

# In-plan Roth Conversion



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The Archdiocese of Cincinnati 401(k) Plan now includes in-plan Roth conversions which gives you the option to roll over or transfer the non-Roth assets in your savings plan account to the Roth assets in your savings plan account. You are encouraged to discuss converting money from one account to another with your financial advisor/planner and to consider any potential fees and/or limitations of available investment options. Below is some important information related to in-plan Roth conversions.

## Roth conversion process

To initiate an in-plan Roth conversion, you will need to fill out an In-Plan Roth Conversion Form, which you can obtain online or by calling Empower at 866-467-7756.

The liquidation of assets in your pretax account will occur on the same day; the purchase in your Roth account will occur the following business day.<sup>1</sup>

## Tax implications

If you wish to convert your current assets into a Roth account within your savings plan, you will be responsible for paying ordinary income tax on the amount that is converted within your plan. Empower will issue you an IRS Form 1099-R reporting the in-plan Roth conversion as a taxable rollover or transfer; however, Empower will not withhold any income tax from your in-plan conversion.

You may be responsible for additional reporting that may be required for your federal and state tax returns.

Please consult with your tax advisor for more information.

You must pay ordinary income tax on your in-plan Roth conversion in the year your request is initiated.

## Information regarding current assets

With an in-plan Roth conversion, the distribution will be automatically prorated against all of your core investment options. Your account assets subject to this request will be out of the market for one business day. The shares of the percent/amount requested will be sold on one business day, and the same fund(s) will be purchased in the same percentage(s)/amount(s) on the following business day.

## Next steps

We encourage you to consult with a tax advisor on the benefits of this option before requesting an in-plan Roth conversion. Once your request has been processed, it cannot be reversed.

**Do you think a Roth conversion makes economic sense for you? If so, please contact your Empower representative to complete the necessary forms so the benefits of a Roth account can start working for you.  
866-467-7756**

<sup>1</sup> Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

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