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In-Plan Roth Conversions

You can now convert pre-tax assets to Roth (tax-paid) assets.

TAX CONSIDERATIONS

If you convert pre-tax assets to Roth assets, the conversion amount is subject to ordinary income taxes in the year of the conversion. There is no tax withholding on the conversion, so you will be responsible for paying all taxes. Once a conversion is processed, the funds cannot be changed back to pre-tax funds.

You may want to seek advice from a tax professional or financial adviser about Roth contributions and in-plan conversions before making a decision.

PERAPlus 401(k) Plan

In-plan conversions to Roth funds are not subject to the 10 percent early withdrawal penalty generally applicable to individuals under age 59½. Amounts converted to Roth may be subject to taxation and a 10 percent penalty at the time of distribution unless the following criteria are met:

- » Converted amounts must stay in the Plan until the end of the five-year period beginning January 1 of the year of the rollover, and
- » The participant must be either at least age 59½, disabled, or the distribution is to be made to a beneficiary after the participant's death.

PERAPlus 457 Plan

Amounts converted to Roth may be subject to taxation at the time of distribution unless the following criteria are met:

- » Converted amounts must stay in the Plan until the end of the five-year period beginning January 1 of the year of the rollover, and

- » The participant must be either at least age 59½ (or age 70½ if still employed), disabled, or the distribution is to be made to a beneficiary after the participant's death.

OTHER CONSIDERATIONS

- » Only two conversions can be made each calendar year.
- » Roth funds cannot be used to purchase service credit in the Colorado PERA Defined Benefit (DB) Plan.
- » The following distributions are **not** eligible for in-plan conversions:
 - Required minimum distributions (RMDs)
 - Unforseeable emergency withdrawals
 - Financial hardship withdrawals

▶ MORE INFORMATION

Download a *401(k) or 457 In-Plan Conversion Request* from the Plan websites, accessible through www.copera.org. Click the "PERAPlus 401(k)/457 and PERA DC Information" link from the "Programs" menu, then click on the appropriate Plan website link. Or, log in to your account with your User ID and password and click "PERAPlus Account Access."

For more information, call 1-800-759-7372 (select the PERAPlus/DC option) to speak to a Voya Participant Services Representative.