

Governmental 457 Plan Basics

Pre-Tax Option		Roth (Post Tax) Option
Pre-tax contributions reduce income on W2 in current year	Tax Benefits	Occur when account is open 5 years and participant is age 59.5 or older, earnings become tax-free
Election up to 100% of income, subject to the contribution limits annually	Contributions	Election up to 100% of income, subject to the contribution limits annually
\$12.50 per pay period	Minimum Payroll Deduction	\$12.50 per pay period
\$19,500	2020/2021 Maximum Contribution Annually (age 49 and under)	\$19,500
\$26,000	2020/2021 Maximum Contribution Annually (age 50 and over)	\$26,000
Yes, both options	Can I contribute to both pre-tax and Roth options of the 457 plan?	Yes, both options
Future contributions may be changed at any time through a salary reduction agreement. Existing balances cannot be changed.	Can I change my contributions from Pre-tax to Roth and vice versa?	Future contributions may be changed at any time through a salary reduction agreement. Existing balances cannot be changed.
Salary Reduction Agreement	What paperwork is necessary to change my contributions to Roth?	Salary Reduction Agreement
Termination of employment or Retirement, no matter what age when that occurs. Taxes would be due on the withdrawal, no 10% penalty.	When is account balance available for withdrawal?	A qualified distribution is generally a distribution that is made after a 5 taxable year period of participation and is either: 1)made on or after you attain age 59 1/2 or 2) made after your death, or 3) attributable to your being disabled. Termination of employment or retirement apply also.
N/A	When does the 5-taxable-year period begin?	Begins on the first day of the taxable year the first designated Roth contribution were made to the 457 plan.
N/A	When does the 5-taxable-year period end?	Ends when 5 consecutive taxable years have passed.
N/A	What occurs if a distribution occurs prior to the 5-taxable-years?	The distribution is considered a non-qualified distribution. The earnings portion of the distribution must be included in gross income. The contributions are not included in gross income since the contributions were withdrawn from payroll post tax

