

# Expanded Roth In-Plan Conversion offers the potential for tax-free retirement income from a Roth account within your plan

**About the Expanded In-Plan Conversion:** Allows for eligible vested plan balances to be rolled over to a designated Roth account within your workplace savings plan even if those amounts are not currently available for withdrawal.

## Additional flexibility

- Potential for federally tax-free earnings and withdrawals<sup>1</sup>
- Diversify your retirement assets between Roth and non-Roth accounts

Examples of eligible assets in your 401(k), 403(b), or governmental 457(b) plan may include:

- Your own contributions
- Contributions from your employer
- Assets rolled in from a former employer

With a **Roth In-Plan Conversion** feature, your employer provides you with the option to:

- Pay taxes now to accumulate tax-free earnings<sup>1</sup>
- Reduce future income taxes
- Consider the benefits of Roth savings if your earnings disqualify you for Roth IRA contributions<sup>2</sup>

## ACTION PLAN

- Call your plan's toll-free phone number to speak with a Fidelity representative. Contact a tax professional for specific advice
- on your personal situation.

## Questions to consider

There are two key questions to consider before converting your eligible workplace savings to a Roth account. The decision to convert needs to be made carefully and should include a consultation with your tax advisor.

**1 How will you pay taxes on the conversion?** You are responsible for paying taxes on the applicable conversion amounts to Roth. Income taxes will not be withheld at the time of conversion, so you should be sure you can make the payment of taxes outside of the plan.

**2 Do you think you'll be better off paying taxes on the money now or later?** In general, the longer you have until you retire and if you expect your tax rate in retirement to be higher than your current rate, the more likely you are to benefit from Roth assets.



Investing involves risk, including risk of loss.

<sup>1</sup>A distribution from a Roth 401(k) is federally tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death. State taxes may apply.

<sup>2</sup>For the current Roth IRA contributions, visit [www.irs.gov](http://www.irs.gov).

Approved for use in Advisor and 401(k) markets. Firm review may apply.

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