

403(b)/IRA/Roth IRA Comparison 2025

3 PLAN COMPARISON

	403(b)	Traditional IRA	Roth IRA
Target Market	Public educational institutions, churches, non-profit hospitals and health organizations, and other 501(c)(3)	Individual with a taxable income	Individual with a taxable income subject to your modified adjusted gross income (MAGI) and income filing status
Eligibility	Maximum Requirement – Upon hire for employee deferrals; age 21 with 2 years of service for employer contributions	Income Phase Out for Deductibility if Covered by a Retirement Plan Adjusted Gross Income (AGI) Limits 2025; Joint Filers \$126,000 – \$146,000, Single Filers \$79,000 – \$89,000	MAGI Limits 2025; Joint Filers \$236,000 – \$246,000, Single Filers \$150,000 – \$165,000
Key Features	Tax-deferred investing and growth; Investment flexibility; Taxes are due when withdrawals are made; Distributions may begin at age 55 and separated from service or after age 59½ without penalty; Required distributions must begin at the IRS RMD age or at retirement, whichever comes later	Tax-deductible contributions; Tax-deferred growth; Taxes are due when withdrawals are made; Distributions may begin after age 59½ without penalty; Required Minimum Distributions begin at the IRS RMD age	Contributions are made on an after-tax basis; Tax-deferred growth; Qualified withdrawals are tax-free; No Required Minimum Distributions
Contributors	Employee deferrals and Employer depending on plan	Individual	Individual
Max Contributions	\$23,500 Salary Deferral Roth contributions – check with your employer for availability	\$7,000 Contributions may continue after the IRS RMD age if you have earned income	\$7,000 Contributions may continue after the IRS RMD age if you have earned income
Catch-Up Contributions (Age 50 & Over)	\$7,500	\$1,000	\$1,000
Catch-Up Contributions (Age 60-63)	\$11,250	N/A	N/A
Maximum Annual Employer Contribution	Up to 25% of eligible compensation	N/A	N/A
Vesting	Depends on the plan (applies to Employer contributions)	N/A	N/A
Loans	Yes	N/A	N/A

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