



Retirement Savings Hierarchy

| | ACCOUNT | TAX TREATMENT | CONTRIBUTION LIMIT | RANKING RATIONALE |
|----|--|---|--|---|
| 1 | 401(k) plan up to employer match—traditional or Roth | Traditional 401(k) contributions are pre-tax; withdrawals are taxed as ordinary income. Roth contributions are after-tax; qualified withdrawals are tax free. | Up to employer match percentage | Take advantage of employer contributions and a risk-free return. |
| 2 | Health Savings Account (HSA) | Contributions and qualified withdrawals are tax free. | \$3,650 individual \$7,300 family \$1,000 catch-up over age 55 | Only savings account that is triple tax free. Can be invested, managed, and used to pay qualified medical expenses. |
| 3 | Roth IRA | Contributions are after-tax; qualified withdrawals are tax free. | \$6,000, plus \$1,000 catch-up over age 50 | Tax-free source of income in retirement and no required minimum distribution. Income eligibility limitations apply. |
| 4 | 401(k) with no match | Traditional 401(k) contributions are pre-tax; withdrawals are taxed as ordinary income. Roth contributions are after-tax; qualified withdrawals are tax free. | \$20,500, plus \$6,500 catch-up over age 50 | Popular retirement savings vehicle due to high annual contribution limit, either pre-tax or Roth, with no income limitation. Subject to required minimum distributions. |
| 5 | Traditional IRA | Contributions are tax deductible, subject to income phaseouts. Withdrawals are taxed as ordinary income. | \$6,000, plus \$1,000 catch-up over age 50 | Allows for pre-tax contributions and tax-deferred growth. May not be available for those with access to qualified plans. |
| 6 | Roth conversion with after-tax 401(k) | After-tax contribution, which can be converted to Roth. | \$61,000 combined with all other 401(k) contributions, excluding catch-ups | High contribution amount and another way that high-income earners can accumulate Roth savings |
| 7 | Roth conversion with non-deductible IRA | After-tax contribution, which can be converted to Roth. | \$6,000, plus \$1,000 catch-up over age 50 | Another way that high-income earners can make Roth contributions, subject to IRA account aggregation rules upon conversion. |
| 8 | 529 plan | After-tax contributions to fund future education expenses. Qualified withdrawals are tax free. | \$16,000 or \$80,000 one-year front load per contributor | While not specific to retirement, 529 plans may be part of a broader savings strategy. |
| 9 | Taxable account | After-tax contributions. Growth is taxed at long-term capital gains rates. | Not applicable | Additional savings vehicle for retirement and may allow for favorable tax treatment. |
| 10 | Other savings vehicle options may include: low-cost annuities, permanent life insurance, or a nonqualified deferred compensation plan. | | | |

Call 800.967.9948 Monday-Thursday 8:30am-5:30pm EST, Friday 8:30am-4:30pm EST or visit <https://www.captrustadvice.com/scheduler/> to schedule a one-on-one consultation with a CAPTRUST Representative.