

Roth 457 Plan FAQs:

Q: How are Roth 457 contributions different from traditional 457 contributions?

A: Roth 457 contributions are made with after-tax dollars. Traditional 457 contributions are made on a before-tax basis, and you pay taxes only when you take a distribution.

Q: Can I make both pre-tax elective and designated Roth contributions in the same year?

A: Yes. Your Plan allows you to contribute to both in the same year in any proportion you choose.

Q: How much can I contribute?

A: The maximum combined contribution limit for 2024 is \$23,000. If you are age 50 or older, you can make additional catch-up contributions of \$7,500.

Q: Can I change my mind and have Roth 457 contributions treated as a pre-tax elective contribution?

A: No. Once you designate contributions as Roth contributions, you cannot later change them to pre-tax elective contributions.

Q: Can employer contributions be designated as Roth 457?

A: No, employer contributions can only be made on a before-tax basis and deposited into a separate account.

Q: Do I pay taxes when I take a distribution from my Roth 457 account?

A: Your distribution is income tax-free if you are eligible for a distribution from your Plan and you withdraw your Roth 457 contributions and any earnings after holding the account for at least five tax years and:

- You are at least age 59½; or
- You become disabled; or
- You die (in which case, your beneficiaries will take a withdrawal).

Q: Do I pay taxes when I take a distribution from my traditional 457 account?

A: Withdrawals of contributions and any earnings from your traditional before-tax 457 account are subject to income taxes.

Q: Are there any limitations on a participant's income as it relates to his or her eligibility to participate in the Roth 457?

A: There are no income limitations on participants as it relates to their eligibility to make Roth 457 contributions to the City of Stockton Deferred Compensation Plan. However, annual contribution limits set by the IRS apply.

Q: If I change jobs, can I roll over my account?

A: Yes, to an eligible employer plan (if the plan allows it) or to an IRA. Consider all your options and their features and fees before moving money between accounts.

Q: How do I choose the Roth 457 option?

A: To begin the Roth 457 enrollment process and set up paycheck contributions, click [here](#) to complete the form and email it to benefits@stocktonca.gov