

# Understanding the Roth 401(k)

	Before-Tax	Roth
<b>Taxes</b>	Reduces taxable income	Does not reduce taxable income
<b>2025 Employee Limits</b>	\$23,500 if under age 50 \$31,000 if age 50 and over	
<b>Distributions</b>	Distributions after age 59½ taxed as current income	Qualified distributions tax-free
<b>Penalties</b>	Prior to age 59½ subject to 10% early withdrawal penalty	
<b>Rollovers</b>	Eligible for rollover to Traditional or Roth IRA <sup>1</sup>	Eligible for rollover to Roth IRA

<sup>1</sup> If rolling over from a before-tax 401(k) to a Roth IRA, this would be considered a conversion and can create major tax implications.

## Roth IRA Income Limits

### Filing status

Single	Less than \$150,000 <b>Full contribution</b>	\$150,000 - \$165,000 <b>Partial contribution</b>	\$165,000 or more <b>No contribution</b>
Married, filing jointly	Less than \$236,000 <b>Full contribution</b>	\$236,000 - \$246,000 <b>Partial contribution</b>	\$246,000 or more <b>No contribution</b>

## Frequently Asked Questions

- **Can I contribute to Roth and Before-tax at the same time?** Yes. Remember contribution limits are on a combined basis.
- **Does my employer match my Roth contributions too?** Yes! However, employer matching contributions are always made on a before-tax basis.
- **Can I borrow from the Roth 401(k)?** Yes. Both general purpose loans and primary residence loans are available from both Before-tax and Roth balances.
- **Can I invest Roth balances differently from Before-tax?** Your contributions will be invested on a pro-rata basis across your investment elections.
- **Will my beneficiaries owe taxes on inherited Roth balances?** Beneficiaries will generally retain the same tax benefits and will not owe taxes on inherited Roth balances.

Benefits website: [www.CatBenefitsCenter.com](http://www.CatBenefitsCenter.com)  
Benefits Center: 877-228-4010 Mon-Fri, 8AM – 6PM CT

Information here is provided solely to supplement the "Understanding the Roth 401(k)" presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor.

<sup>1</sup> Employer match is made on a before-tax basis. Refer to your plan documents for more details.

<sup>2</sup> Total plan contribution includes before-tax, Roth, after-tax and employer contributions.