StartRight.RetireRight.

Understanding the In-Plan Roth Transfer Plan Provision

A Roth transfer is the process of moving money from **Traditional (pre-tax)** accounts—like your contributions, rollover funds, and employer contributions—into your **Roth 401(k)** account **within** your employer's retirement plan.

Why Consider a Roth Transfer?

- Build tax-free income in retirement
- Reduce future required minimum distributions (RMDs)
- Prepare for potential higher taxes in retirement
- Create more tax diversification in your retirement savings

What Happens When You Convert?

- The converted amount is treated as taxable income in the year of conversion
- Taxes are not withheld automatically – plan accordingly
- Money moved to the Roth 401(k) account grows tax-free if requirements are met*

Who Might Benefit?

A Roth Transfer may make sense if you:

- Expect to be in the same or higher tax bracket later
- Have time for investments to grow tax-free
- Can afford to pay taxes today
- Want to leave tax-efficient assets to beneficiaries

Important Considerations

- Tax Impact – Roth Transfers can impact your taxes
- Cash flow – Do you have the funds to cover taxes?
- Timing – Transfers can NOT be reversed
- 5-Year Rule – Your first contribution or transfer will begin the 5-year requirement.

Need Help Deciding

A Roth Transfer is a personal financial decision

- Consider speaking with a financial advisor and/or a tax professional.
- BOK Financial does not provide tax advice.

*A Qualified Distribution occurs 5-taxable years after initial Roth 401(k) contribution *AND* the participant either attains age 59 ½, becomes disabled or dies.

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How the Roth Transfer Works

Eligibility

- Funds must be **fully vested** to be eligible for transfer

Minimum Transfer Amount

- Minimum transfer amount: **$1,000**

How Funds Are Moved

- Transfers occur **pro-rata**
  (A proportional mix of your investments is moved—this is not a "pick and choose" transfer)

Taxes to Consider

- The amount you convert is treated as **taxable income**
- **Federal and state taxes** are reported on your personal tax return for the year of the transfer
- No taxes are withheld automatically—you are responsible for planning

Accessing Your Roth Transfer Dollars

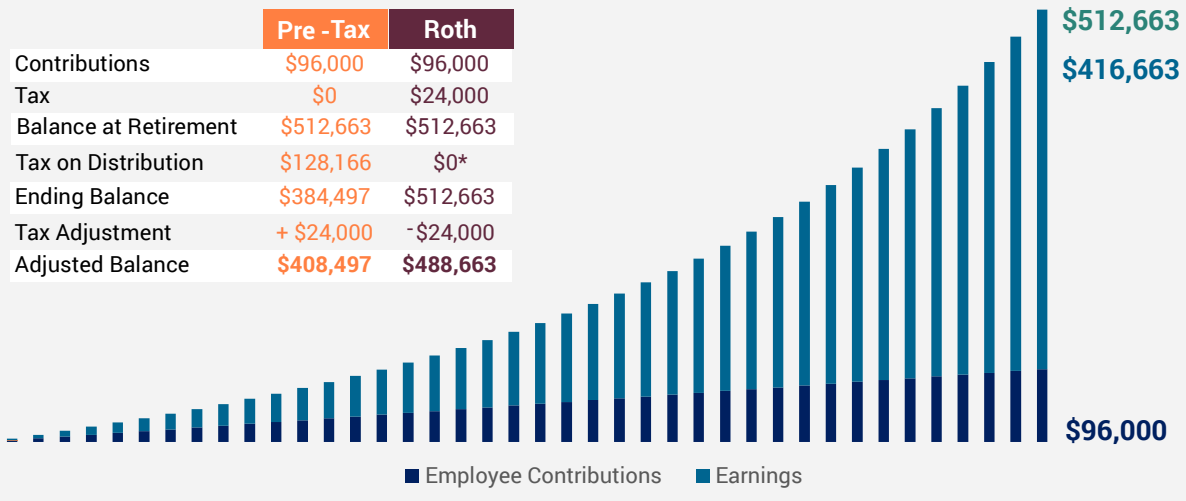
- Roth transfer amounts remain **within the plan**
- You may withdraw funds **once you are eligible for a distribution**, based on plan rules (such as reaching retirement age or separating from service)

How to Get Started

- Log on to the **Start Right website** www.startright.bokf.com
- From the **Menu** scroll down to the **Plan Forms** section
- Complete the **Roth Transfer Form**

Keep Your Gains, Cut Your Taxes

	Pre -Tax	Roth
Contributions	$96,000	$96,000
Tax	$0	$24,000
Balance at Retirement	$512,663	$512,663
Tax on Distribution	$128,166	$0*
Ending Balance	$384,497	$512,663
Tax Adjustment	+ $24,000	-$24,000
Adjusted Balance	**$408,497**	**$488,663**



Assumptions: $40,000 annual salary; 6% employee contribution; 7% average annual return; 40 years; Distribution Tax Rate: 25%

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