

# 403(b) and 457(b) Accounts

## TRADITIONAL

VERSUS

## ROTH

### CONTRIBUTIONS

- Contributions are pre-tax from your paycheck
- Subject to annual contribution limits
- 2024 basic contribution limit: \$23,000



- Contributions are post-tax from your paycheck
- Subject to annual contribution limits
- 2024 basic contribution limit: \$23,000

### EARNINGS

- Earnings are tax-deferred
- Earnings are taxed upon withdrawal at your income tax rate applicable for that year



- Earnings are tax-free
- Earnings are not taxed as long as they are in your account for 5 years from the date your first contribution was made

### DISTRIBUTIONS

- 403(b) Distributions may be taken at age 59 1/2 (subject to plan provisions) or at separation from service
- 457(b) Distributions may be taken upon separation from service
- Required Minimum Distribution (RMD)



- 403(b) Distributions may be taken at age 59 1/2 (subject to plan provisions) or upon separation from service
- 457(b) Distributions may be taken upon separation from service
- No Required Minimum Distribution (RMD)

## How Do I Participate in my Employer's 403(b) and/or 457(b)?

### 1 Research Investment Providers

Review your employer's authorized investment providers at [www.tsacg.com](http://www.tsacg.com) and use the contact information to get the facts for each.

### 2 Select an Investment Provider

Once you have reviewed and compared the authorized investment providers, select the one that is the best fit for you.

### 3 Open Your Account

Each investment provider requires participants to open an account with them before contributions can start. Complete their paperwork before submitting an SRA to your employer.

### 4 Complete an SRA

Your employer requires employees wishing to begin contributions to a 403(b) and/or a 457(b) to submit a Salary Reduction Agreement (SRA).

### 5 Begin Contributing

Based on the instructions you provided to your employer via your SRA, they will begin withholding the amount you specified, and send your contribution to the investment provider you selected.