



Roth 457(b)

An opportunity to take advantage of **tax-free** income in your future

Looking to boost your retirement nest egg or reduce your taxable income during retirement? Contributions to a Roth account provided through your governmental employer's 457(b) plan may be an option to consider.

A Roth 457(b) account permits you to:

- **Contribute** after-tax dollars.
- **Take tax-free distributions** if the following conditions are met:
 - Distribution must be made after the end of the five-year period beginning with the first year for which a Roth contribution was made to the plan, *and*
 - You turn age 59½, or
 - Your total disability or death
- **Reduce taxable income** during retirement and possibly help reduce taxation of Social Security benefits under current law.

Roth 457(b) basic features

- You must be eligible to participate in your employer's 457(b) plan, and your Roth account contributions must satisfy all applicable requirements.
- Roth account balances are portable to other plans that offer a Roth account or a Roth IRA, if the receiving plan accepts such rollovers.
- Roth 457(b) after-tax accounts are subject to Requirement Minimum Distribution rules; however, rolling a Roth account into a Roth IRA prior to age 73 (age 72 if you were born after June 30, 1949 and before January 1, 1951; age 70½ if you were born before July 1, 1949) might avoid this requirement. Please consult with a tax professional if considering this action.

Is a Roth 457(b) account right for you?

In determining if a Roth 457(b) account is right for you, we encourage you to carefully assess the advantages and disadvantages. A Roth 457(b) may appeal to those who:

- Cannot contribute to a Roth IRA due to income limits.
- Are young and in lower income tax brackets than they expect to be in retirement.
- Are financially stable, but expect tax rate increases are likely.
- Want tax diversity and flexibility in retirement.

2023 contribution limits

- \$22,500 as an annual dollar limit on elective contributions, which cannot exceed the Internal Revenue Code (IRC) 402(g) limit
- \$7,500 as an age-based catch-up for those age 50 or older
- Are subject to the IRC 415 annual limits, as indexed for aggregated employee elective contributions, employer contributions and any reallocated forfeitures.



Scan with your mobile phone for up-to-date contribution limits.

Distributions and rollovers

Because Roth account contributions are treated as elective contributions, a distribution can be made at severance of employment, death or retirement. A distribution may be made for an unforeseeable emergency but only if permitted by the plan. However, tax-free treatment is only provided to qualified distributions. A qualified distribution is one that is made after:

- The end of the five-year period beginning with the first year for which a Roth contribution was made to the plan (known as the five-year aging rule or five-year clock) and you reach age 59½, or become disabled or die.
- Income taxes are payable on nonqualifying withdrawals from Roth account earnings. Federal restrictions may apply.

Scan to access the online calculator for help deciding pretax and/or Roth after-tax contributions are right for you. In addition, you can see the impact they can have on your take-home pay.



Treatment of retirement savings vehicles

	Traditional 457(b) salary deferral	Roth 457(b) contribution	Roth IRA
Contribution taxable in year contributed	No	Yes	Yes
Contribution taxable in year distributed	Yes	No	No
Earnings on contributions taxable in year distributed	Yes	No, if distribution is made after age 59½, death or disability, and, for Roth IRA, for first home purchase (\$10,000 limit). All distributions must be after the end of the five-year period* beginning with the first year for which a Roth contribution was made to the plan.	
Eligible for rollover to non-Roth or traditional qualified plan, traditional IRA, 403(b), 401(k) or governmental 457(b)	Yes	No	No
Eligible for direct rollover to other Roth accounts or to Roth IRA	Yes	Yes	Yes, but only to Roth IRA
Contributions limited by IRC 457(e) salary deferral limits of \$22,500 in 2023 plus age 50 catch-up limit of \$7,500 in 2023 or special catch-up, where applicable	Yes (Roth and salary deferral combined for this limit)		No (Regular IRA limit applies and is not affected by Roth 457(b) contributions)
Eligible for contribution subject to family adjusted gross income limits	No	No	Yes

* The Roth 457(b) account and a Roth IRA have separate and distinct five-year aging periods (or clocks).

To make contribution selections or to begin contributing to a Roth 457(b), log on to corebridgefinancial.com/retirementservices or contact your local financial professional.

corebridgefinancial.com/retirementservices 1.800.448.2542

We're here to help you take **action**

You can reach out directly to your financial professional.

Important considerations before deciding to move funds either into or out of a Corebridge retirement services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the fund prospectuses carefully before investing. The fund prospectuses contain important information, which can be obtained from your financial professional, at corebridgefinancial.com/retirementservices or by calling 1.800.428.2542 and following the prompts.

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with your financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Annuities are issued by **The Variable Annuity Life Insurance Company**, Houston, TX. Variable annuities are distributed by **AIG Capital Services, Inc.**, member FINRA.

Securities and investment advisory services offered through **VALIC Financial Advisors, Inc.**, member FINRA, SIPC and an SEC-registered investment adviser.

VALIC Retirement Services Company provides retirement plan recordkeeping and related services and is the transfer agent for certain affiliated variable investment options.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc.

Corebridge Retirement Services, Corebridge Financial and Corebridge are marketing names used by these companies.

