

KNOW YOUR OPTIONS

403(b) vs 457(b) Plan Comparison

Feature	457(b)	403(b)
Contribution maximum limits (can contribute to both plans)	2020: \$19,500; \$26,000 age 50+	2020: \$19,500; \$26,000 age 50+
Retirement Contributions Tax Credit	Up to \$1,000 (\$2,000 if filing jointly)	Up to \$1,000 (\$2,000 if filing jointly)
Early withdrawal penalty tax	None	10% (goes away at age 59½ or age 55 and retired)
Investment options	Managed allocations or self-directed mutual funds.	Fixed/Variable interest annuities or mutual funds/custodial accounts
Investment committee/advisor oversight	Yes, managed by TCG Advisors and Investment Advisory Committee.	No
Distribution restrictions	Funds can be requested upon: <ul style="list-style-type: none"> • Age 59½ • Separation from employer • Disability • Death • Unforeseeable emergency 	Funds can be requested upon: <ul style="list-style-type: none"> • Age 59½ • Age 55 and/or leaving employer • Disability • Death • Financial hardship
Financial hardship distributions	<ul style="list-style-type: none"> • Medical care • Casualty loss 	<ul style="list-style-type: none"> • Medical care • Foreclosure/eviction • Tuition payment • Buying a 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)	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 72 or later, severance from service, or after death.	RMD rules apply at age 72 or later, severance from service, or after death

Have questions? We're here to help.

TeleWealth Virtual Assistance is available at www.region10rams.org/telewealth or by calling the TCG Advisor Hotline at 512-600-5204.