Understanding your Voluntary After-tax 401(a) contributions vs. 457 Roth contributions

What's the difference?

How do you know which one might be right for you? This comparison chart highlights the differences between the two plans.

Plan type	401(a) (Wayne County Defined Contribution Plan)	457 (Wayne County Deferred Compensation Plan)
Available Voluntary Contribution type	Voluntary After-tax	• Pre-tax • After-tax (Roth)
Contribution limits	Voluntary After-tax contributions of up to 7.5% of your pay	Up to 100% of eligible pay. Maximum combined (pre-tax and Roth) contribution limits: $19,500 (under age 50) and $26,000 (age 50 or older)
Taxes on distributions	Taxes paid on earnings upon distribution	• Pre-tax contributions and earnings are fully taxable • Qualified Roth withdrawals are *federal income tax-free**

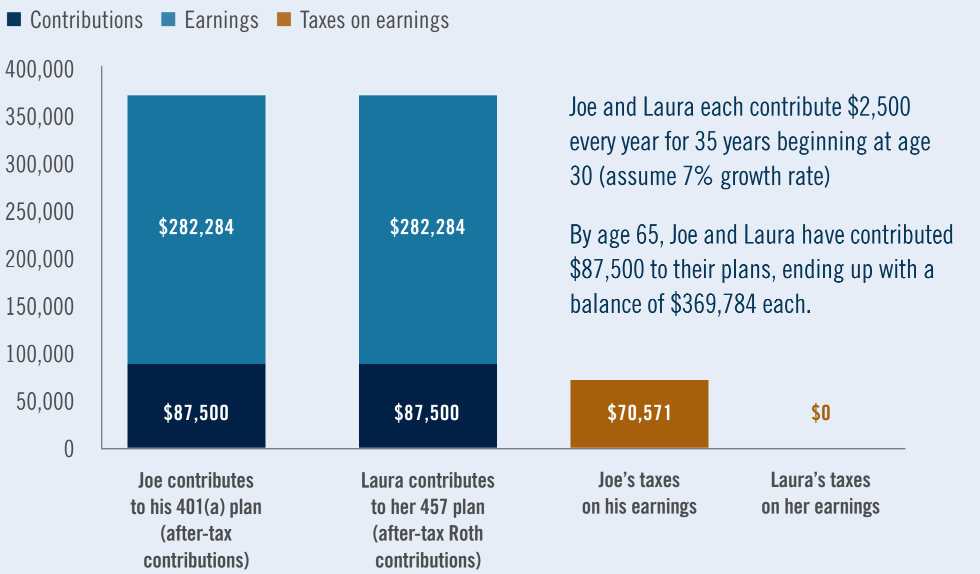
* Roth 457 earnings may be withdrawn tax free provided that your Roth 457 account has been in existence for at least five taxable years and you are at least age 59½ at the time you withdraw the money (or the withdrawal is because of death or total disability).

Take advantage of the Roth feature in your 457 Plan!

Contact your dedicated retirement counselor, Kandie Myers, to enroll or review your current status.

You can contact Kandie at **284-840-0655** or **kandie.myers@prudential.com** to learn more, or you can go to **waynecounty.retirepru.com** and click on "Schedule an appointment" in the *Personal assistance* tab.

How distributions are taxed: 401(a) after-tax contributions vs. 457 Roth contributions



Assumptions:

- Sample individual age 30
- Retirement at age 65
- After-tax contributions of $2,500 annually into 401(a) Plan and Roth 457 Plan
- Lump sum benefit distribution at retirement 25.00% individual tax rate

The bottom line: If you use the 401(a) voluntary after-tax contribution feature, your earnings are taxable upon distribution. With the 457 Roth feature (where withdrawals are qualified), you have no federal tax obligation on your distributions.

The compounding concept is hypothetical, for illustration purposes only and not intended to represent performance of any specific investment, which may fluctuate. This example is based on a hypothetical rate of return of 7% compounded annually. Generally, withdrawals are taxable at ordinary rates. **It is possible to lose money by investing in securities.**

Questions?

For more information on your Wayne County retirement plans, visit **waynecounty.retirepru.com**. To schedule an appointment with your dedicated retirement counselor, Kandie Myers, click the "schedule an appointment" box in the *Personal assistance* tab.

You can also contact Kandie for assistance at **kandie.myers@prudential.com** or 248-840-0655.

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Amounts withdrawn (except for qualified Roth 457 contributions) are subject to income taxes. Withdrawals before age 59½ may also be subject to a 10% federal income tax penalty and plan restrictions (unless an exception applies). The penalty does not apply to 457 programs. Neither Prudential Financial nor any of its affiliates provide tax or legal advice—for which you should consult your qualified professional.

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