

# Introducing Automated Roth In-Plan Conversions from Fidelity®

You can now set up your 401(k) plan so funds coming into your after-tax account automatically convert to your plan's Roth account.

## **Automation Benefits:**

- Simplifies the process through automation instead of requiring you to call Fidelity every time a conversion is desired.
- Limits your future tax consequences by having funds immediately converted to Roth.
- One-on-one help from a Fidelity representative with setup and if needed in the future, stopping the automated conversions. You may also call for help with other accounts.

## **Automation Considerations:**

- When you convert money to Roth within your plan, the IRS requires that the plan apply special rules to determine whether a portion of the conversion is taxable.
- You may incur a tax liability upon future conversions as a result of any outstanding loan balance or any other balance remaining in one or more after-tax accounts that contain taxable dollars.
- You must provide your email address so the plan may provide you the required Special Tax Notice at setup and then again every 180 days.

## **How To Set Up Your Account:**

1. **Call Fidelity at 800-835-5097.**
2. Provide the email address at which you'd like to receive required tax notices.
3. Choose from the options the Fidelity representative will present for you to consider, such as which accounts to include and potential ways to reduce your tax liability.



Normal tax basis recovery rules under Internal Revenue Code section 72 apply. Nothing herein should be construed as tax or legal advice.

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