457 PLAN ROTH ASSETS

Your 457 plan allows you to add Roth assets now for tax-free income later*

- Make after-tax Roth contributions to the plan
- Convert existing 457 plan assets to Roth assets

Is Roth right for you? It's a trade-off. You don't get an up-front tax benefit for Roth contributions like you do with pre-tax contributions. And *converting* pre-tax assets to Roth requires you to pay up-front taxes. But in exchange, Roth assets can provide *tax-free* income in retirement.

Here are three steps to consider:

Review all your retirement assets — how will distributions be taxed?

You're more likely to benefit from adding Roth assets if you're in a lower tax bracket now and a higher one later when you withdraw.



To learn more, contact your ICMA-RC representative:

But future life changes and tax rules are full of uncertainty. Roth assets can help you diversify your taxes like you diversify your investments. When you take withdrawals, you can pull from different sources, including tax-free Roth assets, based on what makes the most sense tax-wise in a given year.

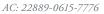
2 Explore Roth contributions vs. conversions, and adding Roth assets in your 457 plan vs. a Roth IRA.**

It's not all or none: you can make both pre-tax and Roth contributions to your 457 plan. You may be able to add Roth assets to your 457 plan and an IRA. And converting small amounts over time can help avoid pushing you into a higher tax bracket. (To view a detailed comparison, visit www.icmarc.org/rothanalyzer.)

3 Take action if Roth makes sense for you.

To begin making Roth contributions, complete the "Contribution Change Form" at www.icmurc.org/457boost. To request a conversion, complete the "In-Plan Roth Conversion Form", available from ICMA-RC.

- * Applies to qualifying distributions of Roth assets only. Otherwise, ordinary income and penalty taxes may apply.
- ** Consider consulting a tax professional for advice specific to your tax situation.





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