corebridge financial

Roth 457(b)

An opportunity to take advantage of tax-free income in your future

Looking to boost your retirement nest egg or reduce your taxable income during retirement? Contributions to a Roth account provided through your governmental employer's 457(b) plan may be an option to consider.

A Roth 457(b) account permits you to contribute after-tax dollars while reducing taxable income during retirement, and possibly help reduce taxation of Social Security benefits under current law. Distributions are tax-free only if the distribution is made after the end of the five-year period beginning with the first year for which a Roth contribution was made to the plan, *and,*

- You turn age 59 1/2, or
- Your total disability or death

Roth 457(b) features

- You must be eligible to participate in your employer's 457(b) plan, and your Roth account contributions must satisfy all applicable requirements.
- Roth account balances are portable to other plans that offer a Roth account or a Roth IRA, if the receiving plan accepts such rollovers.
- As of January 1, 2024, 457(b) Plan Roth Contribution Option is no longer subject to the Required Minimum Distribution rules.

Is a Roth 457(b) account right for you?

In determining if a Roth 457(b) account is right for you, carefully assess the advantages and disadvantages. A Roth 457(b) may appeal to those who:

- Cannot contribute to a Roth IRA due to income limits.
- Are young and in lower income tax brackets than they expect to be in retirement.
- Are financially stable, but expect tax rate increases.
- Want tax diversity and flexibility in retirement.

Contribution limits

Generally, you may contribute as much as 100% of your annual includible compensation up to the annual contribution limits (combined pre and after tax) set by the Internal Revenue Service

Scan with your mobile phone for up-to-date contribution limits.

Distributions and rollovers

Because Roth account contributions are treated as elective contributions, a distribution can be made at severance of employment, death or retirement. A distribution may be made for an unforeseeable emergency but only if permitted by the plan. However, tax-free treatment is only provided to qualified distributions. A qualified distribution is one that is made after:

- The end of the five-year period beginning with the first year for which a Roth contribution was made to the plan (known as the five-year aging rule or five-year clock) and you reach age 59½, or become disabled or die.
- Income taxes are payable on nonqualifying withdrawals from Roth account earnings. Federal restrictions may apply.

Treatment of retirement savings vehicles

	Traditional 457(b) salary deferral	Roth 457(b) contribution	Roth IRA
Contribution taxable in year contributed	No	Yes	Yes
Contribution taxable in year distributed	Yes	No	No
Earnings on contributions taxable in year distributed	Yes	No, if distribution is made after age 59½, death or disability, and, for Roth IRA, for first home purchase ($10,000 limit). All distributions must be after the end of the five-year period* beginning with the first year for which a Roth contribution was made to the plan.	
Eligible for rollover to non-Roth or traditional qualified plan, traditional IRA, 403(b), 401(k) or governmental 457(b)	Yes	No	No
Eligible for direct rollover to other Roth accounts or to Roth IRA	Yes	Yes	Yes, but only to Roth IRA
Contributions limited by IRC 457(e) salary deferral limits plus age catch-up limit where applicable	Yes (Roth and salary deferral combined for this limit)		No (Regular IRA limit applies and is not affected by Roth 457(b) contributions)
Eligible for contribution subject to family adjusted gross income limits	No	No	Yes

* The Roth 457(b) account and a Roth IRA have separate and distinct five-year aging periods (or clocks).

corebridgefinancial.com/retire 1.800.448.2542

We're here to help you take action

You can reach out directly to your financial professional.

Brett Rariden, Financial Advisor

13220 Metcalf Ave, Suite 360, Overland Park, KS 66213 | Office: (913) 492.5000

Cell: (913) 800.1449 | Brett.rariden@corebridgefinancial.com

Important considerations before deciding to move funds either into or out of a Corebridge retirement services account
There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the fund prospectuses carefully before investing. The fund prospectuses contain important information, which can be obtained from your financial professional, at corebridgefinancial.com/retire or by calling 1.800.428.2542 and following the prompts.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Annuities are issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX or **The United States Life Insurance Company in the City of New York** (USL), New York, NY. Guarantees are backed by the claims-paying ability of the issuing insurance company and each company is responsible for the financial obligations of its products. Beginning January 1, 2026, USL will be Corebridge Financial's sole authorized issuer of new annuities in New York.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member FINRA, SIPC and an SEC-registered investment adviser.

VALIC Retirement Services Company provides retirement plan recordkeeping and related services and is the transfer agent for certain affiliated variable investment options.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc.

Corebridge Retirement Services, Corebridge Financial and Corebridge are marketing names used by these companies. Learn more about our affiliated companies: corebridgefinancial.com/names.

VC 23685-FA (12/2024) J1488105 EE

corebridge financial