

UNDERSTANDING YOUR PLAN FEATURES

Many retirement plans are similar in that they allow you to save money on a pre-tax basis which reduces your taxable income for the year. Here is a brief overview:

FEATURE	TRADITIONAL 403(B) PLAN	401(A) PLAN	457(B) PLAN
IRS Annual Contribution Limits	2023 Limits \$22,500 under age 50 \$30,000, age 50 or older <i>Visit www.irs.gov for details.</i>	2023 Limits \$66,000 (employer contribution only)	2023 Limits \$22,500 under age 50 \$30,000, age 50 or older <i>Visit www.irs.gov for details.</i>
Rollovers from former Employers or IRAs	Rollovers in are allowed from 401(a), 401(k), 403(b), 457(b) Governmental Plans, Conduit IRAs, Traditional IRAs.	Rollovers are not allowed.	Rollovers in are allowed from 401(a), 401(k), 403(b), 457(b) Governmental Plans, Conduit IRAs, Traditional IRAs.
Loans	Loans allowed. Not allowed if you have had a loan default with a current or previous vendor.	Loans are not allowed.	Loans allowed. Not allowed if you have had a loan default with a current or previous vendor.
Distributable Events	One or more of the following: Age 59.5, severance from service, retirement, disability, financial hardship as defined by the plan.	One or more of the following: Age 59.5, severance from service, retirement, disability, financial hardship as defined by the plan.	One or more of the following: Age 70.5, severance from service, retirement, disability, unforeseen emergency as defined by the plan.
Penalties for Early Withdrawals	10% tax penalty before age 59.5 and may be subject to income taxes. <small>The account holder must be 59.5 and held for 5 years to avoid penalties.</small>	10% tax penalty before age 59.5 and may be subject to income taxes. <small>The account holder must be 59.5 and held for 5 years to avoid penalties.</small>	Governmental 457(b) distributions are not subject to the 10% early withdrawal penalty, however you must be separated from service with employer. <small>The account holder must be 59.5 and held for 5 years to avoid penalties.</small>
Emergency Withdrawals	Financial Hardship Examples: Prevent eviction or foreclosure, purchase of a principal residence, loss-related repairs on principal residence, out-of-pocket medical expenses, post-secondary education, current funeral or burial expenses.	Emergency withdrawals are not allowed.	Unforeseen Emergency Examples: Prevent eviction or foreclosure, medical expenses not reimbursed by insurance, funeral expenses for a family member.
Distribution Options after Separation from Service or Retirement	Lump Sum (Full payout or partial), Systematic Withdrawal Payments (SWP), and Minimum Required Distributions (MRD).	Lump Sum (Full payout or partial), Systematic Withdrawal Payments (SWP), and Minimum Required Distributions (MRD).	Lump Sum (Full payout or partial), Systematic Withdrawal Payments (SWP), and Minimum Required Distributions (MRD).
Minimum Distribution Requirements	Applicable to accumulations at age 73 or retirement, whichever is later. <small>Individuals who turned 70.5 in 2019 or earlier are required to take distributions earlier than age 73.</small>	Applicable to accumulations at age 73 or retirement, whichever is later. <small>Individuals who turned 70.5 in 2019 or earlier are required to take distributions earlier than age 73.</small>	Applicable to accumulations at age 73 or retirement, whichever is later. <small>Individuals who turned 70.5 in 2019 or earlier are required to take distributions earlier than age 73.</small>
Taxability	Amounts are taxable when distributed. 1099-R issued by investment provider.	Amounts are taxable when distributed. 1099-R issued by investment provider.	Amounts are taxable when distributed. 1099-R issued by investment provider.

This document provides only a summary of the main features of 403(b), 401(a), and 457(b) Plans. The Plan documents will govern in the event of any discrepancy.