

# The perfect match

## Match a Roth IRA with your 457 Deferred Compensation Plan to save with tax benefits and flexibility.

- For different savings goals – Additional retirement income, health care, a home purchase, college education, emergencies.
- For different tax benefits – You can get a tax benefit now when you save to your 457 plan, and a tax benefit later when you withdraw from your Roth IRA. If you retire early, you can withdraw from your 457 plan without penalties.

### Roth IRA

**Tax-free withdrawals** – Distributions, including earnings, are tax- and penalty-free if you have:

- Owned a Roth IRA for at least five years, as defined by the IRS
- A qualifying event, such as reaching age 59½, a first-time home purchase, disability, or death

Income and penalty taxes may apply to the withdrawal of earnings, but contributions can be withdrawn at any time without taxes or penalties.

IRS-required minimum distributions do not apply, so loved ones can receive money tax-free.

### 457 Deferred Compensation Plan

**Pre-tax contributions lower current year taxes** and all taxes are deferred until you withdraw.

**Penalty-free withdrawals** – Distributions upon separation from service are not subject to the 10% IRS penalty tax, regardless of your age.<sup>1</sup>



#### Learn more

- IRA – [www.icmarc.org/ira](http://www.icmarc.org/ira)
- 457 plan – [www.icmarc.org/457](http://www.icmarc.org/457)
- Contact your MissionSquare representative.

Please visit [www.icmarc.org/contributionlimits](http://www.icmarc.org/contributionlimits) to view current year annual maximum contribution amounts.

Current tax year contributions may also be made up until the tax filing deadline of next year. Income eligibility rules differ slightly. Visit [www.icmarc.org/ira](http://www.icmarc.org/ira) for more information.

<sup>1</sup> A 10% penalty tax never applies to withdrawals of original 457 plan contributions and associated earnings, but may apply to non-457 plan assets rolled into a 457 plan and then withdrawn prior to age 59½. MissionSquare Retirement does not provide specific tax advice.