

# Compare your savings opportunities

## What are your options?

Your employer offers a designated Roth option under a 457(b) plan. You can choose to make contributions on an after-tax basis to the designated Roth option, on a pre-tax basis to the traditional 457(b), or a combination of the two. You must decide which is best for your personal circumstances and savings objectives. The following chart shows the differences between Traditional 457(b), Roth 457(b), and Roth IRA.

	457(b) pre-tax	Designated Roth option	Roth IRA
<b>Eligibility</b>	Determined by the plan sponsor. No Adjusted Gross Income (AGI) eligibility limit.	Determined by your plan sponsor. No AGI eligibility limit.	For 2020: If filing status is single or head-of-household, AGI must be less than \$124,000 for a full contribution.  If filing status is married filing jointly, combined AGI must be less than \$196,000 for a full contribution.
<b>Maximum annual contributions</b>	\$19,500 in 2020*  *If you make both pre-tax and after-tax Roth contributions, this dollar limit applies to your total 457(b) contribution.	\$19,500 in 2020*	\$6,500
<b>Catch-up contributions</b>	<b>Age 50+ catch-up</b> \$6,500 in 2020 for Age 50 catch-up.  <b>Special catch-up</b> Up to twice the annual maximum (\$39,000 in 2020) for three-year special catch-up.  Cannot use both catch-up provisions in same year but must use the catch-up provision which gives the greater amount.	<b>Age 50+ catch-up</b> \$6,500 in 2020 for Age 50 catch-up.  <b>Special catch-up</b> Up to twice the annual maximum (\$39,000 in 2020) for three-year special catch-up.  Cannot use both catch-up provisions in same year but must use the catch-up provision which gives the greater amount.	<b>Age 50+ catch-up</b> \$1,000 additional contribution in 2020 for a total contribution of \$7,500.
<b>Rollovers in</b> Compare your options for differences in cost, benefits, charges and other important features before you roll over assets. You may want to consult your legal or tax advisors	Yes. Amounts rolled over from other non-457(b) eligible retirement plans (401(a); 401(k); 403(b); and traditional IRA) remain subject to the 10% IRS premature distribution penalty, unless an exemption applies.	Yes, directly from other designated Roth accounts.  Note, a IRS 10% premature distribution penalty tax could apply if you were to roll designated Roth amounts from a 401(k) or 403(b) plan into a governmental 457(b) plan with a Roth feature if, when withdrawn, those amounts were considered non-qualified Roth distributions. The IRS does not permit a rollover from a ROTH IRA.	Yes.
<b>Distributions Permitted</b>	Available upon severance from employment, death, attainment of age 70½, an unforeseeable emergency, or for de minimis accounts (not in excess of \$5,000) if certain conditions are met, and permitted by plan	Subject to the same rules as the 457(b) plan.	At any time (no restrictions apply).

	457(b) pre-tax	Designated Roth option	Roth IRA
<b>Tax-Free Qualified Distribution</b>	<p>Not applicable. All distributions subject to ordinary income tax.</p> <p>Please note, you are still required to have a “triggering event” to receive a distribution. These events are:</p> <ul style="list-style-type: none"> <li>• Severance from employment</li> <li>• Attainment of age 70½</li> <li>• Death</li> <li>• De minimis accounts – accounts less than or equal to \$5,000 (certain conditions apply, plan permitting)</li> <li>• Unforeseeable Emergency</li> </ul>	<p>Provided you have a triggering event for a distribution, the following criteria must be met to ensure a tax-free qualified distribution: 5-year holding period <b>and</b> the participant has experienced one of these events:</p> <ul style="list-style-type: none"> <li>• Disability</li> <li>• Death</li> <li>• Attainment of age 59½ (assuming you have severance from employment)</li> </ul>	<p>The following criteria must be met to ensure a tax-free qualified distribution: 5-year holding period <b>and</b> the participant has experienced one of these events:</p> <ul style="list-style-type: none"> <li>• Attainment of age 59½</li> <li>• Disability</li> <li>• Death</li> <li>• Certain first-time home purchases</li> </ul>
<b>Required Minimum Distributions (RMDs)</b>	Required at the later of age 70½ or retirement, and subject to a 50% penalty on RMD amount not taken.	Required at the later of age 70½ or retirement, and subject to a 50% penalty on RMD amount not taken.	No, during owner’s lifetime.

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