Roth Option

A Roth may be available in a 403(b) plan. A Roth contribution is an after-tax contribution to a 403(b) plan, which grows tax-deferred and upon distribution is tax-free when the distribution is a Qualified Distribution. This is different from a traditional pretax contribution which grows tax-deferred until withdrawal, and then is subject to ordinary income tax.

Roth contributions may have a number of advantages for you, if you fit any of the following criteria:

- You believe that you will be in a higher tax bracket when you retire than you are now
- You believe that marginal tax rates will increase
- You want an investment that allows for tax-free growth

Generally, Roth contributions hold the most potential for younger workers with the most time left until retirement. Consult your financial representative for more information on the potential benefits of contributing to a Roth option.

Your path To and Through Retirement® begins here.

Talk to your financial professional to learn more or contact us at 800.888.2461.

Michael J. Kelley, Jr. LPL Financial LLC 40 Tremont St Bldg 10, Suite 59 Duxbury, MA 02332 (781) 934–2502 Direct michael.kelleyjr@lpl.com

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One Security Benefit Place | Topeka, KS 66636 | SecurityBenefit.com

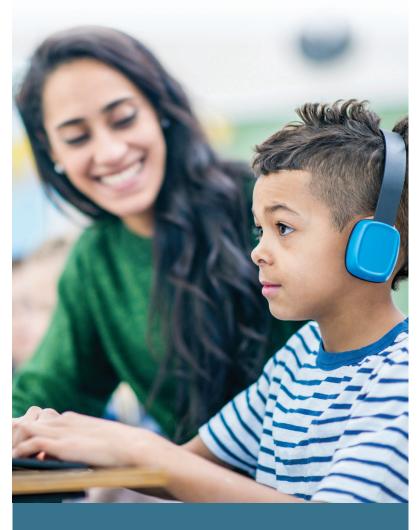
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SECURITY BENEFIT



Meeting the Retirement Challenge

403(b) ACCOUNT





The Challenge

Today's financial experts are warning that Americans are not saving enough for retirement. In light of rising health care costs, the effects of annual inflation, and other costs in retirement, some are recommending that retirement income should be equal to pre-retirement income. That challenge calls for an early start on retirement savings.

How can a 403(b) retirement savings account help?

Because your state retirement plan may not be enough to replace your pre-retirement income – even if you qualify for Social Security – a tax-deferred 403(b) retirement savings account can help fill that gap.

Tax Advantages of a 403(b) Account

	Savings Account	Certificate of Deposit	403(b) Account
Reduces Current Income Tax	X	X	✓
Earnings Tax- Deferred ¹	Х	Х	√
No Taxes Paid Until Withdrawn	Х	Х	√

¹ Contributions to a tax-deferred account are taxed when withdrawn. Withdrawals from a tax-deferred account prior to age 59½ may be subject to a 10% IRS penalty tax. Conversely, earnings from an investment that does not offer tax-deferral are taxed currently, and withdrawals from such an investment are not subject to a penalty tax.

Loans

- You may borrow from your account, if your plan allows loans.
- · Maximum loan amounts apply.
- Loan payments must be made at least quarterly over five years. If the loan is used to purchase a primary residence, repayments can be stretched up to 30 years.
- · Loan origination fees apply.
- · Quarterly loan maintenance fees apply.
- Failure to repay could result in a taxable event and be subject to penalties.
- Please consult your financial representative regarding the availability of loans in your plan.

Hardship

If you encounter a severe financial hardship, you may be allowed to take a hardship distribution from your 403(b) account. Such distributions must be specifically allowed by your plan. Hardship distributions of an employee's salary deferrals must meet two tests before they can be paid:

- The participant must have a heavy and immediate financial need
- The distribution must be necessary to satisfy that need

Whether a need is "heavy and immediate" is subject to your circumstances. Some examples may be certain medical expenses, costs related to a funeral or burial, expenses incurred repairing damage to your principal residence, or other situations. Consult your financial advisor before seeking a hardship distribution.

Transfers

- If you change jobs, you may roll your account to your new employer's plan, an IRA or other plan.
 Some restrictions apply.
- IRS regulations may limit the availability of transfers.

Investment Options

• A wide variety of investment options are available, ranging from fixed-return to aggressive equity investments. Working with your advisor, you can design a portfolio that's right for you.

Contribution Limits

Contributions are made through payroll deduction.

Maximum annual salary deferral (2020)	\$19,500
Age 50+ catch-up maximum	\$6,500
15-years of service catch up ³	\$3,000

³ You must have worked for current employer at least 15 years and not have maximized limits in prior years.

Distributions

- All distributions are subject to ordinary income tax.
- Withdrawals prior to age 59½ may be subject to an additional 10% penalty tax – see exceptions below.
- Required distributions begin at age $70\frac{1}{2}$ (if you reached 70 $\frac{1}{2}$ prior to 12/31/2019) or age 72 (effective 01/01/2020).

There are some exceptions to the 10% penalty tax on withdrawals prior to age $59\frac{1}{2}$.

- Penalty-free withdrawals are available from the 403(b) plan if you retire in or after the calendar year you attain 55 years of age.
- Penalty-free in-service distributions may be available for you at age 59½ if you choose to continue to work.