

Retirement Account Savings Options for Texas Schools: 2025

| Feature | 403b | Roth 403b | 457 | IRA | Roth IRA |
|---|---|---|---|--|--|
| Payroll Contributions | Yes | Yes | Yes | No | No |
| Max Contribution Limits (NEW for 2025) | \$23,500 under 50 \$31,000 age 50-59 and 64+ \$34,750 age 60-63 | \$23,500 under 50 \$31,000 age 50-59 and 64+ \$34,750 age 60-63 | \$23,500 under 50 \$31,000 age 50-59 and 64+ \$34,750 age 60-63 | \$7,000 under 50 \$8,000 age 50+ | \$7,000 under 50 \$8,000 age 50+ |
| Income Limitations | No | No | No | Yes | Yes |
| Tax Deferred/Deductible | Yes | No | Yes | Yes | No |
| Tax Free Withdrawals | No | Maybe | No | No | Yes |
| Provider Choice | School-Authorized Providers Only | School-Authorized Providers Only | TexaSaver Only | Any | Any |
| Loans/Hardship | Yes | Yes | Yes | No | No |
| Early Withdrawal Penalty | Yes | Maybe | No | Yes | Maybe |
| Investment Options | Annuities / Mutual Funds / Brokerage* | Annuities / Mutual Funds / Brokerage* | Mutual Funds / Brokerage | Annuities / Mutual Funds / Leveraged Funds / Stocks / Bonds / ETF's / CD's | Annuities / Mutual Funds / Leveraged Funds / Stocks / Bonds / ETF's / CD's |
| Employer Match | No* | No* | No* | No | No |
| Required Distributions (RMD) | Maybe | Maybe | Yes | Yes | No |

**Offered by select districts – For more information, refer to the IRS website: <https://www.irs.gov/retirement-plans>*

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