



ANNE ARUNDEL
COUNTY PUBLIC SCHOOLS

The Roth Option

The Anne Arundel County Public Schools Supplemental Retirement Plan (SRP*) offers an optional Roth feature to save for your future.

A Roth account could be the solution you're looking for to help boost your savings or reduce your taxable income in the future. The optional Roth feature offers a way to make after-tax contributions and, after five years, make tax-free withdrawals of principal, interest and earnings if certain conditions are met. You can:

- **Contribute** 100% of your compensation, up to \$19,500 for 2021, plus \$6,500 more if you are age 50 or older
 - Contribution limits include pretax and Roth contributions
- **Take tax-free distributions** after the end of the five-year period beginning with the first year for which a Roth contribution was made to the plan, and in the event of:
 - Reaching age 59½
 - Death
 - Disability

The optional Roth feature **may be advantageous** if you believe you will be in a higher tax bracket at retirement or you are looking to reduce your future tax liability instead of your current tax liability.

The table below provides a high-level overview of the differences between deferring pretax and after-tax. The ability to defer after-tax will be available January 1, 2021, in the SRP.

	Pretax deferral	Roth after-tax deferral
Earnings	Tax-deferred	Tax-deferred
Withdrawals	Taxable	Tax-free (subject to the conditions noted above)

* Anne Arundel County Public Schools 403(b) Plan and Anne Arundel County Public Schools 457(b) Deferred Compensation Plan.