



## Is Roth more your style?

When you save money in The Animation Guild, you can choose to make **pre-tax contributions**, **Roth after-tax contributions**, or a little of both. But what's the difference?

	PRE-TAX	ROTH AFTER-TAX
<b>What is it?</b>	The money you save in your plan that comes directly out of your paycheck <b>before</b> it's been taxed.	The money you save in your plan that comes directly out of your paycheck <b>after</b> it's been taxed.
<b>How does it affect your taxes today?</b>	<b>You pay less in taxes today.</b> Pre-tax contributions come out of your pay before your pay is taxed. This lowers your taxable income.	<b>Your Roth contributions don't affect your taxes today.</b> Roth contributions come out of your pay after your pay is taxed. Your taxable income doesn't change.
<b>How does it affect your taxes in retirement?</b>	When you take the money out of your account (most likely in retirement), <b>you'll owe income taxes on your contributions and any earnings.*</b>	You can take Roth money out of your account <b>tax-free—both your contributions and any earnings</b> —as long as you're at least age 59½ and made your first Roth contribution at least five years earlier.*

## Roth could be right for you if . . .

- **You're in a lower tax bracket now.** No one can predict the future. But if you think you may be in a higher tax bracket when you retire, paying taxes on your Roth contributions now to avoid the taxes later could save you money in the long run.
- **You make too much money to save in a Roth IRA.** You can get the same benefits without the income limits by making Roth contributions to your plan.

## Important note about tax credits

If you receive the income tax credit or the additional child tax credit, switching from pre-tax to Roth contributions could raise your taxable income—which could cost you these valuable tax credits. These credits may be available to you if your family income is generally between \$16,000 and \$59,000, and they could be more valuable to you than Roth 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](https://vanguard.com/rothcontributions).

## Ready for Roth?



Log in to your account or contact your benefits office.

Here's your plan number if you need it:  
**094523.**

For more information on how much you can contribute, visit  
[vanguard.com/contributionlimits](https://vanguard.com/contributionlimits).

*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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**Participant Education**

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