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# PERAPlus 401(k) and 457 Plans

Enrolling in PERAPlus



# Annotation Functions!

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# Attend All Three

## Enrolling in PERAPlus

Provides information on your retirement savings plan options

## Investing Made Simple

Helps you choose an investment path

## Developing a Savings Plan Through PERAPlus

Helps you develop a savings plan

# Enrolling in PERAPlus



**At the end of this webinar,  
you will be able to identify:**

- Similarities and differences between 401(k) and 457 plans
- Differences between traditional and Roth accounts
- How taxes might influence your decision
- The enrollment method for each plan

**And able to:**

- Enroll in the plan of your choice

**Roth**  
**Traditional**



**457**  
**401(k)**

**What are the  
PERAPlus 401(k)  
and 457 Plans?**

# 401(k) Plan and 457 Plan Similarities and Differences

## 401(k)

- No Minimum Contribution
- Age 50 + Catch-Up
- Identical Investments and Fees
- **Tax Penalty for Withdrawals Made Prior to Age 59  $\frac{1}{2}$**

## 457

- No Minimum Contribution
- Age 50 + Catch-Up
- Identical Investments and Fees
- **No Tax Penalties Once Separated From Employment**



# **Taxes and Retirement Savings**

## Understanding the Traditional Option

- Money is contributed **before** taxes are paid
- Contributions grow tax deferred
- Withdrawals will be taxed as regular income in retirement



# Understanding the Roth Option

- Money is contributed **after** taxes have been taken out
- Contributions and earnings grow tax-free
- Qualified distributions are tax-free
- Available in both the 401(k) and 457 Plans if employer has adopted it
  - If your employer does not offer the Roth option, you can still convert pre-tax funds to Roth



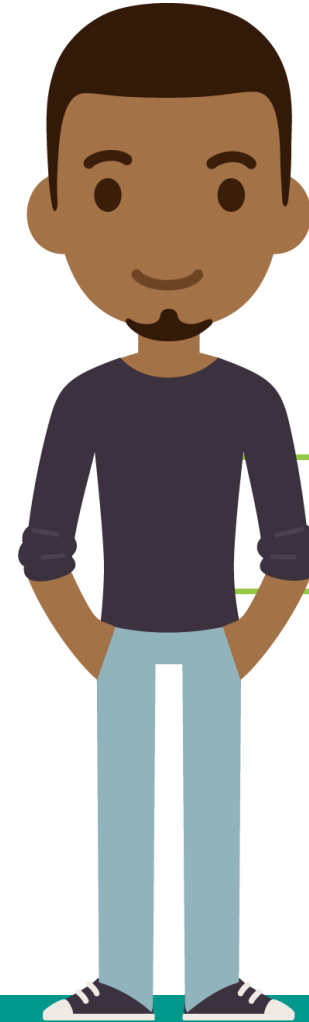
# Nominal Tax Table 2023

<b>Tax Rate</b>	<b>Single Filers</b>	<b>Married, Filing Jointly</b>
<b>10%</b>	<b>\$0 to \$11,000</b>	<b>\$0 to \$22,000</b>
<b>12%</b>	<b>\$11,001 to \$44,725</b>	<b>\$22,000 to \$89,450</b>
<b>22%</b>	<b>\$44,726 to \$95,375</b>	<b>\$89,451 to \$190,750</b>
<b>24%</b>	<b>\$95,376 to \$182,100</b>	<b>\$190,751 to \$364,200</b>
<b>32%</b>	<b>\$182,101 to \$231,250</b>	<b>\$364,201 to \$462,500</b>
<b>35%</b>	<b>\$231,251 to \$578,125</b>	<b>\$462,501 to \$693,750</b>
<b>37%</b>	<b>Over \$578,125</b>	<b>Over \$693,750</b>

# Case Studies



**Rochelle**



**Marcus**

# Analysis for Rochelle



By saving \$6,000 in her traditional 401(k), it will keep all her money out of the 22% tax bracket

**Taxable Income**  
**\$50,000**

**-\$6000 pre-tax 401(k)**  
**contribution (Traditional)**

**New Taxable**  
**Income \$44,000**

<b>12%</b>	<b>\$11,001 to \$44,725</b>
<b>22%</b>	<b>\$44,726 to \$89,450</b>

# Analysis for Marcus



Marcus chose to participate in the Roth 401(k) because he doesn't drop a tax bracket by using the traditional 401(k)

Marcus is concerned that taxes may go up over time. He would rather pay taxes today while in a low tax era and have tax-free income in retirement

22%

\$44,725 to \$95,375

Pay Taxes Today



Have a Tax-Free Source of  
Income in Retirement

**Roth**  
**Traditional**



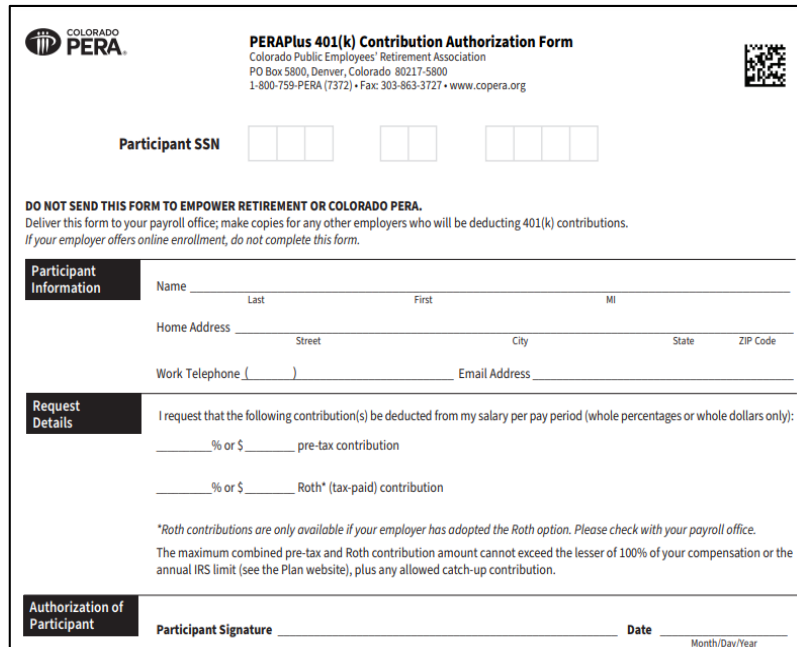
**457**  
**401(k)**



# How to Enroll

## 401(k) Plan

Fill out form and submit to payroll/HR



**COLORADO PERA** **PERAplus 401(k) Contribution Authorization Form**  
Colorado Public Employees' Retirement Association  
PO Box 5800, Denver, Colorado 80217-5800  
1-800-759-PERA (7372) • Fax: 303-863-3721 • www.copera.org

Participant SSN

**DO NOT SEND THIS FORM TO EMPOWER RETIREMENT OR COLORADO PERA.**  
Deliver this form to your payroll office; make copies for any other employers who will be deducting 401(k) contributions.  
If your employer offers online enrollment, do not complete this form.

**Participant Information**

Name  Last  First  MI

Home Address  Street  City  State  ZIP Code

Work Telephone (  )  Email Address

**Request Details**

I request that the following contribution(s) be deducted from my salary per pay period (whole percentages or whole dollars only):

% or \$  pre-tax contribution

% or \$  Roth\* (tax-paid) contribution

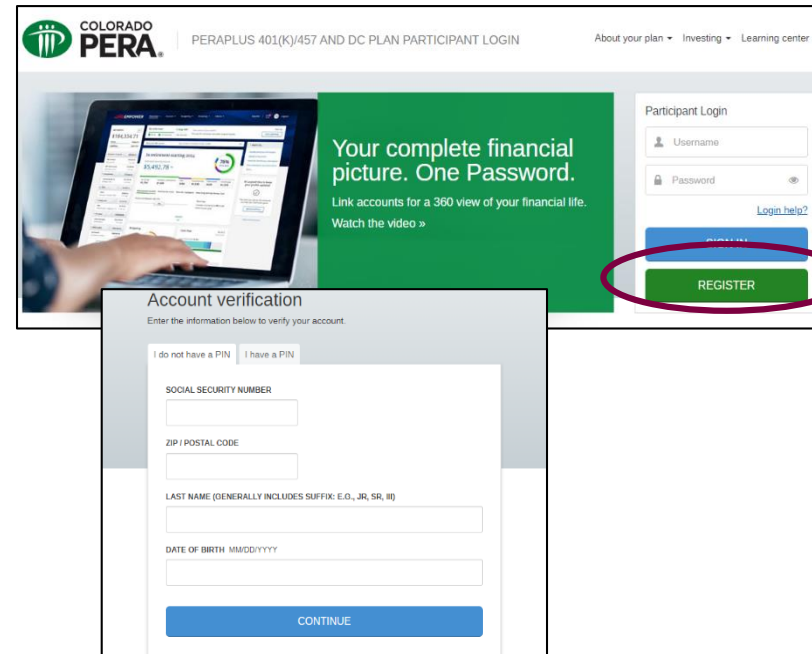
*\*Roth contributions are only available if your employer has adopted the Roth option. Please check with your payroll office.*  
The maximum combined pre-tax and Roth contribution amount cannot exceed the lesser of 100% of your compensation or the annual IRS limit (see the Plan website), plus any allowed catch-up contribution.

**Authorization of Participant**

Participant Signature  Date  Month/Day/Year

## 457 Plan

Enroll online  
[coperaplus.org](https://coperaplus.org)



**COLORADO PERA** PERAPLUS 401(K)/457 AND DC PLAN PARTICIPANT LOGIN About your plan Investing Learning center

Your complete financial picture. One Password.  
Link accounts for a 360 view of your financial life.  
Watch the video »

Participant Login

Username

Password

[Login help?](#)

**Account verification**  
Enter the information below to verify your account.

I do not have a PIN  I have a PIN

SOCIAL SECURITY NUMBER

ZIP / POSTAL CODE

LAST NAME (GENERALLY INCLUDES SUFFIX: E.G., JR, SR, III)

DATE OF BIRTH MM/DD/YYYY

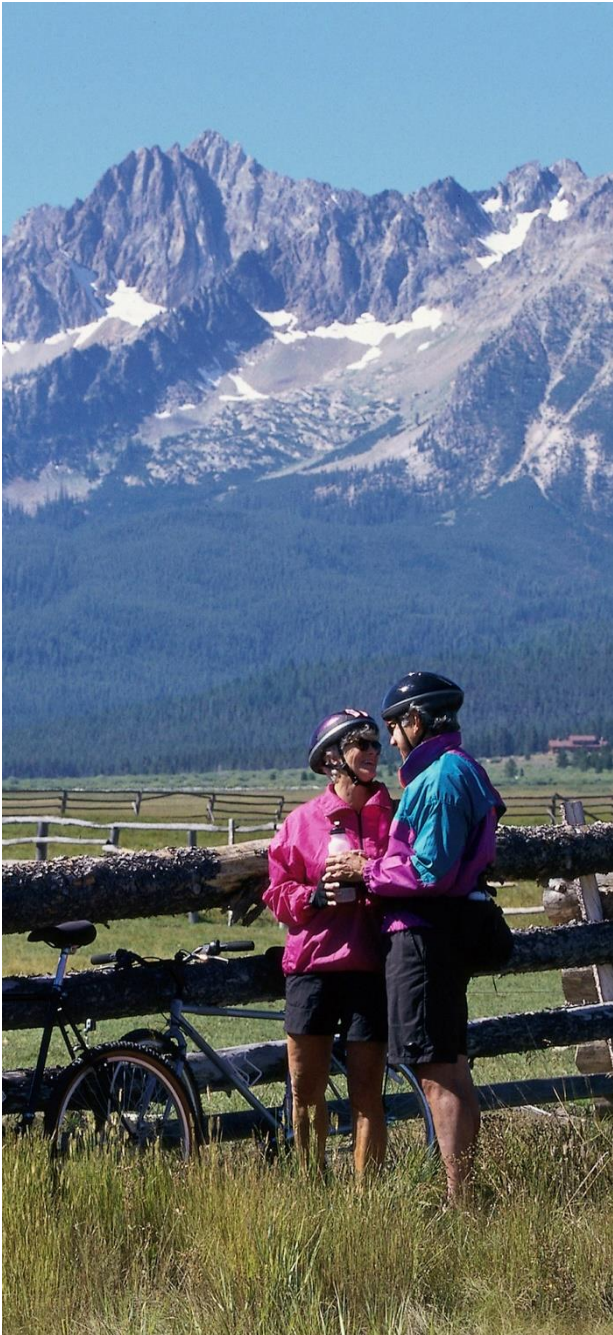


**Checkpoint:  
What have I learned  
about the 401k/457?**



# Debrief

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# Action Steps



Enroll in the PERAPlus plan(s)



Log on to your account



Contribute to a traditional and/or Roth PERAPlus plan



Reevaluate contribution amount every 6-12 months



Attend another PERAPlus webinar

# Attend Another PERAPlus Webinar

## Investing Made Simple

Helps you choose an investment path

## Developing a Savings Plan Through PERAPlus

Helps you develop a savings plan

# Get More Information



- **Visit [www.copera.org](http://www.copera.org)**
  - Click on “Members,”  
“401(k)/457 Plan (PERAPlus)”
- **Call Empower**
  - 1-833-426-7372
- **Call the PERA DC Team**
  - 303-398-7665

# Survey



- Please take a moment to give us your feedback on this presentation
- Scan this QR code on your smartphone to take our survey