



More taxes in retirement? No thank you.

Make Roth part of your retirement strategy.



Wouldn't it be nice to keep more of your retirement paycheck? Roth after-tax contributions—offered in the Archdiocese of Philadelphia 403(b) Retirement Plan—can start you on that path.

Here's how it works

With Roth, you pay taxes on your contributions now. After that, any earnings you get could be tax-free. In fact, you won't owe any taxes at all when you take the money out—as long as:

- You are at least age 59½ when you withdraw the money.
- You made your first Roth contribution at least five years before.

How is that different from pre-tax contributions?

Many retirement plans start you with pre-tax contributions. With pre-tax money, you get to skip the taxes for now. But when you take the money out, you'll owe taxes on both your contributions and any earnings.

So pre-tax or Roth? Or a little of both? The table below shows you how the taxes would work.

What's taxed?

	CONTRIBUTIONS	WITHDRAWALS*
Pre-tax	<input type="radio"/>	<input checked="" type="radio"/>
Roth	<input checked="" type="radio"/>	<input type="radio"/>



The typical Roth investor

Roth contributions could work for you if . . .

- **You're in a lower tax bracket now.** We can't predict the future. But you may be in a higher tax bracket when you retire, so paying taxes now to avoid them later could save money in the long run.
- **You want peace of mind.** Whatever the future does hold, you'll have access to tax-free income. No need to worry about finding extra money to pay the tax bill on retirement income.
- **You're not eligible for a Roth IRA.** The income limits that might prevent you from saving in a Roth IRA don't apply. Anyone can make Roth plan contributions.

Of course, everyone's situation is different. To help you decide what may be best for you, talk to a tax advisor or check out what Roth can do for you at vanguard.com/rothcontributions.

Still not sure?


Roth isn't an all-or-nothing situation. You can contribute some Roth money and some pre-tax money. And you can change your contribution types at any time, so you're never locked in to one choice.

Plus, matching contributions from Archdiocese of Philadelphia will still be made with pre-tax dollars. So you could benefit from having both pre-tax and after-tax savings in your account.

Even a small contribution (as little as 1% of your pay) to Roth may have its advantages. The five-year clock to make tax-free withdrawals starts on January 1 of the year you contribute your first Roth dollar.



Let's get started!

 Log in to your account at vanguard.com/retirementplans.

Here's your plan number if you need it:
094572.

For more information on how much you can contribute, visit vanguard.com/contributionlimits.

Need help?

Call **800-523-1188** Monday through Friday, 8:30 a.m. to 9 p.m., Eastern time.

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Whenever you invest, there's a chance you could lose the money.

***Taxes:** Taking money from your retirement account can affect how much you'll have to pay in taxes. You'll owe taxes on pre-tax money. You won't owe taxes on Roth earnings as long as you are age 59½ or older and it's been at least five years since your first Roth contribution. If required by law, Vanguard will withhold some taxes for you. You may need to pay a 10% federal penalty tax if you take money out early.

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