

Frequently Asked Questions

URS Roth 401(k)/457(b)

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Section 1 ► Contribution Basics and Eligibility

1 What is a Roth account?

A Roth account allows you to save for retirement using money that has already been taxed. The key benefit is that both your contributions and earnings can be withdrawn tax free, as long as:

- » You are age 59½ or older, and
- » The first contribution was made five or more years ago

Roth accounts began in the 1990s with the Roth IRA, and later expanded to include Roth 401(k) and Roth 457(b) plans. Starting March 30, 2026, URS will offer Roth options in both the 401(k) and 457(b) plans, in addition to the Roth IRA already available. Although all three offer potential tax-free growth, this Q&A will address some important differences.

2 Are there income limits to contribute to a Roth 401(k) or Roth 457(b) like there are with a Roth IRA?

No. Roth 401(k) and Roth 457(b) contributions are not subject to income limits. If your employer offers them, you can contribute regardless of how much you earn.

3 Does the Roth 401(k)/457(b) count against my Roth IRA contribution limit?

No, Roth 401(k) and Roth 457(b) plans have contribution limits that are separate from Roth IRA limit. The 401(k) and 457(b) each have their own annual IRS contribution limit. You don't get a separate limit for Roth and tradition (pretax) contributions — your combined contributions in each plan must stay within the annual limit.

4 So, I can contribute to a Roth IRA, a Roth 401(k), and a Roth 457(b)?

Potentially. If your income qualifies you for a Roth IRA and your employer offers both Roth 401(k) and Roth 457(b) options, you may contribute to all three. Each has its own separate contribution limit.

5 Can my age 50 catch-up or age 60, 61, 62, 63 “super catch-up” contributions be Roth?

Yes. Starting in 2026, if your wages from your URS employer in the prior year exceeded \$150,000 (indexed for inflation), all catch-up contributions must be made as Roth. This applies to both age 50+ catch-ups and the new special 60-63 “super catch-up” for 401(k) and 457(b) plans. If your wages are below that threshold, may choose between Roth and traditional (pretax).

6 How will I know what my Roth vs. pretax balance is when I log in at www.urs.org?

The balances will be displayed separately.

Section 2 Withdrawals While Working or After Separation

7 Can I withdraw from my Roth 401(k)/457(b) while still working at a URS employer?

The rules are the same as with a traditional (pretax) 401(k)/457(b). Generally, you cannot withdraw funds until you separate service or reach age 59½ (loans and hardship withdrawals may be an option).

8 If I separate service before age 59½, can I get my original contributions out of the Roth 401(k)/457(b) tax-free like a Roth IRA?

Yes, but with an important catch. Unlike a Roth IRA, which allows you to withdraw contributions alone, Roth 401(k) and 457(b) withdrawals must include a proportional share of earnings. Each withdrawal includes both contributions and earnings at the same proportion as your account balance. If you're under age 59½ when you withdraw from your Roth 401(k)/457(b), the earnings portion of the withdrawal will not be tax-free.

9 Is there any way that I can get just my Roth 401(k)/457(b) contributions out to avoid taxes/penalties when I'm under 59½?

Possibly... it depends on how you do it.

If you've left your job and are eligible to take money out, one option is to roll your Roth 401(k) or Roth 457(b) into a Roth IRA. A Roth IRA allows you to withdraw your original contributions at any time, tax- and penalty-free. With a Roth IRA, your withdrawals tap contributions first.

However, if you want to withdraw more than your original contributions (meaning you dip into earnings) and you're under 59½, the earnings portion may be subject to income tax and possibly a 10% early withdrawal penalty (unless an exception applies).

Note that if you're withdrawing from a Roth 457(b), you generally avoid any earnings withdrawal penalty on the earnings, even if you're under 59½.

10 What's the difference between the Roth 457(b) and the Roth 401(k) on withdrawals?

The main difference is the early withdrawal penalty.

Roth 401(k) withdrawals before age 59½ generally trigger taxes and a 10% penalty on earnings. With a Roth 457(b), there's no 10% penalty after you separate from employment – even if you're under age 59½ – though taxes would still apply on the earnings portion of the withdrawal.

Section 3 ► Choosing a Plan

11 Which Roth plan should I choose?

Here are some things to consider:

Employer matching contributions » If your employer offers a match, understand how it works and whether contributions must be made to a specific plan to get the full match.

Contribution limits » Roth IRAs have income limits. If you earn too much in a given year, your contributions may be limited. Generally, you can contribute more each year to Roth 401(k) and 457(b) plans than to a Roth IRA, which has lower contribution limits.

Access to funds / flexibility » Consider the flexibility Roth IRAs provide. You can withdraw contributions (not earnings) tax and penalty-free anytime, regardless of age, even while you're still working. By contrast, Roth 401(k) and Roth 457(b) withdrawals must include a share of earnings at the same proportion as your account balance, which may be taxable and/or subject to penalty.

Early withdrawal penalty » The Roth 457(b) has a unique advantage (see Question 10). You can access Roth 457(b) money penalty-free after leaving your job, even if you're under 59½, though taxes would still apply on the earnings portion of the withdrawal.

You don't have to pick just one » You may contribute to multiple Roth plans in the same year. Using multiple plans may allow you to contribute more money overall and enjoy diverse benefits.

Section 4 ► Five-Year Aging Rules

12 How does the five-year aging rule work for a Roth IRA?

For a Roth IRA, the five-year rule helps determine whether earnings can be withdrawn tax free. The five-year aging period begins January 1 of the year you make your first contribution or conversion. The five-year clock applies to you, not to each individual account. If you funded a Roth IRA at another provider and later opened a URS Roth IRA in 2025, your URS Roth IRA would share the original five-year start date, even if the accounts were never combined.

13 Does a Roth 401(k)/457(b) work the same way with aging?

No. Each Roth 401(k) or Roth 457(b) has its own separate five-year aging period. The clock generally starts when you first make a Roth contribution to that specific plan. Unlike a Roth IRA, for these plans, the aging period does not automatically carry over from another employer's plan.

14 If I've had a Roth IRA for many years, does that five-year aging apply to my Roth 401(k)/457(b)?

No. The five-year aging period for a Roth IRA does not apply to the Roth 401(k) or Roth 457(b). However, once you separate from service, you may roll your Roth 401(k)/457(b) into your Roth IRA. After the rollover, the funds will follow the Roth IRA's aging rules.

But once you separate from service, you can roll your Roth 401(k)/457(b) into your Roth IRA (and then it would take on the Roth IRA's aging). When money is moved to a Roth IRA, it will take on the aging attributes of the Roth IRA.

15 I'm 60 years old and I had a Roth 401(k)/457(b) for 10 years. I rolled my \$100,000 Roth 401(k)/457(b) into a new Roth IRA, and I never had a Roth IRA before. How are withdrawals treated?

Because you were age 60 and had satisfied the five-year aging requirement in your Roth 401(k)/457(b), the \$100,000 rollover amount is considered a qualified distribution. That amount can generally be withdrawn tax-free from the Roth IRA at any time.

However, because this is a new Roth IRA and you never had one before, a new five-year aging clock applies to the Roth IRA itself. This means any future earnings on the \$100,000 must satisfy the Roth IRA's five-year rule before they can be withdrawn tax-free.

Five-Year Aging Rules, Continued Next Page

Section 4 ► Five-Year Aging Rules, Continued

16 Same situation as Question 15 (above), but I'm only 58 years old. What happens?

Because you were only 58 at the time of the rollover, things get treated differently. Let's say of the \$100,000 balance, \$60,000 was from contributions and \$40,000 was earnings. You can access the \$60,000 tax and penalty-free at any time. However, the \$40,000 in earnings won't be tax-free until:

- 1) You reach age 59½ (to avoid the 10% penalty), and
- 2) The Roth IRA has met its five-year aging requirement (to avoid income tax)

This differs from Question 15 because the rollover happened before you were eligible for a qualified distribution (age 59½ and five years of aging). As a result, the Roth IRA must now meet both the age and aging requirements for future earnings to be tax-free.

17 If I have an older Roth 401(k) or Roth 457(b), can I move them into URS?

Yes, and it might help your five-year aging! If you roll a Roth 401(k) or Roth 457(b) from another employer into your URS Roth 401(k) or 457(b), URS will use the older of the two accounts to determine your five-year aging (as long as the rollover is done directly to URS from the other institution). This means your time in the previous Roth 401(k)/457(b) plan can count toward the five-year rule for qualified distributions at URS!

18 If my longest-aged account is a Roth IRA, can I roll that into my Roth 401(k)/457(b)?

IRS rules do not allow a Roth IRA to be rolled into a Roth 401(k)/457(b); however, if you have a Roth IRA outside of URS, you could move that balance to a URS Roth IRA.

Section 5 ► Conversions

19 Can I now convert money that is pretax in my URS 401(k) into Roth within the plan?

Absolutely! Regardless of age, you can convert any vested pretax 401(k)/457(b) money into Roth within the plan – it's called an in-plan Roth rollover. Remember that each dollar you convert will count as taxable income (check with a tax advisor before you convert).

20 Will taxes be withheld for me when I convert to Roth within my account?

No... we cannot withhold taxes on an in-plan Roth rollover. That means you'll be responsible for paying the taxes another way, such as:

- » Increasing withholding from your paycheck
- » Paying the tax when you file your return (be careful to avoid an underpayment penalty)
- » Withholding from another retirement account (be careful to avoid an early withdrawal penalty)
- » Making estimated tax payments

Check with your tax advisor to determine the best approach for your situation.

21 Can I convert money in my 401(k) to a Roth IRA?

You may be eligible to convert money from your URS 401(k)/457(b) to a Roth IRA if:

- » You are age 59½ or older, or
- » You have separated from URS-covered employment

If you do not meet either of these conditions, you generally cannot move URS 401(k)/457(b) funds to a Roth IRA. However, you may still have the option to convert money within the plan itself (see Question 19).

This FAQ is intended to provide general information and does not constitute tax, legal, or accounting advice. Nothing herein should be construed to establish, amend, enlarge, reduce, or otherwise affect any benefits, rights, responsibilities, or privileges. If there is a conflict between any applicable law, rule, regulation, plan provision, or contract and the contents of this FAQ, the law, rule, regulation, plan provision, or contract shall prevail.

To Learn More  www.urs.org/us/roths

Webinars

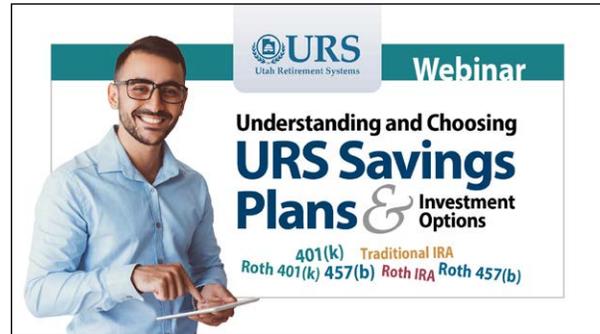


Thinking about contributing to a URS Roth plan? This webinar walks through how Roth plans work, key rules to understand, and how it may fit into your overall retirement strategy. We'll set aside time to answer your questions.

2026

Wed., April 29, 9-10:30 a.m. | [Register](#)

Monday, May 18, 3-4:30 p.m. | [Register](#)



You've decided to start making personal contributions to URS Savings Plans? Congratulations! First, you'll need to decide which options are for you. This webinar will help answer your questions.

2026

Thursday, May 28, 3-4 p.m. | [Register](#)

Wed., Sept. 23, 11 a.m.-noon | [Register](#)

Wednesday, October 28, 2-3 p.m. | [Register](#)

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[Roth and Traditional IRA Guidebook](#)

Understand IRA terms and conditions, income limits, contribution limits, tax treatment, and more

