

Roth 403(b) TSA vs. Roth IRA

| | Traditional 403(b) | Roth 403(b) | Roth IRA |
|--|--|--|--|
| Eligibility | All Employees | All Employees | <ul style="list-style-type: none"> ▪ If filing status is single or head-of-household, AGI must not be more than \$124,000 (2020) ▪ If filing status is married filing jointly, combined AGI must not be more than \$196,000 (2020) ▪ Eligibility limits based on income |
| 2020 Contribution Limits* | \$19,500, plus up to \$3,000 under the 15-year catch-up, plus \$6,500 if age 50+. | \$19,500, plus up to \$3,000 under the 15-year catch-up, plus \$6,500 if age 50+. | \$6,000, plus \$1,000 if age 50+ |
| Tax-Free Qualified Distribution* | Not available. All distributions are taxed as ordinary income. | If the following criteria are met: 5 year holding period and distribution due to: <ul style="list-style-type: none"> ▪ Attainment of age 59 ½ ▪ Disability ▪ Death | If the following criteria are met: 5 year holding period and distribution due to: <ul style="list-style-type: none"> ▪ Attainment of age 59 ½ ▪ Disability ▪ Death ▪ Certain first-time home purchase |
| Distributions Permitted (may be subject to taxation if the distribution is not a Qualified Distribution) | <ul style="list-style-type: none"> ▪ Age 59 ½ ▪ Death ▪ Disability ▪ Financial Hardship ▪ Separation from service | <ul style="list-style-type: none"> ▪ Age 59 ½ ▪ Death ▪ Disability ▪ Financial Hardship ▪ Separation from service | At any time (no restrictions apply) |
| Internal Revenue Service 10% Premature Distribution Penalty Tax | Applicable to all amounts distributed prior to age 59 1/2, unless an exception applies. | Applicable to earnings distributed prior to age 59 1/2, unless an exception applies. | Applicable to earnings distributed prior to age 59 1/2, unless an exception applies. |
| Loan Availability | Yes, if offered by vendor | Yes, if offered by vendor | No |
| Required Minimum Distribution | Yes | Yes | No, during owner's lifetime |

*TSA limits can vary based on your facts and circumstances. Contact your benefits office for available limits.

**Note that distributions from the Roth 403(b) and Roth IRA are subject to taxation on the portion attributable to earnings if made before Qualified Distribution provisions are satisfied.