

Frequently asked questions

Making Roth contributions

Q: How do I sign up?

A: On January 1, 2021, you'll be able to log into your account and elect to make contributions into your 403(b) plan using the Roth option.

Q: Will my Roth contributions go into my plan account as after-tax deferrals?

A: Yes.

Q: How much can I contribute using the Roth contribution option?

A: The Internal Revenue Service announces contribution limits each year. In addition to regular contributions, you also may contribute an additional amount if you are age 50 or over. You can make any combination of pretax and after-tax Roth contributions to your plan as long as your total does not exceed the IRS limit. Visit www.irs.gov for this year's limits.

Q: Are there income limits with the Roth option?

A: No. The income limits that apply to your ability to make a Roth IRA contribution do not apply to the Roth contribution option in your retirement plan.

Q: Can my employer match my Roth contributions?

A: If your employer makes 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 tax on the employer-matching contributions and any earnings upon withdrawal.

Withdrawing money from your Roth account

Q: When can I withdraw money from my Roth account?

A: You can withdraw money once you have reached your five-year time frame requirement

Q: How is the five-year time frame for my Roth contributions determined?

A: The five-year period begins on the first day of the year in which you make your first Roth contribution to your retirement or deferred compensation account.

Q: When can I take a tax-free withdrawal from my Roth balance?

A: You can make a tax-free withdrawal of your Roth contributions and earnings from your 403(b) or 401(k) plan when you meet one of the following conditions:

- Age 59½ or older
- Permanently disabled
- Deceased

Q: What happens to my Roth contribution when I die?

A: In the event of your death, your beneficiaries may make withdrawals anytime. The availability of withdrawals may also depend on your employer's plan terms.

Q: Are Roth assets subject to IRS required minimum distribution rules?

A: Yes. If you participate in a retirement or deferred compensation plan—including plans offering the Roth contribution option—you are generally required to take minimum distributions at age 72. If you continue working at the same employer past the age of 72,* you are not required to take your first minimum distribution until April 1 following the year you retire from that employer.

The Roth IRA, on the other hand, is not subject to required minimum distributions, and you can roll over your Roth retirement plan option contributions to a Roth IRA. If you do that prior to the required distribution start date, you won't be required to make any withdrawals.

Rolling over money from your Roth account

Q: What do I need to know about rolling over Roth contribution balances into a Roth IRA?

A: If you roll over your Roth retirement balances from your plan into a new Roth IRA, your five-year time frame for the Roth IRA begins on the date you roll over the Roth retirement plan balances. Your five-year period is not carried over to the Roth IRA with the money. On the other hand, if you roll over savings into an established Roth IRA, the five-year Roth IRA period begins with the date you make your first contribution to a Roth IRA and is unaffected by the transfer of Roth retirement plan option balances into the account.

Q: Can I roll over my Roth savings from one employer's plan to another?

A: Yes. You can roll over your Roth savings in your 403(b) or 401(k) retirement plans to another retirement plan if the new plan accepts the funds. Check with your previous employer to see if your funds are available to be rolled over and check with your new employer to make sure their plan can accept them before you start the process.

Q: Can I roll over my Roth contribution earnings if I have a governmental 457(b) plan?

A: No. Rollovers of Roth contributions and earnings from governmental 457(b) plans to other retirement or deferred compensation plans are currently not allowed.

* The age at which required minimum distributions (RMDs) must begin has increased from age 70½ to age 72 for individuals who attain age 70½ after December 31, 2019 (those who attained age 70½ before this date are not affected and will continue to be subject to RMDs).