FFINVEST 457

Is Roth Retirement Savings For You?

Your Plan offers two ways to gain tax benefits from your savings:

1. **Traditional pretax contributions** – The amount you contribute comes out of your paycheck before income tax is taken out. Your current income tax bill will be lower. No taxes are due on your contributions or earnings until you withdraw money from the plan.

2. **Roth** – Contributions are taken out of your paycheck after your income is taxed, which does not lower your current taxes.

Why would a Roth be to your advantage?

Your contributions, and the earnings on them, are tax-free upon withdrawal in retirement. When you withdraw funds from your Roth account, you won't pay taxes on any earnings, as long as certain tax law requirements are met. Withdrawals of Roth contributions are always tax-free since you have already paid taxes on the contributions.

Benefit	Traditional Pretax	Roth Contributions
Tax-deferred Contributions?	Yes	No
Treatment of Plan Earnings?	Tax Deferred	Tax Free*
Tax-free Distributions?	No	Yes*

*Tax law requirements must be met

Should you pay taxes now or later?

Generally, if you anticipate being in a higher tax bracket during retirement, you'll benefit from making Roth contributions. If you think you'll be in a lower tax bracket at retirement, pretax contributions may be the way to go.

Roth contributions are tracked and their records kept in a separate account, with any earnings and losses allocated to the Roth account. Similar to elective deferrals, they are 100 percent vested. Once you designate elective deferrals as Roth, they cannot be converted into pretax contributions. If you receive a matching contribution, your account will accept the funds, but the employer contributions will be made on a pretax basis. Therefore, you will owe income taxes on the employer matching contributions and any earnings upon withdrawal.

Roth Rollovers and Distributions

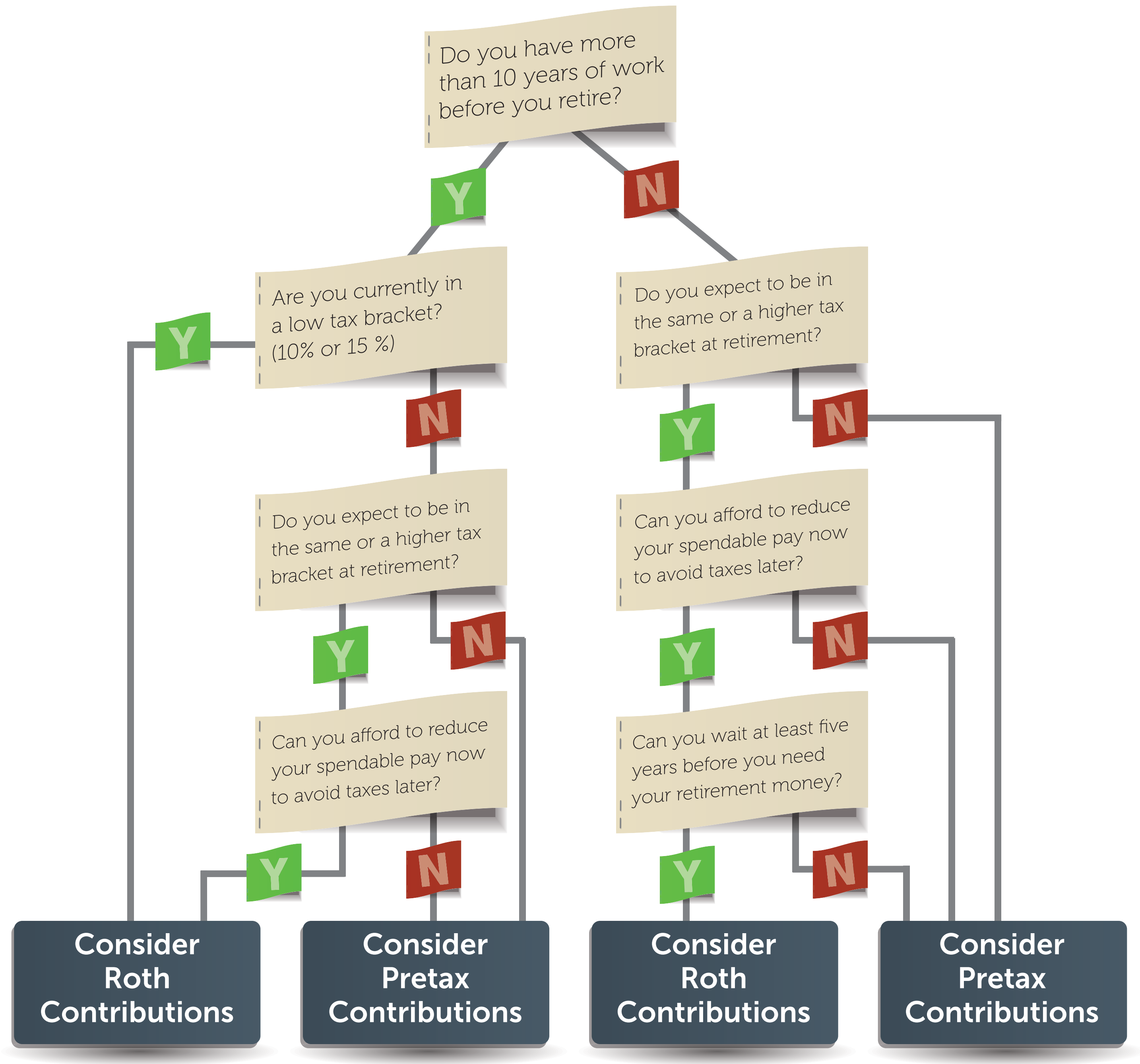
A distribution from a Roth account that is a qualified distribution is tax-free. A qualified distribution is a payment after you reach age 59½ and at least five years after you make your first contribution. The five-year participation period begins in the year in which you make your first contribution to your Roth account. The ability to withdraw money from your Roth account will depend on your plan rules.

You may roll over your Roth distribution into another Roth account that accepts rollovers or into a Roth IRA account. However, Roth 457(b) distributions cannot be rolled over into a traditional 457(b), 403(b), 401(k) or a traditional IRA, and a Roth IRA may not be rolled over into a Roth 457(b) account. For direct rollovers, the five-year period begins on the first day of the first taxable year in which the employee made Roth deferrals to the other plan, if earlier than the first day of the first taxable year in which the employee made Roth deferrals to the plan receiving the rollover.

Questions? Email: sponsor@investrust.com | Phone: (405) 848-0258 | Toll Free: 1-866-848-0258

Which Route Is Best For You?

Answer the questions below and follow the path indicated to make a preliminary determination as to which type of plan contributions - traditional pretax deferrals or after-tax Roth contributions - might be best for you.



The chart assumes you are contributing the same amount to the plan, whether you choose a traditional pretax deferral or a Roth contribution. With that approach, your spendable pay would be reduced during your working years by the amount of tax paid on the Roth contributions.

This chart is only intended to be a tool that can indicate which type of contribution might be right for you and is not intended to be tax, legal, or accounting advice. Your specific circumstances are not taken into account and may call for a different approach than the one indicated in the chart. Before deciding on a type of contribution, talk with a professional who can take into account any special factors that apply to you.