, you must have been contributing to the Roth account for at least five years, and the distribution must occur after age 59½, death, or disability. Roth contributions are subject to the same distribution restrictions as pre-tax contributions (Amounts cannot be withdrawn before severance of employment, death, disability, hardship or termination of the plan). For additional information on distribution rules, please see your Summary Plan Description.

## How do I begin making Roth contributions?

Scan the following QR code to log on to [retirementlink.jpmorgan.com](https://retirementlink.jpmorgan.com) or call **855-576-7526** to begin making Roth contributions. The TTY is 800-766-4952. Representatives are available to assist you weekdays from 8:00 a.m. to 10:00 p.m., and Saturdays, 9:00 a.m. to 5:30 p.m., EST.



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