Tax Sheltered Annuity – 403(b) / Deferred Compensation – 457
2013 Plan Comparison

	403(b) Tax Sheltered Annuity		457 Deferred Compensation
General Description	A retirement income vehicle, which allows eligible employees to defer taxation savings to future years. Available to nonprofit and tax exempt organizations eligible under Internal Revenue Code sec. 501.c.3, including churches, public schools and colleges.		A retirement income vehicle, which allows eligible employees to defer taxation savings to future years. Tax-deferred plan available to government units, and tax-exempt organizations, but not churches.
Asset Ownership	Individual		Employer until distribution
Contribution	Voluntary; payroll deduction; no employer match		
Contribution Taxation	Made with pre-tax dollars		Pre-tax option and/or after-tax Roth Account available
Contribution Tax Deferred Status	Deferred until tax year in which amounts are distributed		
Maximum Annual Deferral	Governed by Sections 415 and 402(g) of the Internal Revenue Code; $17,500 for 2013.		Governed by Section 457 of the Internal Revenue Code; Lesser of $17,500 or 100% of compensation for 2013.
Age 50 "Catch-up" Provision	An additional $5,500 elective salary deferral is permitted for those age 50 and over. Can use age 50 catch-up for 403(b) and 457(b) in the same year.		An additional $5,500 elective salary deferral is permitted for those age 50 and over. Can use age 50 catch-up for 457(b) and 403(b) in the same year. If within 3 years of plan's normal retirement age, employee is eligible for the greater of age 50 catch-up or enhanced limit (not both).
Other "Catch-up" Provisions	For those with 15 or more years of service, up to an additional $3,000 elective salary deferral per year ($15,000 lifetime maximum). Prior year contributions may limit this amount. Employees are eligible for both age 50 and 15 year catch-up contributions.		For those within three years of plan's normal retirement age, additional amount up to twice the applicable limit or unused amounts from prior years, whichever is less up to maximum of $35,000. Employees are eligible for greater enhanced limit or age 50 catch-up contributions, but not both.
Deferral Coordination	None; employees can contribute maximum to both a 403(b) and 457 plan		
Rollovers To/From Other Plans	**To:** Permitted to IRA, 401(a), 401(k), 457(b) public, and other 403(b) plans – 10% penalty on early withdrawal. Not permitted to 457(b) private plans. **From:** Permitted from IRA, 401(a), 401(k), 457(b) public and other 403(b) plans subject to the rules of the new plan – 10% penalty on early withdrawals. Not permitted from 457(b) private plans.		**To:** Permitted to IRA, 403(b), 401(a), 401(k) and other 457 public plans subject to the rules of the new plan– possible 10% penalty on early withdrawals. Not permitted to 457(b) private plans. **From:** Permitted from IRA, 403 (b), 401(a) and 401(k) plans - 10% penalty on early withdrawal. Direct transfers from other 457(b) public plans permitted. Not permitted from 457 (b) private plans.
Availability of Benefits	Earlier of attainment of age 59 ½, separation from service, death or disability. Hardship withdrawals not allowed under current plan document.		Earlier attainment of age 70 ½, separation from service, death, disability, "unforeseeable emergency"
Early Withdrawal Penalty	10% penalty for distributions made prior to age 59 ½		None
Loan Provision	Not allowed under current plan document.		None
Leave Payout	No, cannot be used to defer leave payout		Yes, can be used to defer leave payout

11/8/2012