



A New Way To Save For Retirement With Loyola University

Loyola University is introducing the Roth option effective January 1, 2012 as another way to contribute to your 403(b) Supplemental Plan. With this option, you may:

- Contribute after-tax dollars.
- Enjoy tax-free distributions, without penalty, when you are age 59½ or older and you take a distribution five years after you made the first Roth contribution to the contract. Withdrawals of earnings prior to age 59½ are subject to ordinary income tax and a 10% penalty may apply.
- Roll over assets into a Roth IRA, or from another plan that accepts such assets. (Rollovers and withdrawals are subject to the provisions of your retirement plan.)

How Will I Benefit From Making Roth Contributions

It depends. If you expect your tax rate to be higher in retirement than it is now, then the Roth option can provide you with significant tax advantages. On the other hand, if you expect your tax rate to be higher now than in retirement, the pretax 403(b) Supplemental Plan option may be the right choice for you.

The chart below shows the benefits of contributing to the 403(b) Supplemental Plan Roth option.

You May Benefit From Contributing to the Roth 403(b) Supplemental Plan if you:	Benefits
Are not eligible to make Roth IRA contributions because of high income.	The Roth option does not have adjusted gross income (AGI) limits.
Want to make Roth contributions greater than the Roth IRA limit.	Contribution limits are higher than those of the Roth IRA, allowing you to maximize your after-tax retirement savings.
Are near retirement and believe you will have more savings than required to meet your immediate needs for retirement income.	Assets may be passed along to your beneficiaries income tax free.
Believe that your income tax rates are likely to rise in the future.	You may enjoy a tax-free benefit at retirement when you expect a higher tax rate. However, you give up the immediate tax benefit of making pretax contributions now.
Want tax diversification of retirement assets.	Having both pretax and after-tax assets in your retirement accounts allows you to hedge against the uncertainty of future tax rates.
Are just starting out and in a lower tax bracket.	By making after-tax contributions that are based on a lower income, you pay less taxes now rather than at retirement when you are more likely to be earning more. Also, the earlier you start, the more time you give your money to work for you.

Now that your retirement plan offers two savings options, pretax and Roth, your contribution choices are:

- Roth after-tax contributions to your 403(b) Supplemental Plan.
- Pretax contributions to your 403(b) Supplemental Plan.
- Both pretax and Roth after-tax contributions to your 403(b) Supplemental Plan.

Roth contributions are included in your maximum contribution limits, plus any catch-up limits, if applicable.

Getting Started

Adding the Roth contributions to your 403(b) Supplemental Plan is easy. You simply need to complete and submit a new Salary Reduction Agreement. If you are enrolling for the first time, you will also need to complete an enrollment application. For more information please see your benefits office or log in to www.tiaa-cref.ioyno to review your investment choices, performance and, if available, to download a Salary Reduction Agreement.

To learn more about the advantages of the 403(b) Supplemental Plan Roth option:

Call TIAA-CREF at 800 842-2252, Monday through Friday, 8 a.m. to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET) or visit tiaa-cref.org. We look forward to helping you as you plan for - and live well in - retirement.

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