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What is a Roth 457?

Traditional 457(b) plans are contribution plans specific to governmental nonprofit entities.

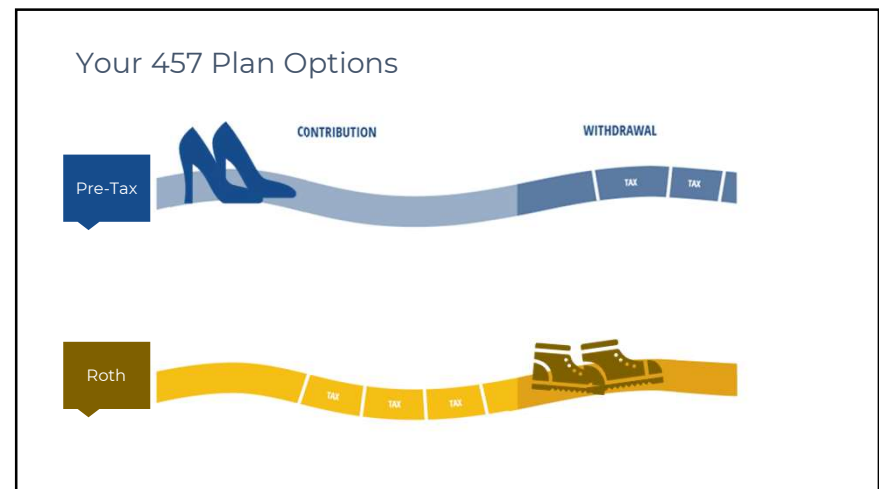
Roth 457 is a type of contribution plan.

Named after the late Senator William V Roth, Jr. (R-Del) who sponsored a series of legislation targeted to financial reforms.



Senator William V. Roth, Jr. (1921 -2003)

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What is a Qualified Roth Distribution?

- 5-year waiting period.
- After you have reached age 59½, died, or been disabled.

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Why We Have a Roth 457 Option?

One retirement option does not fit all



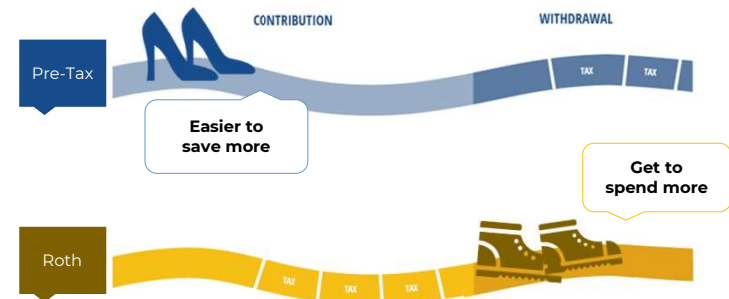
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Roth Comparisons

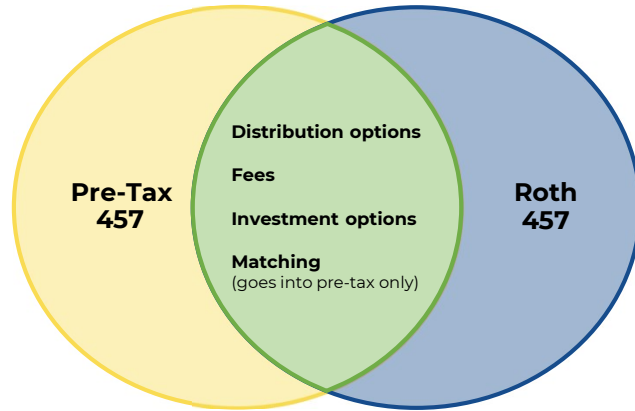
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What is the Difference Between Pre-Tax and Roth 457



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What are the Similarities Between Pre-Tax and Roth 457



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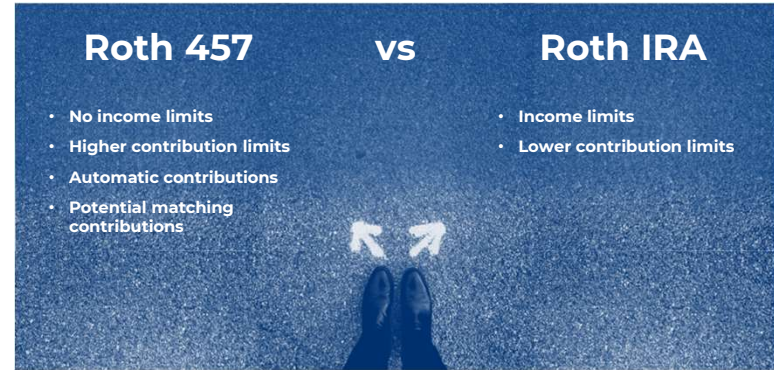
Roth 457

vs

Roth IRA

- No income limits
- Higher contribution limits
- Automatic contributions
- Potential matching contributions

- Income limits
- Lower contribution limits



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Is Pre-tax, Roth or Both Right for You ?

- ➡ **Your finances**
- ➡ **Tax benefits**
- ➡ **Your career**
- ➡ **Your outlook**

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Other Considerations

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Contribution Limits

- IRS sets limits annually
- Limits apply to combined amount contributed to both 457 plans, pre-tax and Roth

Type	2025 Limit
Regular	\$23,500
Age 50+ Catch-up	\$31,000
Ages 60 to 63	\$34,750
457 Standard Catch-up	\$47,000

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Employer contributions go into the 401(a) plan (pre-tax)

SoonerSave

\$25 per Month

Pathfinder

Employee Contribution		Employer Match
Mandatory 401(a)	Voluntary 457(b)	401(a)
4.5%	+	<2.5%
4.5%	+	2.5% +
		6.0%
		7.0%



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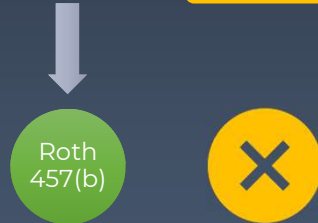
Rollovers

Pre-Tax



Roth

Roth IRA



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Required Minimum Distributions (RMD's)

- IRS Rule based on age
- You must begin withdrawing money from your accounts.
- 25% tax penalty
- Applies to
 - 401(a)
 - Pre-tax 457

Birth Date	RMD Age
Before July 1, 1949	70 ½
Before January 1, 1951	72
Before January 1, 1960	73
January 1, 1960 or later	75

As of 2024, Roth 457 does not qualify for the RMD.

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When can I start Roth 457?

Roth 457 is here!

We now offer you options for contributing to your retirement savings plan. You can choose which one is right for you. Compare your current contributions to the new plan. You can get the full details of how to get started on the website.

Log In

ROTH 457 IS HERE!

PATHFINDER

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How to change contribution

457(b) Plan

Home / Account / My contributions

MY PLANS
Oklahoma Pathfinder

ACCOUNT INFORMATION
Account overview
Balance
Rate of return
Transaction history
Statements and documents
Beneficiaries
Manage bank accounts
Upload documents

PAYCHECK CONTRIBUTIONS
My contributions

INVESTMENTS
My investments
Investment lineup
Brokerage

My Contributions

Contribution	Type	Edit
Standard	Before Tax	Edit

Standard
Standard contributions are deducted from your paycheck. Contributions in the Standard group include Before Tax.

Add / Edit

www.soonersave.com | www.okpathfinder.com

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Resources

- www.opers.ok.gov/pathfinder-roth
- www.opers.ok.gov/soonersave-roth
- Meet with your Retirement Plan Counselor

Pre-tax or Roth: Which road to take?

CONTRIBUTION

Pre-tax 457: Contributions are made with pre-tax dollars. Withdrawals are taxed as ordinary income.

Roth 457: Contributions are made with after-tax dollars. Withdrawals are tax-free.

WITHDRAWAL

Pre-tax 457: Withdrawals are taxed as ordinary income.

Roth 457: Withdrawals are tax-free.

Pre-tax vs Roth analyzer

Individuals are presented with two options for contributions to their different types of retirement savings accounts as you can choose which one is right for you. Compare your current contributions to the new plan. You can get the full details of how to get started on the website.

CURRENT AGE: 30 years
PLANNED RETIREMENT AGE: 70 years
PLANNED YEARS OF RETIREMENT: 40 years
CURRENT SALARY: \$1,000
PERCENT OF SALARY YOU SAVE ANNUALLY FOR RETIREMENT: 5%

Projected total taxes paid for each account

Pre-tax account	Roth account
\$ 65,708	\$ 16,500

Legend: Taxes paid annually while contributing (blue), Taxes paid annually while withdrawing (orange)

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Questions?

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