

Human Resources <hr@emerson.edu>

Friday, Oct. 13

Dear Colleague,

We are pleased to announce that Emerson will be adding a Roth option to the Voluntary 403(b) Retirement Plan effective January 1, 2024. Roth lets you contribute to your retirement plan on an after-tax basis. This new option will be in addition to the current pre-tax contribution option. After January 1 you will be able to choose either pre-tax contributions, post-tax contributions or a combination of both. Your combined pre-tax and Roth after-tax contributions are subject to the same annual IRS-established maximum limit. Please note there is no change to the mandatory retirement plan.

With the current (pre-tax) option you make contributions before taxes, reducing your taxes today, and your savings aren't taxed until you withdraw funds. With the Roth option, you make contributions after taxes, your savings grow tax-free and future withdrawals in retirement are tax-free.

Through the Roth 403(b) option you can make contributions that are taxed based on your current tax rates, so you can make tax-free withdrawals later in retirement after meeting certain criteria. This option may benefit you if you expect your tax rate to be the same or higher in retirement.

Note: The Roth 403(b) is different from a Roth IRA and is not subject to the same income limits. Contributing to a Roth IRA (outside of Emerson) does not prevent you from contributing to Emerson's Roth 403(b).

For more information about the Roth 403(b) option, view the ["Is Roth Right For You?" Transamerica webinar](#).

Note the following regarding this video:

- The plan contribution limits provided are 2023 limits. Limits for 2024 are not yet available.
- You will be able to add enrollment in the Roth 403(b) option in the Voluntary plan starting after January 1, 2024.

More information regarding the Roth option and enrollment will be available later this year. In the meantime, you may want to meet with your tax advisor or talk with a Transamerica representative (800-755-5801) to discuss the Roth 403(b) option.

You can find information on the Voluntary 403(b) Retirement Plan on this webpage: <https://hr.emerson.edu/hc/en-us/articles/1500012266022-Voluntary-Retirement-Plan>.

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