

## WHAT IS THE DIFFERENCE BETWEEN 403(b) and 457(b) PLANS?

<b>403(b) and 457(b) – How Do They Compare?</b>		
<b>FEATURES</b>	<b>403(b)</b>	<b>457(b)</b>
<b>Type of plan</b>	Voluntary Defined Contribution Plan	Voluntary Defined Contribution Plan
<b>Elective deferral limits*</b>	\$23,500; or 100% of compensation <i>(whichever is less)</i>	\$23,500; or 100% of compensation <i>(whichever is less)</i>
<b>Age 50-59 and 64+ catch-up</b>	\$7,500	\$7,500
<b>Age 60-63 SUPER catch-up</b>	\$11,250	\$11,250
<b>‘Special catch-up provisions’</b> <i>(please consult a financial services professional)</i>	Yes; 15 year catch up \$3,000 Requires calculation for eligibility determination (Employee may not qualify)	Yes; Final 3 year catch up \$23,500 Requires calculation for eligibility determination (Employee may not qualify)
<b>Roth (after-tax) Contributions</b>	Yes, if adopted by Plan Sponsor	Yes, if adopted by Plan Sponsor
<b>Loans**</b>	Yes; up to 50% of account balance and no more than \$50,000 per calendar year	Yes; 1 loan at a time, up to 50% of account balance and no more than \$50,000 per calendar year
<b>Required Minimum Distribution rules apply</b>	Yes	Yes
<b>Rollovers from other qualified plan</b>	Yes	Yes***
<b>Rollovers from 403(b) plan</b>	Yes	Yes***
<b>Rollovers from governmental 457(b) plan</b>	Yes	Yes
<b>Eligible Distribution w/out IRS penalty</b>	Age 55 with severance from employment; or Age 59 ½ if still in service	Any age with severance from employment; or 70 ½ if still in service****
<b>Hardship Withdrawal Requirements*</b>	Safe Harbor Rules: <ul style="list-style-type: none"> <li>• Eviction/foreclosure</li> <li>• Medical</li> <li>• Purchase primary residence</li> <li>• Post-secondary education</li> <li>• Burial/funeral</li> <li>• Repair of casualty damage to principal residence</li> </ul>	Unforeseeable Emergency: <ul style="list-style-type: none"> <li>• Illness or accident of participant, spouse or dependent</li> <li>• Loss of property due to casualty</li> <li>• Other extraordinary events beyond participant control</li> </ul>

**This chart reflects what is permissible by the Internal Revenue Service as well as within plans administered by TDS. Please note that all plans may differ and each listed option may not be allowable in your Employer’s 403(b) or 457(b) Plan.**

\*The limits on contributions to a 457(b) plan are not combined with the limits allowed to be contributed to the same employee’s 403(b) account. The pre-tax and ROTH 403(b) limits are aggregated with pre-tgx and ROTH 401(k) limits.

\*\*Some investment providers may not permit for all options such as loans or hardship withdrawals. Contact your investment provider for details on your account’s loan/hardship availability. Contact TDS for obtaining transaction authorization at (866) 446-1072.

\*\*\* Vendor must confirm ability to track funds separately in accordance with IRS requirements.

\*\*\*\*Age 59.5 is available when the provision is selected by the employer / plan.