Did you know you can save for tax-free retirement income?

oregon
SAVINGS GROWTH PLAN

The Oregon Savings Growth Plan (OSGP) gives you even more flexibility to save for retirement by providing you with a Roth 457(b) feature. This option doesn't change how much you can contribute, but gives you more control over when your contributions - and retirement income - will be subject to federal income tax. You can choose to make contributions on a after-tax basis to the Roth account, on a pre-tax basis to the traditional OSGP account, or a combination of the two. Your choice should depend upon what is best for your personal circumstances and savings objectives.

Please consult your tax advisor for the deferral option that is best for you.

The following chart will help you evaluate the differences between the traditional 457 Plan and the 457 with the Roth option.

	Traditional 457 Plan	Roth 457 Plan
Minimum Contribution	$25.00	
Maximum Contribution	$18,500	
Catch-Up for Participants Age 50 or Older	Participants age 50 or older may make additional contributions of $6,000	
Additional Catch-Up Provision	For the three consecutive years prior to your normal retirement age, you may be able to contribute up to twice the available limit if you under-contributed in prior years	
Contributions	Contribute to OSGP by selecting the traditional 457 and you will defer taxes on the money contributed and earned to the time of distribution.	Contribute to OSGP on an after-tax basis by selecting the Roth 457. As contributions are made on an after-tax basis the principal is not taxable at the time of distribution, and any earnings on the Roth 457 money invested will not be taxable provided qualifying conditions are met.
Investment Earnings	Tax-deferred earnings	Tax-free earnings at distribution if qualified distribution rules are met
Tax-Free Qualified Distributions	Not available. Distributions generally taxed as ordinary income	If five-year holding period satisfied and distribution due to: • Attainment of age 59½ • Disability • Death
Qualifying Events That Allow You to Take a Distribution	Retirement, termination from employment, disability, attainment of age 70½ while employed, or unforeseeable emergency	
Penalty on Early Withdrawals Before Age 59½ (Termination From Employment)	No	
Required Minimum Distribution	Yes	
Rollovers Out	Rollover of eligible amounts to 401(a), 401(k), 403(b), governmental 457(b), IRA, or to a Roth IRA	Rollover of eligible amounts to a Roth account in a 401(k), Roth account in a 403(b), Roth account in a governmental 457(b), or Roth IRA. The period held under the 457 plan does not count toward the 5-year holding period under the Roth IRA. (Rollovers to plans other than a governmental 457(b) plan may be subject to the IRS 10% premature distribution penalty tax when withdrawn from the plan receiving the rollover, unless an exemption applies.)
Rollovers In	Accepts pre-tax rollovers from a 401(a), 401(k), 403(b), governmental 457(b), and IRA	Accepts Roth rollovers from 401(k), 403(b), and governmental 457(b)
In-Plan Conversions	Available to convert pre-tax amounts to Roth (will be taxable in the year converted)	Not Applicable

These materials are not intended to be used to avoid tax penalties, and were prepared to support the promotion or marketing of the matter addressed in this document. The taxpayer should seek advice from an independent tax professional.

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