



## Comparison of 457 and 403 (b) Plans

	<b>457 plan</b>	<b>403(b) plan</b>
<b>Maximum limits on elective deferrals-under age 50</b>	2008 - \$15,500*  *Does not include traditional catch-up contributions allowed for 457 plans	2008 - \$15,500*  *Does not include traditional catch-up contributions allowed for 403(b) plans
<b>Maximum limits on elective deferrals - age 50 or older?</b>	2008 - \$20,500*  *Includes EGTRRA catch-up contribution; does not include traditional catch-up contributions allowed for 457 plans	2008 - \$20,500*  *Includes EGTRRA catch-up contribution; does not include traditional catch-up contributions allowed for 403(b) plans
<b>Maximum limits on total contributions?</b>	Lesser of 100% of compensation or \$45,000 (indexed to inflation in \$1,000 increments) for 2007	Lesser of 100% of compensation or \$45,000 (indexed to inflation in \$1,000 increments) for 2007
<b>Participant loans allowed?</b>	Not allowed, however IRS recently announced they would reconsider this decision	Yes , if allowed by plan document
<b>Hardships allowed?</b>	Yes, only for immediate and unforeseeable events; excludes hardship distributions for purchase of a residence, ordinary consumer debt, and education expenses.	No



	<b>457 plan</b>	<b>403(b) plan</b>
<b>Penalty for distribution prior to age 59 ½?</b>	No	Yes, 10 % penalty
<b>Minimum Distribution Requirements?</b>	Later of 1) April 1 following the calendar year employee attains age 70 ½ or 2) calendar year following retirement	Later of 1) April 1 following the calendar year employee attains age 70 ½ or 2) calendar year following retirement
<b>Social Security Withholding</b>	FICA withholding at time of deferral	FICA withholding at time of deferral
<b>Taxation of Benefits?</b>	Taxed as ordinary income in the year received	Taxed as ordinary income in the year received
<b>Can defer taxes on distributions by rolling them into a plan of the same type or an IRA?</b>	Yes	Yes
<b>Can defer taxes on distributions by rolling them into a plan of different type?</b>	Yes	Yes
<b>ERISA coverage?</b>	No	No
<b>Non-Discrimination Rules?</b>	None	None
<b>Top heavy rules apply?</b>	No	No

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