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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? Consider contributing to a Roth 403(b) after-tax account.

A Roth 403(b) account permits you to contribute after-tax dollars while reducing taxable income during retirement, and possibly help reduce taxation of Social Security benefits under current law. Distributions are tax-free only if the distribution 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, *and,*

- You turn age 59 ½ or
- Your total disability or death

Roth 403(b) features

- 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.
- As of January 1, 2024, 403(b) Plan Roth Contribution Option is no longer subject to the Required Minimum Distribution rules.

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

In determining if a Roth 403(b) account is right for you, 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.

Contribution limits

Generally, you may contribute as much as 100% of your annual includible compensation up to the annual contribution limits (combined pre and after tax) set by the Internal Revenue Service

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 and:

- Reaching age 59½.
- Death.
- 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.

Roth 403(b)

Treatment of retirement savings vehicles

	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 limits	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

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We're here to help you take action

You can reach out directly to your financial professional.

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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/retire or by calling 1.800.428.2542 and following the prompts.

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