

Voluntary 403(b) and 457(b) plan comparison

Features	403(b) Plan	457(b) Plan
Eligibility and Participation	<ul style="list-style-type: none"> Benefits-eligible employees generally able to participate. Consult plan document for rules on eligibility and enrollment. Excludes certain nonresident aliens who have earned no income from sources within the United States, Employees who are enrolled as students and regularly attending classes offered by the Employer, Graduate students, and Seasonal and Temporary employees. 	<ul style="list-style-type: none"> Benefits-eligible employees generally able to participate. Consult plan document for rules on eligibility and enrollment. Excludes certain nonresident aliens who have earned no income from sources within the United States, Employees who are enrolled as students and regularly attending classes offered by the Employer, Graduate students, and Seasonal and Temporary employees.
Employee salary reduction (pretax) contributions	<ul style="list-style-type: none"> Permitted. Generally limited to the lesser of the maximum IRS contribution limit or 100% of compensation Contributions must be aggregated with Roth contributions when applying limits. Governed by Sections 415 and 402(g) limits. 	<ul style="list-style-type: none"> Permitted. Generally limited to the lesser of the maximum IRS contribution limit or 100% of compensation Contributions must be aggregated with Roth contributions when applying limits. Governed by Section 457(e)15
Employee Roth (after-tax) contributions	<ul style="list-style-type: none"> Permitted. Generally limited to the lesser of the maximum IRS contribution limit or 100% of compensation Contributions must be aggregated with salary reduction contributions when applying limits. Governed by Sections 415 and 402(g) limits. 	<ul style="list-style-type: none"> Permitted. Generally limited to the lesser of the maximum IRS contribution limit or 100% of compensation Contributions must be aggregated with salary reduction contributions when applying limits. Governed by Section 457(e)15.
Age 50 catch-up amounts-Section 414(v)	<ul style="list-style-type: none"> An additional elective salary deferral may be permitted per IRS limits Age 50 catch-up contributions can be made to both 403(b) and 457(b) plans in the same year. 	<ul style="list-style-type: none"> An additional elective salary deferral may be permitted per IRS limits Age 50 catch-up contributions can be made to both 403(b) and 457(b) plans in the same year.
Other catch-up amounts	<ul style="list-style-type: none"> Those with 15 or more years of service at same qualifying employer <i>may</i> be able to make up to an additional \$3,000 elective salary deferral and/or Roth contribution per year (\$15,000 max lifetime) (Prior-year contributions may limit this amount.) Employee may make both age 50 and 15-year catch-up 	<ul style="list-style-type: none"> 15-year catch-up does not apply to 457(b)
Triggering Events	<ul style="list-style-type: none"> Severance from employment, age 59½, disability or death 	<ul style="list-style-type: none"> Severance from employment, retirement, age 70½ or death. Unforeseeable emergency, small-sum withdrawal may also be available. Consult plan document for specific rules.
Early Withdrawal Penalty	<ul style="list-style-type: none"> None for employees who separate from service at or after age 55. Otherwise, 10% on withdrawals generally before age 59½. Exceptions include death and disability. 	<ul style="list-style-type: none"> No early withdrawal penalties. However, rollovers from other plan types into a 457(b) may be subject to 10% early withdrawal penalty
Rollovers	<ul style="list-style-type: none"> Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans. Rollovers are NOT permitted to 457(b) plans of a tax-exempt employer or Roth 403(b) or Roth 401(k). 	<ul style="list-style-type: none"> Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans. Rollovers are NOT permitted to 457(b) plans of a tax-exempt employer.
Direct transfers and rollovers in	<ul style="list-style-type: none"> Rollovers accepted, from IRA, 401(a), 401(k), 457(b) public and other 403(b) plans-subject to the rules of the new plan. Distribution of rollover account permitted if plan allows. Not permitted from 457(b) private plans. Plan-to-plan transfers allowed for current and former employees if new plan permits. 	<ul style="list-style-type: none"> Accepted, if new plan permits, from IRA, 403(b), 401(a) and 401(k) plans-10% penalty on early withdrawal may still apply for funds transferred into 457(b) from other sources Direct transfers from other 457(b) public plans permitted, if plan allows. Not permitted from 457(b) private plan.
Minimum Distribution Requirements	<ul style="list-style-type: none"> Applicable to entire accumulation at age 72 (70½ if age attained prior to April, 1 2020, age 75 for pre-1987 accumulations) or retirement, if later. Pretax contributions will be taxed in the year you take the distribution. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased. 	<ul style="list-style-type: none"> Applicable to entire accumulation at age 72 (70½ if age attained prior to April, 1 2020, age 75 for pre-1987 accumulations) or retirement, if later. Pretax contributions will be taxed in the year you take the distribution. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased.
Taxability	<ul style="list-style-type: none"> Pretax contributions will be taxed in the year you take the distribution. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased. 	<ul style="list-style-type: none"> Pretax contributions will be taxed in the year you take the distribution. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased.