



# Plan Smart, Retire Strong

MORE WAYS TO SAVE WITH YOUR NDPERS 457 DEFERRED COMPENSATION PLAN, A SUPPLEMENTAL RETIREMENT SAVINGS OPTION

# Disclaimers

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- Consult your financial advisor on which saving strategy is best for your retirement
- Not all NDPERS-authorized 457 Plan providers can manage Roth contributions





# Today's Topics

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- Roth 457 Overview
- New in 2026: 457 Plan Changes
- Mandatory Roth Catch-Up Contributions Highly Compensated Employees
- Update your 457 Contributions



# What is Roth?

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Roth contributions are made with after-tax dollars – *you pay taxes now.*

To withdraw tax-free, follow the [IRS Requirements](#).

Questions? Consult your financial advisor about the IRS requirements.

Feature	Traditional Pre-tax 457(b)	Roth After-tax 457(b)
Contributions and taxes	Pre-tax: reduces taxable income now	After-tax: no immediate tax benefit
Distributions (withdrawals) and taxes	Taxable as ordinary income	Tax-free ( <u>IRS requirements</u> )
Generally, best for	Those expecting to be in a <b>lower</b> tax bracket in retirement	Those expecting to be in a <b>higher</b> tax bracket in retirement
Required Minimum Distribution at age 73	Generally required	Not required
Service purchases in Defined Benefit Plan allowed	Yes, use pre-tax 457 funds to complete a service purchase	No, you may not purchase service credit with Roth 457 funds

## Comparing Traditional 457 & Roth 457



# New in 2026

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MORE 457 PLAN OPTIONS

# Here's what's coming in 2026 – Based upon your 457 provider to manage Roth

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**Contribute after-tax Roth dollars** to your NDPERS 457 Plan

02

**Convert existing pre-tax contributions** to Roth (after-tax)

03

**Roll in Roth contributions** from other plans to your NDPERS 457 Plan

04

**Take advantage of “super catch-up contributions”** when you reach ages 60 to 63

# Contribute after-tax Roth dollars

Starting January 2026, complete  
your election through:

- Member Self Service (MSS)
- [SFN-3803 457 Deferred  
Compensation Plan  
Enrollment/Change](#)

You can mix your investment  
strategy by contributing both pre-  
tax and Roth up to the contribution  
limits

Annual limits include both the  
employee and employer  
contributions - *when applicable*

Contribution Type	2026 Total Contribution Limit
Annual limit	\$24,500
Age 50+ catch-up Available to members between ages 50 - 59	\$32,500
Super catch-up Available to members between ages 60 - 63	\$35,750
Regular 3-year catch-up Must be within three years prior to the year in which you retire and <b>not concurrently with other catch-ups</b>	\$49,000





Move pre-tax NDPERS 457 Plan funds to a Roth fund within the same plan



Pay income tax on the pre-tax portion of the converted funds in the year of the conversion



Converted funds grow tax-free allowing for tax-free distributions provided [IRS regulations](#) are met

## Convert existing pre-tax contributions to Roth

# Roll In Roth Contributions

- NDPERS 457 Deferred Compensation Plan will accept Roth roll-ins from other plans
- Members must submit [Rollover/Transfer to 457 Deferred Compensation Plan \(SFN 50177\)](#)
- Members work with provider to complete provider paperwork





# Take advantage of Catch-Up Contributions

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# Age 50+ Catch-Up

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All 457 members can contribute \$24,500

Members between ages 50 - 59

May contribute an additional \$8,000

Total 457 Plan contribution of \$32,500  
(Includes both Employee and Employer Contributions)

Special IRS  
rules apply  
to high  
earners



# New Super Catch-Up

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All 457 members can contribute \$24,500

Members between ages 60 - 63

May contribute an additional \$11,250

Total 457 Plan contribution of \$35,750  
(Includes both Employee and Employer Contributions)

Special IRS  
rules apply  
to high  
earners

# Regular 3-year Catch-Up

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All 457 members can contribute \$24,500


Members who are within three years of their retirement year

May contribute up to an additional \$24,500

Total 457 Plan contribution of \$49,000  
(Includes both Employee and Employer Contributions)

Must be reviewed and approved by NDPERS.

Can't be  
done  
concurrently  
with other  
catch-ups

A photograph of the exterior of a large, classical-style building made of light-colored stone blocks. Above a doorway, there is a rectangular plaque with the words "INTERNAL REVENUE SERVICE" in capital letters. The doorway is framed by a decorative archway with columns. Through the doorway, a view of a courtyard with other buildings and hanging lanterns is visible.

INTERNAL  
REVENUE  
SERVICE

# Mandatory Roth Catch-Up Contributions

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APPLIES TO HIGHLY COMPENSATED EMPLOYEES  
(HCE) – THOSE EARNING ABOVE \$150,000 IN 2025

IRS LOOKS BACK A YEAR TO DETERMINE HCE  
STATUS

# Mandatory Roth Catch- Up Contributions for HCEs

## Maximum Pretax Allowed

- \$24,500 Annual limit
- Up to an additional \$24,500 regular 3-year catch-up

## Mandatory Roth Catch-up for HCE

- \$8,000 catch-up for ages 50 - 59
- \$11,250 super catch-up for ages 60 - 63



# High Earners in the DC 2025 Plan

**DC 2025  
members who  
are age 50+,  
contributing  
Roth catch-up,  
and receiving  
an employer  
match through  
the 457 Plan**

**Monitor** your total (employer + employee) contributions to stay within the 2026 IRS 457 annual limit of \$24,500.

**Consider** your options as a Highly Compensated Employee.

- Employers cannot match DC 2025 contributions with Roth.
- You may choose to make your Roth 457 catch-up contributions earlier in the year before reaching your annual contribution limit.
- This helps ensure you don't miss out on the up to 3% pre-tax employer match when receiving it through the 457 Plan.



# Update your contributions

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HOW TO UPDATE YOUR CONTRIBUTIONS & WHEN YOU'LL SEE THE PAYROLL DEDUCTION

# How to update your contribution

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- Roth elections can be made as early as January 2026
- [Member Self Service](#) - Recommended
- [Enrollment/Change Form SFN 3803](#) and return to NDPERS
- There is generally a two-month delay between your 457 Plan election and when you'll see the payroll deduction



# To recap:

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Roth contributions give you more flexibility in how you save for retirement.



You cannot elect Roth contributions prior to January 2026.



New features include In-Plan Roth Conversions and Roth Roll-Ins.



Highly Compensated Employees should be aware of new catch-up contribution rules.





# Questions?

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- Talk to your financial advisor to determine the right investment strategy for you.
- Send us a confidential message through Member Self Service (MSS).