



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG ■ 877-644-6457

What is a 457 Plan and What Makes You Eligible?

In technical terms, a 457 plan is a defined contribution plan for governmental employees that is governed under Section 457(b) of the Internal Revenue Code and commonly known as a governmental deferred compensation plan.

Ohio DC is a 457 plan. Public employees (“participants”) contribute pre-tax money each payday into a custodial trust account set up for them by the 457(b) plan, and invest that money, so that it can grow tax-deferred. When a participant withdraws money from the plan, it’s taxed as ordinary income.

How do you know if you’re eligible for a 457 Plan?

If you’re an employee of a city, county, school district, township, or similar entity, your employer may offer a tax-exempt savings benefit known as a government 457(b) deferred compensation plan.

These plans accept payroll-deducted contributions for participant-directed investing and are intended to help public employees meet long-term savings objectives, such as generating retirement income.

If you would like to learn more about 457 plans and Ohio Deferred Compensation, visit our website at ohio457.org or call our service center at 877-644-6457.