

Texa\$aver now offers a Roth contribution option in the 401(k) and 457 Plans. The option gives you the flexibility to designate all or a portion of your contributions as Roth contributions. Roth after-tax and traditional before-tax contributions each have their own advantages. Please review the following FAQs and carefully consider which option is best for you. For more detailed FAQs, visit www.texasaver.com.

How are Roth contributions different from before-tax contributions?

Roth contributions are made with after-tax dollars, as opposed to the before-tax dollars you traditionally have contributed to the Texa\$aver 401(k) and 457 Plans. In other words, with the Roth contribution option, you've already paid taxes on the money you contribute. With before-tax deferrals, you pay taxes when you take a distribution.

	401(k) Before-Tax Contributions	401(k) Roth Contributions
Is my contribution taxable in the year I make it?	No	Yes
Is my contribution taxed when distributed?	Yes ¹	No
Are the earnings on my contributions taxed when distributed?	Yes ¹	No, provided the distribution occurs after age 59½, death, or disability AND no earlier than five years after your first Roth contribution
When do I have access to the funds?	Upon separation of service with your employer or at age 59½	Roth money may be withdrawn tax-free no earlier than five taxable years after your first Roth contribution AND when you a) reach age 59½, b) become disabled, or c) die. Otherwise, earnings on Roth contributions may be taxed as ordinary income when you take a distribution ¹
What is the maximum amount I can contribute?	Combined limit for contributions in 2012: \$17,000; if using the Age 50 and Over Catch-up: \$22,500	
If I'm still working for my employer and experience a hardship, may I make a withdrawal?	Yes, if your situation meets the IRS and Texa\$aver hardship requirements	
Do I have to take a minimum distribution at age 70½?	Yes, you must take the required minimum distribution no later than April 1 following the year you turn 70½, unless you are still employed	
Can I roll over an existing Roth IRA into my Texa\$aver account?	No, Roth IRAs cannot be rolled into Texa\$aver because Roth IRAs can only be rolled over into other Roth IRAs	
If I change jobs, can I roll over my account?	Yes, to a qualified 401(k) plan, traditional or Roth IRA, 403(b) plan, or governmental 457(b) plan if the plan allows it	Yes, to a Roth IRA or a governmental 457(b) plan, 401(k) plan, or 403(b) plan if the plan has a designated Roth account and accepts rollovers
Can I roll over a former employer's account or IRA into Texa\$aver?	Yes, balances from a former employer's 401(k), 403(b), or 401(a) plan, a traditional IRA, or a governmental 457 plan can be rolled over into your Texa\$aver 401(k) Plan	Only designated Roth accounts from a 401(k), 403(b) or governmental 457(b) plan can be rolled over into your Texa\$aver 401(k) plan

¹ Withdrawals are subject to ordinary income tax. A 10 percent early withdrawal penalty may apply to withdrawals made prior to age 59½.

	457 Before-Tax Contributions	457 Roth Contributions
Is my contribution taxable in the year I make it?	No	Yes
Is my contribution taxed when distributed?	Yes ¹	No
Are the earnings on my contributions taxed when distributed?	Yes ¹	No, provided the distribution occurs after you have separated from employment AND reached age 59½, or upon disability or death AND no earlier than five years after your first Roth 457 contribution
When do I have access to the funds?	Upon separation of service with your employer or at age 70½	Roth money may be withdrawn tax-free no earlier than five taxable years after your first Roth contribution AND when you a) reach age 59½ and separate from service with your employer, b) become disabled, or c) die. Otherwise, earnings on Roth contributions may be taxed as ordinary income when you take a distribution
What is the maximum amount I can contribute?	Combined limit for contributions in 2012: \$17,000; if using the Age 50 and Over Catch-up: \$22,500; or up to \$34,000 if contributing using Special 457 Catch-up, if eligible ²	
If I'm still working for my employer and experience an unforeseeable emergency, may I make a withdrawal?	Yes, if your situation meets the IRS and Texa\$aver hardship requirements	
Do I have to take a minimum distribution at age 70½?	Yes, you must take the required minimum distribution no later than April 1 following the year you turn 70½, unless you are still employed	
Can I roll over an existing Roth IRA into my Texa\$aver account?	No, Roth IRAs cannot be rolled into Texa\$aver because Roth IRAs can only be rolled over into other Roth IRAs	
If I change jobs, can I roll over my account?	Yes, to a qualified 401(k) plan, traditional or Roth IRA, 403(b) plan, or governmental 457(b) plan if the plan allows it	Yes, to a Roth IRA or a governmental 457(b) plan, 401(k) plan, or 403(b) plan if the plan has a designated Roth account and accepts rollovers
Can I roll over a former employer's account or IRA into Texa\$aver?	Yes, balances from a former employer's 401(k), 403(b), or 401(a) plan, a traditional IRA, or a governmental 457 plan can be rolled over into your Texa\$aver 457 Plan	Only designated Roth accounts from a 401(k), 403(b), or governmental 457(b) plan can be rolled over into your Texa\$aver 457 plan

**To enroll in the Texa\$aver 401(k) and 457 Plans,
call (800) 634-5091 or visit www.texasaver.com.³**

² Age 50 and Over Catch-up and Special 457 Catch-up may not be used in the same calendar year.

³ Access to the Information Line and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance, or other reasons.

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