



# OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG

877-644-6457

## Ohio DC's Roth 457 Option

We are now contacting employers about offering the Roth 457 option. A Roth option lets you make contributions that are not tax deductible, but provides tax-free distributions, after certain conditions are met.\* The Roth 457 option will only be available to employees of organizations that choose to offer it. Look for more information in your April Focus newsletter.

### Traditional Pre-Tax Option and Roth After-Tax Option Comparison

Feature	Traditional 457	Roth 457
Payroll Deduction	Yes	Yes
Taxation	Before tax; reduces current income tax; taxes are deferred until distribution	After tax; pay current income tax now; qualified distributions are free from Federal and State tax*
2020 Contribution Limits	\$19,500 (total limit includes both traditional and Roth contributions)	\$19,500 (total limit includes both traditional and Roth contributions)
2020 Annual Age 50-Plus Limits	\$26,000 (total limit includes both traditional and Roth contributions)	\$26,000 (total limit includes both traditional and Roth contributions)
Income Limits	None	None
Rollover	May be rolled over to another pre-tax plan or to a traditional pre-tax IRA	May be rolled over to another Roth plan or Roth IRA
<b>Traditional pre-tax accounts can't be converted to Roth accounts at this time. Roth IRA rollovers are not permitted to a Roth 457 option based on current IRS regulations.</b>		

\* Earnings from a Roth account are not taxable if the distribution is made after five consecutive tax years since the first Roth contribution was made AND the distribution is made after age 59½ or because of death or disability.