



*Dedicated to serving the retirement planning needs of  
the international school community.*

# ROTH 401(k) PLAN



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# What is a Roth 401(k)?

A tax-advantaged workplace retirement plan allowing employees to contribute pre-tax or after-tax dollars through payroll deduction. Roth (after-tax) contributions can grow tax free and "Qualified" distributions are withdrawn tax free.



## Why Offer a Roth 401(k) Plan?

In today's competitive job market, international schools are seeking an edge to attract and retain top-tier educators. Offering a Roth 401(k) can help your school differentiate itself while also fostering a stronger sense of loyalty and commitment within the school community.

Many US citizen educators working overseas do not receive Social Security benefits. For those who do, the average amount received replaces only 40% of income, far below what is typically needed. A Roth 401(k) is a powerful tool to bridge that gap. <https://www.ssa.gov/myaccount/assets/materials/workers-61-69.pdf>

## Participant Benefits

- A Roth 401(k) offers higher contribution limits than a Roth IRA (\$24,500 compared to \$7,500 in 2026, age 50 and under) and can include employer matching.
- Allows US citizens working overseas to contribute to a retirement account regardless of their foreign earned income status.
- Employees can contribute to a Roth 401(k) regardless of their modified adjusted gross income (MAGI).
- Retirement accounts are excluded from the FAFSA Student Aid Index (SAI) calculations, which may help secure higher grants and loans.

A Roth 401(k) qualified distribution is a withdrawal that is entirely tax-free and penalty-free, requiring you to be at least 59½ (or disabled/deceased) AND have held the account for at least five years since your first contribution. There is no upfront tax deduction for Roth 401(k) contributions.



# Our Financial Advisors Will Guide You Each Step of the Way

## PLAN SETUP

Global Advisor Group helps the school establish the plan structure: eligibility, match, and in-service withdrawal rules.

## INVESTMENTS

Participants can select from a diverse range of investments. Traditional 401(k) contributions can grow tax-deferred and are taxed at withdrawal, while Roth 401(k) gains can grow tax-deferred and qualified withdrawals are tax-free.

## DISTRIBUTIONS

After leaving employment, assets can remain in the plan, transfer to a new plan, roll into an IRA/Roth IRA, or be taken as cash. In-service withdrawals are permitted after age 59 ½.

Our Financial Advisors work as **Fiduciaries**, meaning they act in the client's best interest with honesty, loyalty, and care.

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## CONTRIBUTIONS

Participants may elect the dollar amount or percentage of salary they want to defer into the plan, subject to the annual IRS limits of \$24,500 for 2026, with additional catch-up contributions for eligible participants. Employers have the option to provide a matching contribution.

## ROLLOVERS

Our advisors can educate participants about rolling over prior 403(b), 401(k), and Traditional IRA accounts into the plan.

## PLAN COMPLIANCE

Our team of experts will help guide the school regarding plan governance, compliance testing, and IRS regulations.



# OUR SERVICE TEAM



**James T. Barnette, Jr. CFP®**  
Chief Executive Officer



**Joan Confoy CFP®, CPFA®, AIF®**  
Director of Group Retirement  
Plan Services



**Nathan Barnette CFP®, CPFA®**  
Retirement Plan Consultant



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**Nathan Addo CFP®**  
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**Lone Bjork**  
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Tri-Association | AMISA

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