



A New Way to Boost Your Savings

A Payroll Roth IRA

WHY A PAYROLL ROTH IRA?

- Simple, convenient way to save, directly from your paycheck.
 - Use for retirement, or a house or education
 - Nicely complements your 457 deferred compensation plan (and you receive consolidated statements)
 - Earnings not taxable until withdrawn and may be tax-free¹
 - Even small savings like \$25 – \$50 per paycheck, add up!
- (Maximum contribution allowed for 2011 and 2012 is \$5,000, or \$6,000 if age 50 or over during year)

	Roth IRA	457 Deferred Compensation Plan
Contributions	<p>Not tax-deductible</p> <p>Your income must be less than IRS limits²</p>	<p>Pre-tax contributions reduce current year taxable income</p> <p>Higher contribution limits</p>
Withdrawals	<p>May be made any time.</p> <ul style="list-style-type: none"> • Contributions withdrawn first without taxes or penalties. • Earnings may be tax-free (penalty taxes may apply before age 59½¹). • Not subject to RMDs upon age 70½.³ 	<p>Penalty-free withdrawals upon separation for service, regardless of your age⁴</p>

For more information, contact your ICMA-RC representative!

Contact:

¹ Earnings can be withdrawn tax- and penalty-free if you have owned a Roth IRA for at least an IRS-defined five-year holding period and have a qualifying event, including age 59½, a “first-time” home purchase, disability or death. Otherwise, penalties as well as ordinary income taxes may apply.

² Your Modified Adjusted Gross Income (MAGI), as defined by the IRS, determines whether full or partial contributions are allowed. For example, to make the maximum contribution for 2012, your MAGI must be less than \$110,000 (single filers) or \$173,000 (married joint filers).

³ IRS Required Minimum Distributions (RMDs)

⁴ A 10% penalty tax never applies to withdrawals of original 457 plan contributions and associated earnings. However, the penalty may apply to non-457 plan assets that are rolled into a 457 plan and subsequently withdrawn prior to age 59½.

For complete IRA rules, see IRS Publication 590 (www.irs.gov).