

# 457 and 403b Plans

Features	457 Plan	403b Plan
<b>Contribution Limits Year 2022</b>	<ul style="list-style-type: none"> <li>\$20,500 basic maximum contribution limit</li> <li>457 limits not coordinated with 403b Plan</li> </ul>	<ul style="list-style-type: none"> <li>\$20,500 basic maximum contribution limit</li> <li>403(b) limits not coordinated with 457 Plan</li> </ul>
<b>Early Withdrawal IRS Penalty Tax</b>	None - (normal income tax only)	10% early withdrawal penalty tax may apply under age 59 ½ plus normal income tax
<b>Eligibility Rules</b>	Non-discrimination rules do not apply	Universal Availability Rule non-discrimination apply
<b>Small Balance Distribution</b>	Account balance \$5,000 or less No contributions in the past 24 months	Not Applicable
<b>Age 50 Catch-Up Option</b>	Total of \$6,500 - not permitted if special catch-up option used	Total of \$6,500 - permitted even if special catch-up option used
<b>Special Catch-Up Option</b>	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"> <li>Subject to strict IRS testing</li> <li>Two times basic limit; subject to underutilized deferrals in past years.</li> </ul>	As permitted in the Plan Document, 15 years of service option increases limit by the lesser of: <ul style="list-style-type: none"> <li>Subject to strict IRS testing</li> <li>\$3,000 annually with a \$15,000 lifetime limit</li> </ul>
<b>Purchase Service Credit State Retirement System</b>	Permitted	Permitted
<b>Distribution Restrictions</b>	Funds can be rolled over to: <ul style="list-style-type: none"> <li>Governmental 457 Plan of Another Employer</li> <li>Another 403(b)-provider approved in the Plan</li> <li>IRA (Traditional, SEP, SAR-SEP)</li> <li>Pension, Profit Sharing, 401(k)</li> </ul>	Funds can be rolled over to: <ul style="list-style-type: none"> <li>403(b) TSA approved in the Plan</li> <li>Governmental 457 Plan of Another Employer</li> <li>IRA (Traditional, SEP, SAR-SEP)</li> <li>Pension, Profit Sharing, 401(k)</li> </ul>
<b>Hardship/Unforeseeable Emergency Distributions</b>	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 because 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.
<b>Loans</b>	Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of: <ul style="list-style-type: none"> <li>\$50,000; or</li> <li>One half of vested account balance</li> </ul>	Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of: <ul style="list-style-type: none"> <li>\$50,000; or</li> <li>One half of vested account balance</li> </ul>
<b>Required Minimum Distribution</b>	RMD rules apply at age 72 or later, severance from service, and after death	RMD rules apply at age 72 or later, severance from service, and after death