

Roth 457

Another Road to Retirement



OKLAHOMA

2024



What is a Roth 457?

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

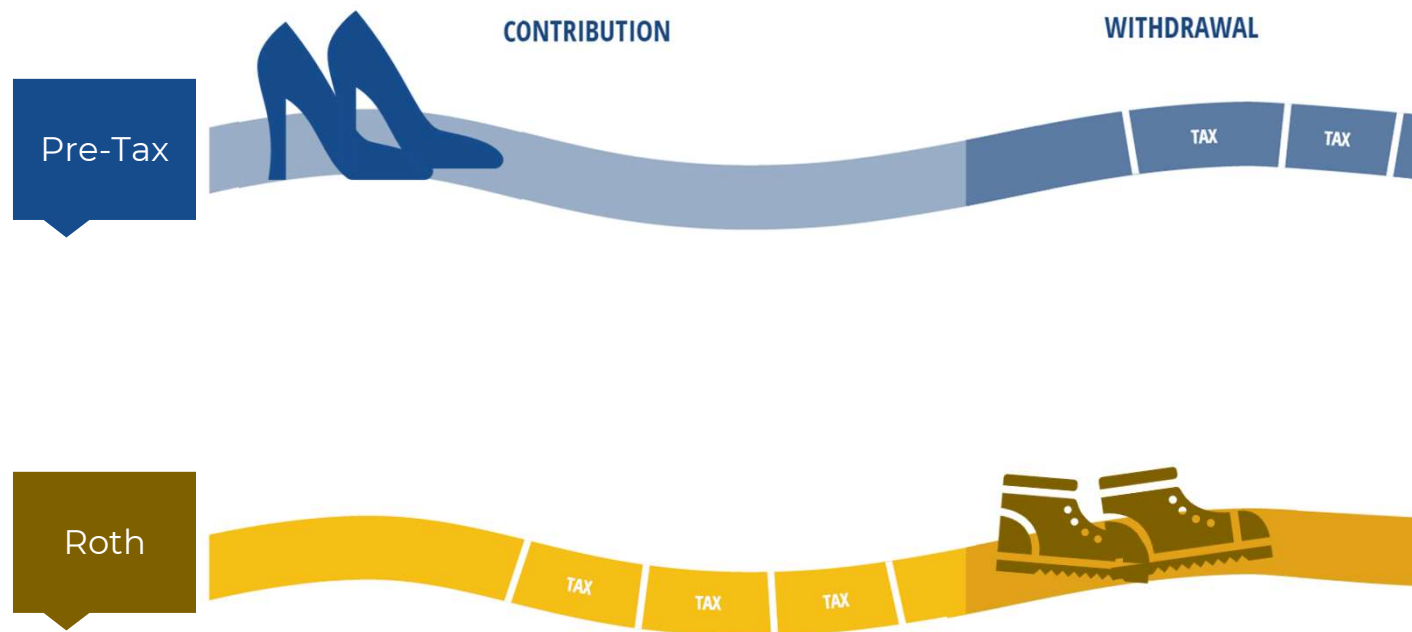
Roth 457 is a type of contribution plan.

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)

Your 457 Plan Options



What is a Qualified Roth Distribution?

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

Why We Have a Roth 457 Option?

One retirement option does not fit all



Pre-Tax



Roth



Matching

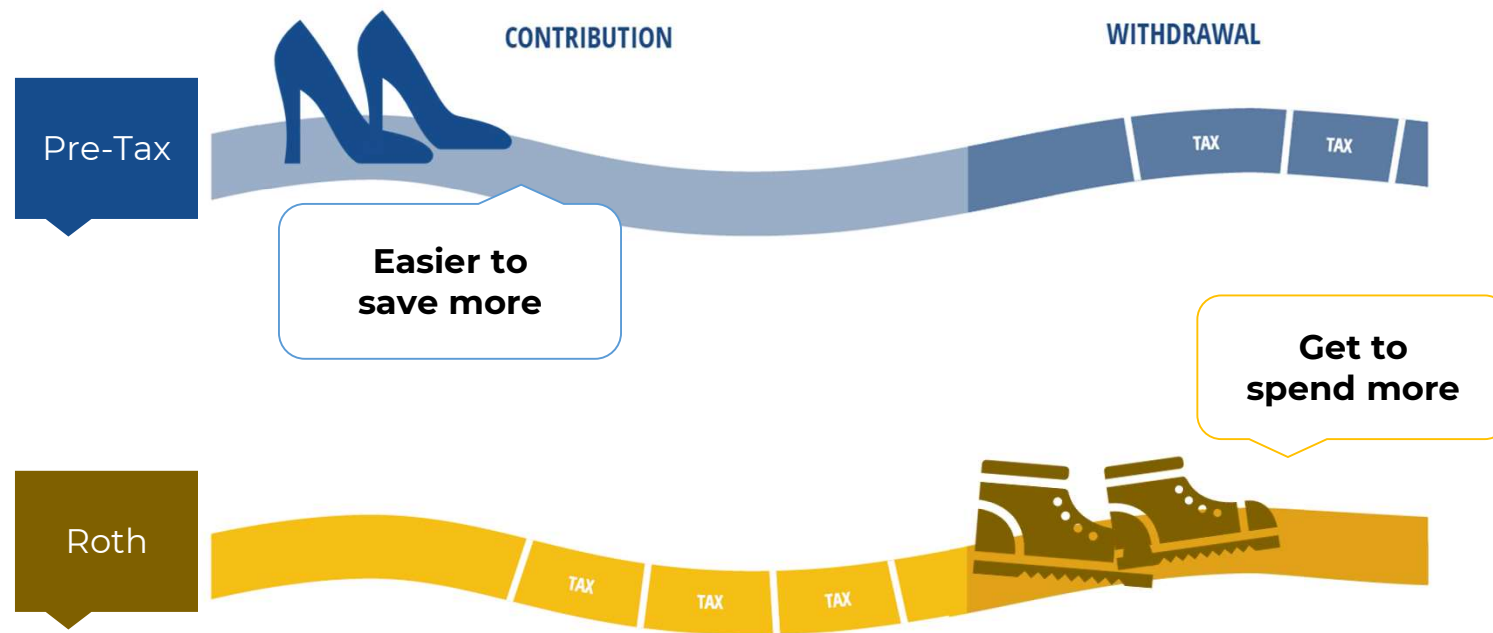


Rollover

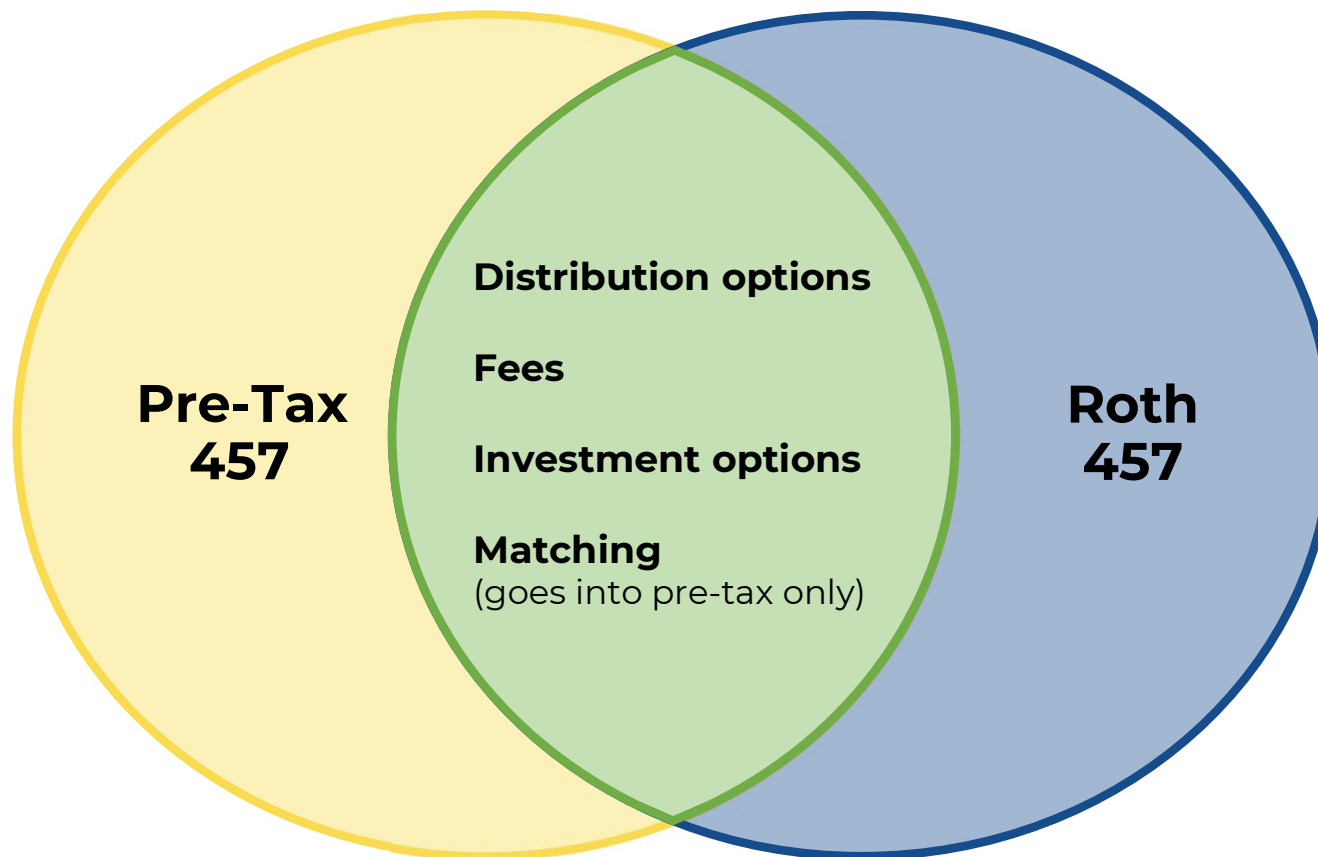


Roth Comparisons

What is the Difference Between Pre-Tax and Roth 457



What are the Similarities Between Pre-Tax and Roth 457



Roth 457

vs

Roth IRA

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

- Income limits
- Lower contribution limits



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

 **Your finances**

 **Tax benefits**

 **Your career**

 **Your outlook**



Other Considerations

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

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

SoonerSave

\$25 per Month

Pathfinder

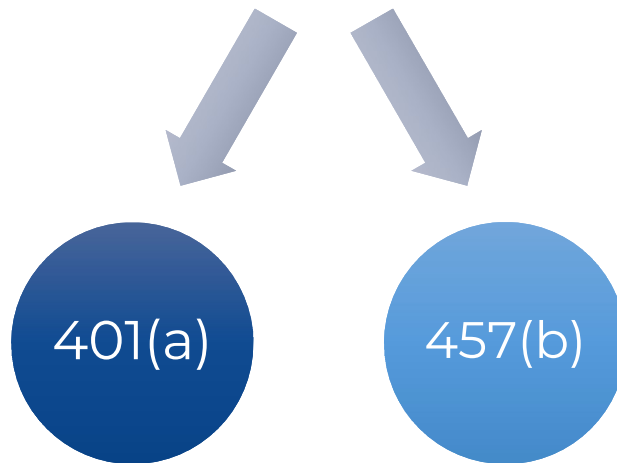
Employee Contribution			Employer Match
Mandatory 401(a)		Voluntary 457(b)	401(a)
4.5%	+	<2.5%	6.0%
4.5%	+	2.5% +	7.0%



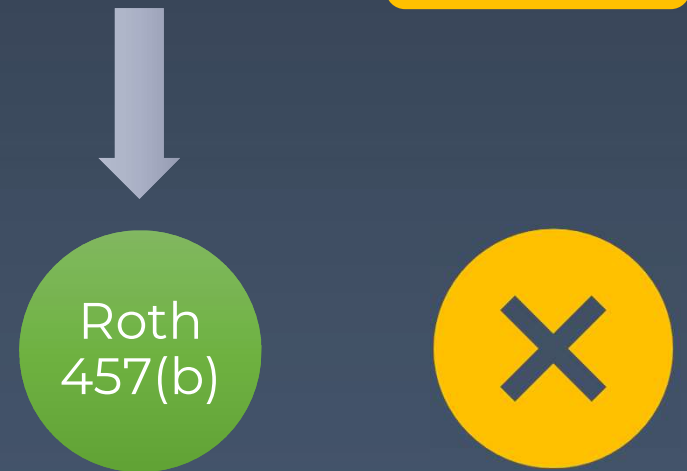
Are
you
meeting
your
match?

Rollovers

Pre-Tax



Roth



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.



Next Steps

When can I start Roth 457?



Oklahoma Pathfinder 457 Plan

Subject line Learn more ways to save for the future



Oklahoma SoonerSave 457 Plan



Roth 457 is here!

We now offer two options for contributing to your retirement savings plan: pre-tax and Roth. With the Roth option, you pay taxes on your contributions now so you don't have to later. You also get the benefit of not having to pay taxes on the earnings.

[Log In](#)

ROTH 457 IS HERE!

PATHFINDER
OKLAHOMA

How to change contribution



457(b) Plan

Home / Account / My contributions Print

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	
	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

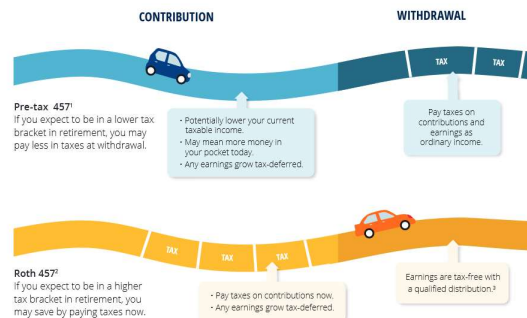


Resources

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

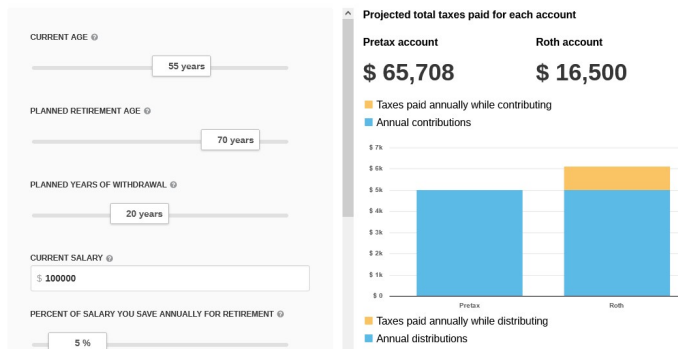
Pre-tax or Roth: Which road to take?

You have a choice on how you make voluntary contributions to your Pathfinder plan. Before you determine which road or combination of roads may be right for you, you'll need to consider a few important factors, including when you want to pay taxes. Let's take a closer look.



Pretax vs roth analyzer

Understand the potential growth and tax implications of two different types of retirement savings accounts so you can choose which one works best for you. Compare pretax accounts (where contributions are not taxed and retirement withdrawals are subject to income tax) and Roth accounts (where contributions are after tax but retirement withdrawals are tax free).



Questions?

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