

2023 Plan Comparison






457(b)
Governmental
PLANS



403(b)
PLANS



<ul style="list-style-type: none"> \$22,500 maximum contribution plus catch-up options 457(b) limits no longer reduced by 403(b) contributions 	Contribution Limits & Coordination of Contribution Limits	<ul style="list-style-type: none"> \$22,500 maximum contribution plus catch-up options¹ 403(b) limits no longer reduced by 457(b) contributions
None (normal income tax only)	 Early Withdrawal Penalty Tax	10% early withdrawal federal penalty tax may apply for distributions prior to age 59 ½. Waived if age 55 and separated from service (normal income tax only) ²
Employer responsible for administration	Employer Control	Employer responsible for administration
No discrimination rules apply - employer defines and limits eligibility	Eligibility Rules	Deferrals available to all eligible employees receiving W-2 wages.
\$7,500 annual limit {not available if special catch-up option utilized}	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: <ul style="list-style-type: none"> 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)	Fifteen years of service option increases limit by the lesser of: <ul style="list-style-type: none"> \$3,000; \$15,000 less additional limit used in past years; or Excess of \$5,000 times years of service, less elective deferrals.
Available	Transfer to Purchase Service Credits	Available
Funds cannot be distributed until: <ul style="list-style-type: none"> Age 59 ½;³ Severance from employment; Disability; Death; or Unforeseeable emergency 	 Distribution Restrictions	Funds cannot be distributed until: <ul style="list-style-type: none"> Age 59 ½; Age 55 and/or severance from employment; Disability; Death; or Financial hardship.
Funds may be rolled over to: <ul style="list-style-type: none"> Another 457(b) Governmental Plan 403(b) TSA IRA (Traditional, SEP) 401(a) Plan (Pension, Profit Sharing 401(k), STRS) 	Portability of Plan Funds After qualifying Event (Plan Restrictions May Apply)	Funds may be rolled over to: <ul style="list-style-type: none"> Another 403(b) 457(b) Governmental IRA (Traditional, SEP) 401(a) Plan (Pension, Profit Sharing 401(k), STRS)
Contribution and earnings may be distributed to the extent required for an unforeseeable emergency (sudden and unforeseen) beyond control of participant, such as: <ul style="list-style-type: none"> Medical care Casualty loss 	Financial Need Distribution (Hardship/Unforeseeable Emergency Withdrawals)	Contributions (but not earnings) may be distributed to extent required for a financial hardship even if foreseeable and voluntary, such as: <ul style="list-style-type: none"> Medical care; Payment of tuition; or Purchase of a home; or Payments needed to prevent eviction from or foreclosure on home
Permitted, with loans from all qualified plans limited to the lesser of: <ul style="list-style-type: none"> \$50,000; or One half of vested benefits (or \$10,000, if greater) 	 Loans	Permitted with loans from all qualified plans limited to the lesser of: <ul style="list-style-type: none"> \$50,000; or One half of vested benefits (or \$10,000, if greater)
RMD rules apply at age 72 or later, severance from service, and also after death.	Required Minimum Distributions	RMD rules apply at age 72 or later, severance from service, and also after death.

Figures reflect 2023 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 70 ½.