PERAPlus 401(k) and 457 Plan Comparison

PERAPlus
Colorado PERA 401(k)/457 Plans

Roth and Pre-Tax Comparison

The following chart highlights the differences between the traditional tax-deferred 401(k) and 457 plans and the Roth options within the PERAPlus Plans that are available to you. The Roth option is only available if your employer has adopted it. For more information, please review the enrollment guides for either the PERAPlus 401(k) or 457 Plan available at copera.org.

	Pre-Tax		Roth	
Features	**PERAPlus 401(k)**	**PERAPlus 457**	**PERAPlus 401(k)**	**PERAPlus 457**
Contributions	Pre-tax basis	Pre-tax basis	Tax-paid basis	Tax-paid basis
Maximum Contributions	Lesser of the annual IRS limit or 100% of gross salary, minus PERA contributions			
Catch-Up for Participants Age 50 or Older	Yes	Yes	Yes	Yes
Age 60-63 Catch-Up Provision	Yes	Yes	Yes	Yes
Additional Catch-Up Provision	No	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	No	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
Investment Earnings	Tax-deferred earnings	Tax-deferred earnings	Tax-free earnings at distribution if qualified distribution rules are met	Tax-free earnings at distribution if qualified distribution rules are met
Tax-Free Qualified Distributions	Not available. Distributions generally taxed as ordinary income	Not available. Distributions generally taxed as ordinary income	If five-year holding period satisfied and distribution due to: • Attainment of age 59½ • Disability • Death	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, attainment of age 59½, financial hardship, or for qualifying events, such as birth or adoption, a qualified disaster, or for a victim of domestic violence	Retirement, termination from employment, attainment of age 59½ while employed, or unforeseeable emergency, or for qualifying events, such as birth or adoption, a qualified disaster, or for a victim of domestic violence	Retirement, termination from employment, attainment of age 59½, financial hardship, or for qualifying events, such as birth or adoption, a qualified disaster, or for a victim of domestic violence	Retirement, termination from employment, attainment of age 59½ while employed, or unforeseeable emergency, or for qualifying events, such as birth or adoption, a qualified disaster, or for a victim of domestic violence
Penalty on Early Withdrawls Before Age 59½ (Termination From Employment)	Yes, there is a 10% IRS penalty on taxable amounts unless directly rolled over to another account or if you separate from service in the year you turn age 55 or older, or unless another qualified reason applies	No	Yes, there is a 10% IRS penalty on taxable amounts unless directly rolled over to another account or if you separate from service in the year you turn age 55 or older, or unless another qualified reason applies	No
Required Minimum Distributions	Yes	Yes	No	No
Loan Provisions	Yes, up to two at any time	Yes, up to two at any time	Yes, up to two at any time	Yes, up to two at any time
Rollovers Out	Rollover of eligible amounts to a 401(a), 401(k), 403(b), governmental 457(b), traditional/SIMPLE IRA, or Roth IRA	Rollover of eligible amounts to a 401(a), 401(k), 403(b), governmental 457(b), traditional/SIMPLE IRA, or Roth IRA	Rollover of eligible amounts to a Roth IRA, Roth account in a 401(k), Roth account in a 403(b), or a Roth account in a governmental 457(b)	Rollover of eligible amounts to a Roth IRA, Roth account in a 401(k), Roth account in a 403(b), or a Roth account in a governmental 457(b)
Rollovers In	Accepts pre-tax rollovers from a 401(a), 401(k), 403(b), governmental 457(b), and IRA	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)	Accepts Roth rollovers from 401(k), 403(b), and governmental 457(b)
Commission, Load, Surrender, or Payout Fees	None	None	None	None
Purchase Service Credit	Yes	Yes	No	No
In-Plan Conversions	Available to convert amounts from pre-tax to Roth (will be taxable in the year converted)	Available to convert amounts from pre-tax to Roth (will be taxable in the year converted)	N/A	N/A
Administrative Plan Fees	$1.00 per month	$1.00 per month	$1.00 per month	$1.00 per month