# 2024 Plan Comparison

## 457(b) PLANS (Governmental)

- $23,000 maximum contribution plus catch-up options
- 457(b) limits no longer reduced by 403(b) contributions

### Contribution Limits & Coordination of Contribution Limits
- None (normal income tax only)
- Employer responsible for administration
- No discrimination rules apply - employer defines and limits eligibility
- $23,000 annual limit (not available if special catch-up option utilized)

### Early Withdrawal Penalty Tax
- 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.

### Age 50 Catch-Up Option
- Underutilized limits from past years with the same employer.

### 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 (Plan Restrictions May Apply)
- Another 457(b) Governmental Plan
- 403(b) TSA
- IRA (Traditional, SEP)
- 401(a) Plan (Pension, Profit Sharing 401(k), STRS)

### Financial Need Distribution (Hardship/Unforeseeable Emergency Withdrawals)
- Contributions (and earnings) may be distributed to extent required for a financial hardship even if foreseeable 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).

### 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

## 403(b) PLANS

- $23,000 maximum contribution plus catch-up options
- 403(b) limits no longer reduced by 457(b) contributions

### Contribution Limits & Coordination of Contribution Limits
- Early Withdrawal Penalty Tax
- 10% early withdrawal federal penalty tax may apply for distributions prior to age 59 1/2. Waived if age 55 and separated from service (normal income tax only).

### Eligibility Rules
- 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)

### Special Catch-Up Option (If Permitted By Plan)
- Fifteen years of service option increases limit by the lesser of:
  - $3,000;
  - $15,000 less additional 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
  - Financial hardship.

### Portability of Plan Funds After Qualifying Event (Plan Restrictions May Apply)
- Another 403(b)
- 457(b) Governmental Plan
- IRA (Traditional, SEP)
- 401(a) Plan (Pension, Profit Sharing 401(k), STRS)

### Financial Need Distribution (Hardship/Unforeseeable Emergency Withdrawals)
- Contributions (and earnings) may be distributed to extent required for an unforeseeable emergency (sudden and unforeseen) beyond control of participant, such as:
  - Medical care;
  - Casualty loss
  - Payment of tuition; or
  - Purchase of a home; or

### 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).

### 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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Figures reflect 2024 contribution limits. 1 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 2019. Otherwise, Age 70½. 4 For Plans that adopted Sec. 602 of the SECURE 2.0 Act of 2022.