# 2023 Plan Comparison

## 457(b) Governmental Plans vs. 403(b) Plans

### Features
- **Contribution Limits & Coordination of Contribution Limits**
  - $22,500 maximum contribution plus catch-up options
  - 457(b) limits no longer reduced by 403(b) contributions

### Eligibility Rules
- **Early Withdrawal Penalty Tax**
  - Employer responsible for administration
- **Employer Control**
  - Deferrals available to eligible employees as defined by the Plan Document. Universal availability rules permit only limited exclusions to eligibility.

### Age 50 Catch-Up Option
- **$7,500 annual limit (special catch-up option may also be utilized)**
- Three years prior to normal retirement age allows the lesser of:
  - Two times current year’s normal contribution limit, or
  - Underutilized limits from past years with the same employer

### Special Catch-Up Option (If Permitted By Plan)
- **$7,500 annual limit**
- Fifteen years of service option increases limit by the lesser of:
  - $3,000;
  - $15,000 less additional limit used in past years; or
  - Excess of $5,000 times years of service, less elective deferrals.

### Transfer to Purchase Service Credits
- Available

### Distribution Restrictions
- Funds cannot be distributed until:
  - Age 59 1/2;
  - Severance from employment;
  - Disability;
  - Death; or
  - Unforeseeable emergency

### Portability of Plan Funds After Qualifying Event
- Funds may be rolled over to:
  - Another 457(b) Governmental Plan
  - 403(b) TSA
  - IRA (Traditional, SEP)
  - 401(a) Plan (Pension, Profit Sharing 401(k), STRS)

### Financial Need Distribution
- Contributions (and earnings) may be distributed to extent required for financial hardship, even if unforeseeable and voluntary, such as:
  - Medical care;
  - Payment of tuition; or
  - Purchase of a home; or
  - Payments needed to prevent eviction from or foreclosure on home

### Loans
- Permitted, with loans from all qualified plans limited to the lesser of:
  - $50,000; or
  - One half of vested benefits (or $10,000, if greater)

### RMD Rules
- **Required Minimum Distributions**
  - RMD rules apply at age:
    - i. 73 for a person who attains age 72 after 12/31/2022 and age 73 before 1/1/2033
    - ii. 75 for a person who attains age 74 after 12/31/2032

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**Notes:**
- Contributions reflect 2023 contribution limits.³ Reduced by elective deferrals to 401(k) plans, SEP plans or SIMPLE plans.² Unless attributable to rollover from another type of retirement plan.³ For Plans that adopted Sec. 104 of the Bipartisan American Miners Act of 2015. Otherwise, Age 70 1/2.⁴ For Plans that adopted Sec. 602 of the SECURE Act of 2022.