



Roth 403(b)

An opportunity to take advantage of **tax-free** income in your future

Looking for more opportunities to save now or reduce your taxable income later during retirement? You can contribute to a Roth 403(b) after-tax account through your employer-sponsored retirement plan and Corebridge Financial.

A Roth 403(b) account permits you to:

- **Contribute** after-tax dollars.
- **Take tax-free distributions** if the following conditions are met:
 - Distribution must be made after the end of the five-year period beginning with the first year for which a Roth contribution was made to the plan, *and*
 - You turn age 59½, or
 - Your total disability or death
- **Reduce taxable income** during retirement, and possibly help reduce taxation of Social Security benefits under current law.

Is a Roth 403(b) after-tax account right for you?

In determining if a Roth 403(b) account is right for you, we encourage you to carefully assess the advantages and disadvantages. A Roth 403(b) may appeal to those who:

- Cannot contribute to a Roth IRA due to income limits.
- Are young and in lower income tax brackets than they might be in retirement.
- View tax hikes as inevitable.
- Want tax diversity and flexibility in retirement.

Roth 403(b) after-tax basis features

Roth 403(b) after-tax accounts are subject to Required Minimum Distribution rules; however, rolling a Roth account into a Roth IRA prior to age 73 (age 72 if you were born after June 30, 1949 and before January 1, 1951; age 70½ if you were born before July 1, 1949) might avoid this requirement. Please consult with a tax professional if considering this action.

- Roth account balances are portable to other plans that offer a Roth account or a Roth IRA, if the receiving plan accepts such rollovers.
- If you decide to contribute to the Roth 403(b) account, any matching contributions are made on a pretax basis and taxed at distribution.

2023 contribution limits

- \$22,500 as an annual dollar limit on elective contributions, which cannot exceed the Internal Revenue Code (IRC) 402(g) limit
- \$7,500 as an age-based catch-up for those age 50 or older
- Are subject to the IRC 415 annual limits, as indexed for aggregated employee elective contributions, employer contributions and any reallocated forfeitures.



Scan with your mobile phone for up-to-date contribution limits.

Distributions and rollovers

Because Roth account contributions are treated as elective contributions, a distribution can be made at severance from employment, disability, death, reaching age 59½ or experiencing a financial hardship. However, tax-free treatment is only provided to qualified distributions. A qualified distribution is one that is made after:

- The end of the five-year period beginning with the first year for which a Roth contribution was made to the plan.
- Turning age 59½, death or disability.

Income taxes are payable on nonqualifying withdrawals from Roth account earnings. In addition, a 10% federal early withdrawal tax penalty may apply to earnings withdrawals made prior to reaching age 59½.

Scan to access the online calculator for help deciding pretax and/or Roth after-tax contributions are right for you. In addition, you can see the impact they can have on your take-home pay.



Treatment of retirement savings vehicles

Understand the differences between your account options

	Traditional 403(b) salary deferral	Roth 403(b) contribution	Roth IRA
Contribution taxable in year contributed	No	Yes	Yes
Contribution taxable in year distributed	Yes	No	No
Earnings on contributions taxable in year distributed	Yes	No, if distribution is made after age 59½, death or disability, and, for Roth IRA, for first home purchase. Distributions must be made after the end of the five-year period* beginning with the first year for which a Roth contribution was made to the plan.	
Eligible for rollover to non-Roth or traditional qualified plan, traditional IRA, 403(b) or governmental 457(b)	Yes	No	No
Eligible for direct rollover to other Roth accounts or to Roth IRA	Yes, but only to a Roth IRA	Yes	Yes, but only to Roth IRA
Contributions limited by IRC 402(g) salary deferral limit of \$22,500 in 2023. You may also contribute an additional \$7,500 in 2023 if you are age 50 or older	Yes (Roth and salary deferral combined for this limit)	Yes (Roth and salary deferral combined for this limit)	No (Regular IRA limit applies and is not affected by Roth 403(b) contributions)
Eligibility for contribution subject to family adjusted gross income limits	No	No	Yes
Employer can match employee's contribution	Yes, but is pretax and taxable upon distribution		No

To make your contribution selections or to begin contributing to a Roth, log on to your employer-sponsored retirement plan website.

To make your contribution selections or to begin contributing to Roth, visit our website and select “Enroll.” Once you’ve taken that step, enter the enrollment code. At the end of the process, you will have an opportunity to change or update your pretax contribution amount.

Existing participants should have their user name and password ready to log in.

If you haven’t registered yet, you may register through the website. You may also call the Help Center to enroll by phone or contact your financial professional to assist.

Access to your savings

Generally, depending on your employer’s plan, your account contributions can be distributed in any of the following events:

- Age 59½
- Severance from employment
- Your death or disability
- Financial hardship (employee contributions only)

Again – a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½.

corebridgefinancial.com/retirementservices 1.800.448.2542

We’re here to help you take action

You can reach out directly to your financial professional.

Important considerations before deciding to move funds either into or out of a Corebridge retirement services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the fund prospectuses carefully before investing. The fund prospectuses contain important information, which can be obtained from your financial professional, at corebridgefinancial.com/retirementservices or by calling 1.800.428.2542 and following the prompts.

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Securities and investment advisory services offered through **VALIC Financial Advisors, Inc.**, member FINRA, SIPC and an SEC-registered investment adviser.

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