



Roth contributions 101

RICOH ELECTRONICS, INC.

Good news—your retirement plan offers both pre-tax and Roth 401(k) after-tax contribution options. If you're not sure what this means for you, don't worry—we've got you covered.

➔ Here's what you need to know

Pre-tax contributions. Regular retirement plan contributions are “pre-tax.” That means the money you contribute goes into your account before your payroll taxes are taken out. This lowers your taxable income for the year, so you'll enjoy a tax benefit today. Then, you'll need to pay the taxes when the money is taken out, generally during retirement, when your tax rate may be lower than it is during your working years.

Roth 401(k) contributions. Roth after-tax contributions go into your account after your money is taxed, so the withdrawals will be federal income tax-free at retirement (assuming you follow the withdrawal rules). This means making Roth contributions could be a smart move if you think your tax rate may be higher in retirement. With tax rates relatively low, Roth 401(k) contributions may be an especially attractive option right now.

To Learn More Call Prudential at **877-PRU-2100** Representatives are available weekdays, from 8 a.m. to 9 p.m. ET.

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Roth 401(k) versus Roth IRAs

Many people associate the term “Roth” with a Roth IRA. A Roth IRA is a different retirement saving and investment vehicle that can be opened on your own, outside of your workplace. They offer similar tax benefits because both use after-tax dollars, but there are some differences. Briefly:

- Unlike Roth IRAs, Roth contributions to a workplace retirement plan are subject to the same annual contribution limits as regular pre-tax contributions.
- Roth after-tax contributions are subject to the same Required Minimum Distribution (RMD) rules as pre-tax contributions, while Roth IRAs do not have any RMD limitations.

Each option has its own benefits and potential drawbacks and one is not necessarily better than the other. In fact, you could even take advantage of both! It all comes down to your individual financial situation and retirement strategy.

Why not both?

Having both pre-tax and Roth contribution options in your retirement account doesn't necessarily mean you have to choose one or the other. If your company allows, you can invest in each. (Keep in mind that if your company offers a match, those contributions will most likely go into a traditional, pre-tax 401(k) account.) Making both pre- and after-tax Roth contributions will offer you tax diversification in retirement, which is a smart strategy for every saver.

This material is intended to provide information only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing this information, Prudential Retirement is not acting as your fiduciary as defined by the Department of Labor or otherwise. If you need investment advice, please consult with a qualified professional.

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NO ACTION REQUIRED: FOR YOUR INFORMATION

Overview

As of April 1, 2022, Empower acquired the full service retirement business of Prudential Retirement. Over a period of time, you may see references to Prudential and Empower as we transition our experiences. Throughout this process, we want you to know that our focus is on you and making this transition as seamless as possible. For your reference, outlined below is the entity level detail of the acquisition, including important information to help determine who will be servicing your account or other products.

Post-close

On April 1, 2022, Great-West Life & Annuity Insurance Company (GWLA), the parent company of Empower Retirement, LLC (Empower) acquired the full service retirement business of Prudential Financial, Inc. In connection with the transaction, GWLA acquired all shares of the following entities, which are no longer affiliated with Prudential Financial, Inc.: Prudential Retirement Insurance and Annuity Company, Prudential Bank & Trust, FSB, Global Portfolio Strategies, Inc., TBG Insurance Services Corporation, MC Insurance Agency Services, LLC, and Mullin TBG Insurance Agency Services, LLC.

Please use the following to determine if Empower is now the service provider for your account. If you have multiple accounts, you may be a customer of Prudential Financial, Inc. and its affiliates (together, Prudential) and Empower.

ACCOUNT TYPE	SERVICE PROVIDER
<p>If you are an annuitant, contingent annuitant or other beneficiary under a group annuity contract issued or reinsured by Prudential's pension risk transfer business or plan participant whose benefit is administered by Prudential's pension risk transfer business...</p> <p>How do I know if this applies to me?</p> <p>You were previously issued an annuity certificate from the Prudential Insurance Company of America <u>in connection with your employer's defined benefit plan</u> OR previously received a communication from your employer that Prudential has issued a guaranteed annuity covering all or a portion of your pension benefit or pays your pension benefit.</p>	<p>...Your account remains with Prudential and was not impacted by the transaction.</p> <p>The "Important Disclosures Regarding the Empower Transaction" listed below do not apply to your account.</p>
<p>If you independently purchased an individual annuity, life insurance or investment product with Prudential...</p> <p>How do I know if this applies to me?</p> <ul style="list-style-type: none">• You independently purchased a product from Prudential (other than a SmartSolutions IRA) that is unrelated to an employer workplace plan.• The product you purchased is issued by The Prudential Insurance Company of America (PICA), Prudential Annuities Life Assurance Corporation (PALAC), Pruco Life Insurance Company, or Pruco Life Insurance Company of New Jersey.• You purchased an investment product or service through Pruco Securities, LLC.	<p>...Your account remains with Prudential and was not impacted by the transaction.</p> <p>The "Important Disclosures Regarding the Empower Transaction" listed below do not apply to your account.</p>
<p>If you are a participant in the Prudential Employee Savings Plan (PESP), the Jennison Associates Savings Plan, the Assurance Savings Plan, the Prudential Supplemental Employee Savings Plan, the Prudential Financial, Inc. 2021 Omnibus Incentive Plan and the attendant Prudential Long-Term Incentive Program, the Prudential Financial, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors or the PGIM, Inc. Omnibus Deferred Compensation Plan...</p> <p>How do I know if this applies to me?</p> <ul style="list-style-type: none">• You receive statements and other notifications from Prudential in connection with one or more of these plans.	<p>...Empower is currently providing services to the plans as a sub-contractor to Prudential for a transitional period. During this period, Prudential will remain the service provider for the plans.</p> <p>Please carefully review the "Important Disclosures Regarding the Empower Transaction" below that apply to you, as applicable.</p>

ACCOUNT TYPE	SERVICE PROVIDER
<p>If you are a participant in a retirement plan previously serviced by Prudential Retirement, which may include defined benefit plans, non-qualified plans, defined contribution plans, and 401(k) plans (including a plan that permits self-directed brokerage accounts), or you are an account holder of a SmartSolution IRA, Auto Roll IRA, or NFS Prudential Brokerage Account...</p> <p>How do I know if this applies to me?</p> <ul style="list-style-type: none"> • You receive a notification from Prudential Retirement notifying you that Empower will become the service provider for your account. • You receive a welcome email or letter from Empower. 	<p>...Empower is now the service provider for your account. However, with respect to Smart Solution IRA accounts and certain Auto Roll IRAs, Prudential Investment Management Services LLC (PIMS) remains the broker-dealer for a transitional period.</p> <p>Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that apply to you.</p>

Important Disclosures Regarding the Empower Transaction

Effective April 1, 2022, the following will apply to you:

- All references to “Prudential Retirement” refer to Empower. Prudential Retirement is no longer a business unit of Prudential.
- Certain insurance products written by The Prudential Insurance Company of America were reinsured to GWLA and Great-West Life & Annuity Insurance Company of New York (for New York business). Empower Retirement will become the administrator of this business acquired from Prudential.
- Empower Retirement refers to the products and services offered by GWLA and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with Prudential or its affiliates.
- Full-service retirement sales personnel and certain service personnel are no longer registered representatives of Prudential Investment Management Services LLC (PIMS) and are registered representatives of GWFS Equities, Inc. For a transitional period, certain back office and service personnel will remain registered representatives of PIMS.
- During a transition period, Prudential and, as applicable, its affiliates will continue to provide services to Empower. PIMS will continue to provide certain broker-dealer services under the terms of existing services agreements for certain plans and will continue to be the broker-dealer of record for existing SmartSolution IRA accounts and certain Auto Roll IRA accounts for a transitional period.
- Any documents pertaining to fraud or security commitments by Prudential Retirement are no longer applicable and are replaced with Empower’s commitments set forth at <https://participant.empower-retirement.com/participant/#/articles/securityGuarantee>.
- If Empower is the service provider for your account, Prudential’s Privacy Statements and Privacy Notices are replaced with Empower’s Privacy Notice set forth at <https://www.empower-retirement.com/privacy> for that account.

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Have additional questions? For Prudential accounts and products, please call 800-621-1089. For Empower accounts and products, please call 877-778-2100.