

Roth 403(b) Retirement Plan Option

Retirement Plan, using both TIAA and FIDELITY. Roth contributions differ from traditional 403(b) contributions in that Roth contributions are made with after-tax dollars, which means you get a tax savings on your contributions currently. However, the advantage of Roth contributions is that when you are eligible to take distributions from your Roth account (presumably when you are retired), nothing is taxable, including all of the accumulated earnings on the Roth contributions.

Whether Roth contributions are advantageous to you will depend on your particular situation and your expectations. For example, if you expect that you will be in a higher tax bracket in retirement than you are now, you will likely benefit from making Roth contributions now and paying taxes on those amounts at the lower current rate. If you do not expect to be in a higher tax bracket in the future, than you might prefer to make your contributions on a pre-tax basis.