



Concordia Retirement Savings Plan

Which savings option is right for you?

Everyone's financial situation is different. That's why the Concordia Retirement Savings Plan 403(b) provides flexibility – so you can choose the best option for you. The 403(b) allows you to make Roth contributions, pretax contributions or a combination both to help you prepare for your retirement years.

What are the differences between the pretax vs. Roth contributions?

Pretax Savings Option

VS

Roth Savings Option

- Contributions are remitted on a pretax basis.
- Income taxes are calculated after your contributions are withheld, lowering your taxable income and potentially your tax bracket.
- Earnings grow and compound year after year without being reduced by taxes.
- Distributions from your account will be subject to ordinary income tax only when withdrawn.

- Contributions are remitted on an after-tax basis.
- Earnings on Roth contributions are generally tax-free if certain conditions are met.
- Distributions from a Roth account are typically tax and penalty free, provided:
 - > *the Roth account has been held for a minimum of five years, and you have reached age 59 1/2, become disabled, or die*
 - > *if you have reached age 55 and you retire from an employer offering the 403(b)*

Minister of Religion:

Ministers of religion should consider their housing allowance exclusion and Self-Employment Contributions Act (SECA) tax circumstances when considering Roth contributions. Always consult a tax or financial professional before making personal financial decisions.

Ready to contribute? Here's how you can get started:

Visit ConcordiaPlans.org/MemberPortal to save online or visit ConcordiaPlans.org/CRSP to access a savings form.

Common Questions

Who might want to consider the pretax option?

- Workers who expect to be in a lower tax bracket after retirement.
- Ministers of religion who pay SECA taxes, as the immediate 15.3% savings received in the pretax option would not be realized in the Roth Option.

Who might want to consider the after-tax Roth Option?

- Young workers who have more time to accumulate tax-free earnings,
- Workers who expect to pay a higher tax rate once they reach retirement, and workers who want to leave tax-free money to their heirs or other beneficiaries.
- Pretax contributions to the 403(b) can be converted to Roth contributions by doing an in-plan Roth conversion. The amount converted becomes taxable income at the time of conversion. Contact Fidelity at **800-343-0860** to get started.

How do IRS Limits affect contributions?

Both traditional pretax and Roth contributions count toward the IRS annual limit, the maximum amount you can contribute to a 403(b) or similar retirement savings plan in a calendar year. Individuals age 50 and older have opportunities to make catch-up contributions to their 403(b) savings accounts. Limits are listed on [ConcordiaPlans.org/CRSP](https://www.concordiaplans.org/CRSP).

Workers who are age 50 and over, and who meet the IRS high earners threshold will need to make catch-up contributions on a Roth after-tax basis. For more information visit [ConcordiaPlans.org/CRSP](https://www.concordiaplans.org/CRSP).

How do savings options affect an Employer Match?

Whether you contribute on a pretax or Roth basis will not affect your ability to receive any match your employer may offer. However, employer contributions are not treated as taxable income when contributed, but are taxed at distribution. Individual employers can choose whether or not to offer a match, so check with your employer to find out if a match is offered.

How can workers learn more about retirement planning?

Active workers can learn more about their Concordia Retirement Plan pension benefits by visiting Retirement Connection, available through the Quick Links tab on the Member Portal. Retirement Connection helps you estimate your retirement income, and can show you the impact your 403(b) savings has on your retirement plan. It also can help you determine how much you to save. Visit [ConcordiaPlans.org/MemberPortal](https://www.concordiaplans.org/MemberPortal).

You can also contact a Concordia Plans Financial Educator. They're here to help with your retirement planning needs. Whether a little guidance or helping with the first step, they'll be happy to assist with retirement planning needs. Contact MoneyMatters@ConcordiaPlans.org to make an appointment.



Have Questions?

Call

Concordia Plans
888-927-7526

Visit

[ConcordiaPlans.org/CRSP](https://www.concordiaplans.org/CRSP)

*You can also call Fidelity at **800-343-0860** for complimentary retirement planning and guidance.*