

ROTH IN-PLAN CONVERSION

Wake Forest University offers the Roth in-plan conversion option

Take advantage of Roth (after-tax) contributions

Within the Wake Forest University 403(b) retirement plan, you can contribute on both a pre-tax and Roth after-tax basis. By using the Roth option, you contribute to your plan after taxes are taken out of your paycheck, and you can make future withdrawals from your retirement plan tax-free.

Wake Forest is adding the Roth in-plan conversion option for employee contributions in the Wake Forest University 403(b) retirement plan. A webinar will be coming soon to help you understand the Roth in-plan conversion option.

Roth in-plan conversion features

The Roth in-plan conversion allows you to directly convert eligible pre-tax contributions plus earnings to a designated Roth after-tax contribution. Before electing a Roth in-plan conversion, please read this information carefully and consult your personal tax advisor to ensure this strategy is consistent with your overall personal financial goals.

Benefits of Roth in-plan conversion:

- Once the conversion is at least five years old, any qualified distribution of Roth contributions and earnings on those contributions can be distributed tax-free.
- Roth contributions in employer-sponsored retirement plans aren't required to be included in RMDs for taxable years after December 31, 2023.
- Roth can be advantageous if you anticipate being in the same or a higher tax bracket in the future.
- Your tax liabilities are limited.

Things to consider:

- There's a five-year holding period required for tax-free distributions of Roth contributions and earnings on those contributions. The five-year period begins as soon as your first Roth contribution or in-plan Roth conversion is made to your retirement plan. However, except for death and disability, a qualified Roth distribution cannot be taken before you reach age 59 ½.
- A five-year holding period is utilized to determine if a 10% penalty tax is applicable when converted amounts are distributed. This added five-year period is supplementary to the five-year period for the tax-free distributions of earnings. The additional 10% early withdrawal tax doesn't apply to the amount of an in-plan Roth conversion. However, the distribution may be taxable and subject to the additional early withdrawal tax if you withdraw it from the Roth account within five years.
- Tax implications can be a large burden when converting pre-tax contributions to Roth.
- The amount converted is treated as taxable income in the year of conversion. You're responsible for paying taxes on the full amount of the conversion, as TIAA will not withhold taxes from the amount converted to Roth. Always consult your own tax professional before requesting a Roth conversion.
- Once pre-tax assets are converted to Roth, they cannot be reversed.

Is the Roth contribution right for you?

To answer this question, you'll have to consider what's effective for your current and future tax situation and estimate the best you can. Of course, it's also wise to consult a tax advisor as well.

If you expect your tax rate during retirement will be	Your preferred option may be
Higher than your current rate	Roth after-tax contributions
Lower than your current rate	Pre-tax contributions
Equal to your current rate	Either or both

How to request a Roth in-plan conversion

- Call TIAA at **800-842-2776**, weekdays, 8 a.m. to 10 p.m. (ET), and a representative will send you a prefilled Roth in-plan conversion form with your TIAA account information.
- You'll need to read, date, and sign where indicated on the form in order to request the Roth in-plan conversion.



For more information about Roth after-tax contributions, visit tiaa.org/rothsavings or call TIAA at **800-842-2776**, weekdays, 8 a.m. to 10 p.m. (ET).

Options to return the completed Roth in-plan conversion form:

Please return all numbered pages, including any pages you didn't need to complete.



OPTION 1

Digitally sign and submit your form.

If you received a digital form, complete the digital signature process.



OPTION 2

Use the TIAA mobile app to quickly upload your completed document(s).

It's as simple as taking a picture. Haven't downloaded the TIAA mobile app? Get it today in the App Store or Google Play.

Tap the **Profile** icon in the lower-right corner of your screen, then tap **Upload files**, and follow the step-by-step instructions.



OPTION 3

Use your personal computer to quickly upload your completed document(s).

Go to tiaa.org/wfu and log in. Select **Statements & Documents** then **Upload documents**, select **Upload files**, and follow the step-by-step instructions.



OPTION 4

If you prefer to fax or mail your completed documents, use the information provided below.

Fax	Standard mail	Overnight delivery
800-914-8922 (within U.S.) 704-595-5795 (outside U.S.)	TIAA P.O. Box 1268 Charlotte, NC 28201-1268	TIAA 8500 Andrew Carnegie Blvd. Charlotte, NC 28262



Checklist

- Complete all necessary personal information.
- Indicate how much you want to withdraw by account or fund.
- Remember to sign this form.



Need help deciding if a Roth in-plan conversion is right for you?

Schedule an appointment with a TIAA financial consultant at no additional cost to you. Scan the QR code, visit tiaa.org/schedulenow or call **800-732-8353**, weekdays from 8 a.m. to 10 p.m. (ET).



Withdrawals other than qualified Roth distributions are pro-rated between your after-tax contributions and taxable earnings. A 10% penalty may apply to the taxable amount. For governmental 457(b) plans, withdrawals are only allowed following separation from service or (plan permitting) when you reach age 59 ½, unless you establish to your employer that you have an unforeseeable emergency.

The TIAA group of companies does not offer tax advice. See your tax advisor regarding your particular situation.

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