



Making Roth Contributions to Your 457 Plan

You can now make Roth contributions to your 457 deferred compensation plan.

The tax rules for Roth contributions are generally the opposite of pre-tax contributions...

- Roth contributions don't lower your taxable income in the year you make them...
- ...but you have the ability to make tax-free withdrawals.

And unlike with Roth IRAs, you are eligible regardless of your income.

Making Roth contributions to your 457 plan is more likely to benefit you if you are in a higher tax bracket later when you withdraw. But predicting future tax rates is difficult.

So consider Roth contributions to diversify your taxes, like you do your investments – a source of tax-free retirement income.

And remember that it's not necessarily an "either or" decision – making both Roth and pre-tax contributions may make the most sense.

Are Roth contributions right for you?

- Check out our online Roth Analyzer (www.icmarc.org/rothalyzer)
- Contact your ICMA-RC representative. For more information, ask for a copy of *457 Plan Roth Deferrals – Another Way for You to Save for a Secure Retirement*.

* Distributions of Roth assets are tax-free if five years have passed since January 1 of the year of your first Roth contribution and you are at least 59½ (or disabled or deceased).

ICMA-RC Representative: