

Comparison of Governmental 457 Plan to 403(b) Plan

Features	Governmental 457 Plan	403(b) Plan
Contribution Limits <i>Year 2018</i>	<ul style="list-style-type: none"> • \$18,500 basic maximum contribution limit • 457 limits not coordinated with 403(b) plan 	<ul style="list-style-type: none"> • \$18,500 basic maximum contribution limit • 403(b) limits not coordinated with 457 plan
Early Withdrawal IRS Penalty Tax	None - (normal income tax only)	10% early withdrawal penalty tax may apply under age 59 ½ plus normal income tax
Eligibility Rules	Non-discrimination rules do not apply	Universal Availability Rule non-discrimination apply
Small Balance Distribution	Account balance \$5,000 or less No contributions in the past 24 months	Not Applicable
Age 50 Catch-Up Option	Total of \$6,000 - not permitted if special catch-up option used	Total of \$6,000 - permitted even if special catch-up option used
Special Catch-Up Option	As permitted in the Plan Document, three years prior to Normal Retirement Age stated in the Plan permits contribution of the lesser of: <ul style="list-style-type: none"> • Subject to strict IRS testing • Two times basic limit; subject to underutilized deferrals in past years. 	As permitted in the Plan Document, 15 years of service option increases limit by the lesser of: <ul style="list-style-type: none"> • Subject to strict IRS testing • \$3,000 annually with a \$15,000 lifetime limit
Purchase Service Credit State Retirement System	Permitted	Permitted
Distribution Restrictions	<ul style="list-style-type: none"> • Severance from employment • Age 70 ½ while employed • Disability or Death • Small Account Balance • Unforeseeable Emergency. 	<ul style="list-style-type: none"> • Severance from employment • Age 59 ½ while employed • Disability or Death • Financial Hardship.
Portability of Plan Funds After Qualifying Event	Funds can be rolled over to: <ul style="list-style-type: none"> • Governmental 457 Plan of Another Employer • Another 403(b) provider approved in the Plan • IRA (Traditional, SEP, SAR-SEP) • Pension, Profit Sharing, 401(k) 	Funds can be rolled over to: <ul style="list-style-type: none"> • 403(b) TSA approved in the Plan • Governmental 457 Plan of Another Employer • IRA (Traditional, SEP, SAR-SEP) • Pension, Profit Sharing, 401(k)
Hardship/Unforeseeable Emergency Distributions	Contributions may be distributed to the extent required for an unforeseeable emergency defined by the IRS as a severe financial hardship to you resulting from events such as a sudden and unexpected illness; an accident you or a dependent experience; loss of your property because of casualty; or other similar extraordinary and unforeseen circumstances arising as a result of events beyond your control. Withdrawals are only permitted for limited financial circumstances that must be substantiated.	Contributions may be distributed to the extent required for a financial hardship defined by the IRS as expenses deemed to be immediate and heavy, including: (1) certain medical expenses; (2) purchase of a principal residence; (3) tuition and related educational fees and expenses; (4) prevent eviction from, or foreclosure on, a principal residence; (5) burial or funeral expenses; and (6) certain expenses for the repair of damage to the employee's principal residence. Withdrawals are only permitted for limited financial circumstances that must be substantiated.
Loans	Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of: <ul style="list-style-type: none"> • \$50,000; or • One half of vested account balance 	Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of: <ul style="list-style-type: none"> • \$50,000; or • One half of vested account balance
Required Minimum Distribution	RMD rules apply at age 70 ½ or later, severance from service, and also after death	RMD rules apply at age 70 ½ or later, severance from service, and also after death

