

457 Program Features Overview



	457 Program		Roth IRA
Contributions			
Feature	Pre-Tax	Roth	Roth IRA
Maximum Contribution – 2019	\$19,000 Age 50 Catch-Up: \$6,000 (\$25,000 total) Pre-Retirement Catch-Up: 2x normal limit = \$38,000 total All contribution limits apply to the combination of pre-tax and Roth contributions to the plan.	Same as 457 Pre-Tax	\$6,000 Age 50 Catch-Up: \$1,000 (\$7,000 total) Pre-Retirement Catch-Up: N/A
Do Contributions Reduce Taxable Income	Yes	No	No
Income Limits (2019 Modified Adjusted Gross Income)	None. Participation is not limited by your annual income.	None. Participation is not limited by your annual income.	Married: \$193,000 Single: \$137,000
Withdrawals			
Taxation of Withdrawals	Withdrawals are subject to federal and, in most cases, state income taxes.	Withdrawals are tax-free if the requirements for a qualified distribution are met. Distributions of Roth assets are qualified if a period of five years has passed since January 1st of the year of your first Roth contribution (including rollovers), and you are at least 59½ years old (or disabled or deceased).	Same as 457 Program Roth, except Roth IRAs also permit qualified distributions for a “first time” purchase.
Withdrawal Eligibility	Upon separation from service with the plan sponsor.	Upon separation from service with the plan sponsor.	Withdrawals can be taken at any time.
Required Minimum Distributions (RMDs)	After age 70½ or separation from service, whichever is later.	After age 70½ or separation from service, whichever is later.	None
10% Early Withdrawal Penalty Tax	457 Program contributions and associated earning are not subject to the early withdrawal penalty tax. However, if you roll assets into your 457 Program from another type of account, the rolled-in assets are subject to the 10% early withdrawal penalty tax if withdrawn prior to age 59½, unless an exception to the penalty applies.	457 Program contributions and associated earnings are not subject to the early withdrawal penalty tax, as long as requirements for a “qualified distribution” are met. However, if you roll assets into your 457 Program from another type of account, the rolled-in assets are subject to the 10% early withdrawal penalty tax if withdrawn prior to age 59 ½, unless an exception to the penalty applies.	Yes, the penalty may apply to the earnings portion of the withdrawal unless certain criteria are met.
Eligible Rollovers	Ability to roll pre-tax employer sponsored plans to your 457. Roth 457 assets can be rolled to and from other retirement plans that allow Roth deferrals, and provide the required recordkeeping for Roth assets.	Ability to roll pre-tax employer sponsored plans to your 457. Roth 457 assets can be rolled to and from other retirement plans that allow Roth deferrals, and provide the required recordkeeping for Roth assets.	Pre-tax and Roth 457 Programs can be rolled directly to a Roth IRA. Pre-tax 457 money will be taxed at ordinary income tax rates. You cannot roll a Roth IRA to a 457 Program.

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