

COMPARE A ROTH 401(K) TO A TRADITIONAL 401(K)

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INTRODUCTION

Your retirement income can vary widely depending on what type of account holds your savings and what assumptions you make about return and tax rates during the accumulation and withdrawal periods. Use this calculator to help compare employee contributions to the after-tax Roth 401(k) and the current tax-deductible 401(k).

SUMMARY OF INPUT

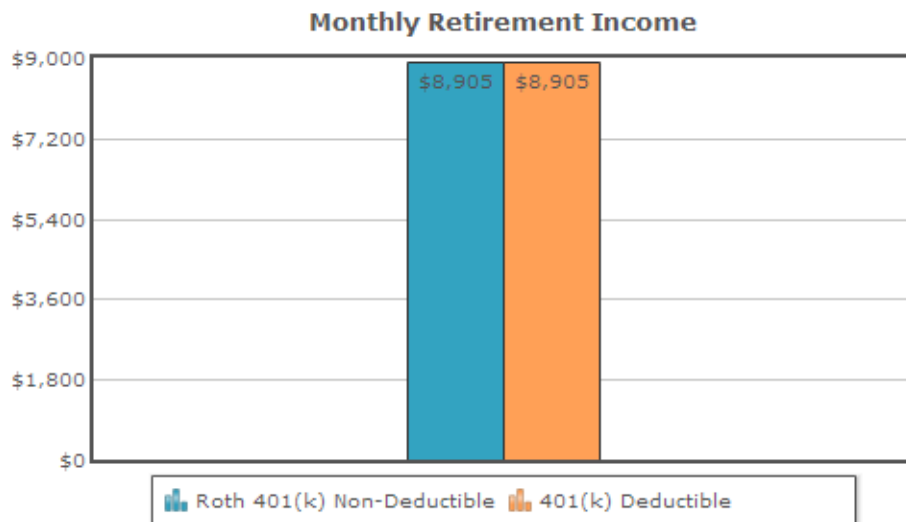
Current age	25
Age when income should start	65
Number of years to receive income	20
Before tax return on savings (accumulation phase)	8.00%
Before tax return on savings (distribution phase)	8.00%
Income tax bracket (accumulation phase)	25.00%
Income tax bracket (distribution phase)	25.00%
Your annual contribution	\$5,000
Taxation of contribution options 1) Traditional 401(k) deductible account fully funded, contributions to Roth 401(k) non-deductible account are reduced 2) Full contribution made to Roth 401(k) non-deductible account, Traditional 401(k) account given a 'side-account' to reflect tax saving	Option 1

ANALYSIS

Based on the assumptions you provided, your \$5,000 annual contribution for 40 years could provide as much as \$106,862 per year (\$8,905 per month) for your anticipated 20 year distribution period.

401(k) Analysis		
Accumulation Phase	Roth 401(k) (Non-Deductible)	401(k) (Deductible)
Annual contribution (before tax)	\$5,000	\$5,000
Adjustment for taxable contributions*	\$-1,250	\$-0
Total annual contribution (after tax)	\$3,750	\$5,000
Interest rate (accumulation phase)	8.00%	8.00%
Term (accumulation phase)	40	40
Account value at retirement	\$1,049,182	\$1,398,909
Distribution Phase	Roth 401(k) (Non-Deductible)	401(k) (Deductible)
Account value at retirement	\$1,049,182	\$1,398,909
Term (distribution phase)	20	20
Interest rate (distribution phase)	8.00%	8.00%
Annual income before taxes	\$106,862	\$142,482
Annual income tax	\$0	\$35,621
After-tax annual income	\$106,862	\$106,862
After-tax monthly income	\$8,905	\$8,905

* Actual contribution levels to non-deductible accounts have been reduced to reflect the effects of making after-tax contributions.



This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations provided should not be construed as ERISA, financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. Any assumptions as to interest rates, rates of returns, inflation or other values are hypothetical and for illustrative purposes only. Your results may vary.

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