

Comparison between 403(b) and 457(b)

PLAN	403(b)	457(b) Governmental
SPONSOR/ELIGIBLE EMPLOYER	<ul style="list-style-type: none"> public education employers 501©(3) organizations 	<ul style="list-style-type: none"> state and local governments
ELIGIBLE PARTICIPANTS	<ul style="list-style-type: none"> SRJC – All Faculty, Classified, Foundation Management/Confidential STNC employees 	<ul style="list-style-type: none"> SRJC –All Faculty, Classified, Foundation Mgmt/Confidential STNC employees
TYPE OF CONTRIBUTIONS TO PLAN	<ul style="list-style-type: none"> employee salary reduction contributions Pre-Tax Roth contributions 	<ul style="list-style-type: none"> employee salary reduction contributions Pre-tax Roth contributions
MAXIMUM ANNUAL CONTRIBUTION	<ul style="list-style-type: none"> -\$23,000 2024 	<ul style="list-style-type: none"> -\$23,000 2024
CATCH –UP CONTRIBUTION	<ul style="list-style-type: none"> employee with 15 yrs full-time service with the District limited to lesser of: <ul style="list-style-type: none"> (1) \$3,000; (2) \$15,000 less previously excluded special catch-ups; or <ul style="list-style-type: none"> (3) \$5,000 multiplied by yrs of service minus previously excluded deferrals 	<ul style="list-style-type: none"> special 457 catch-up -only in 3 years prior to the year of normal retirement age: <ul style="list-style-type: none"> -limited to lesser of: <ul style="list-style-type: none"> (1) twice the basic annual limit [\$33,000 for 2009]; or (2) basic annual limit plus underutilized basic annual limit in prior years (only allowed if not utilizing the age 50 or over catch-up)
AGE 50 CATCH-UP CONTRIBUTIONS	<ul style="list-style-type: none"> additional employee contribution of \$7,500 	<ul style="list-style-type: none"> additional employee contribution of \$7,500
QUALIFIED DOMESTIC RELATIONS ORDERS RECOGNIZED	<ul style="list-style-type: none"> yes 	<ul style="list-style-type: none"> yes

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TIMING OF DISTRIBUTION	<ul style="list-style-type: none"> • withdrawals permitted after a distributable event occurs, generally: <ul style="list-style-type: none"> -death -retirement -severance from employment -disability • must start receiving distributions by April 1 following later of date of retirement or age 72 • minimum distribution age 59 ½ 	<ul style="list-style-type: none"> • withdrawals permitted after severance from employment • must start receiving distributions by April 1 following the later of date of retirement or age 72
OTHER DISTRIBUTIONS	<ul style="list-style-type: none"> • hardship withdrawals 	<ul style="list-style-type: none"> • unforeseeable emergency withdrawals • small inactive accounts
ROLLOVERS AND TRANSFERS	<ul style="list-style-type: none"> • rollovers permitted to eligible retirement plan • transfers upon severance of employment only. Permitted if both employer plans allow • purchase permissive service • exchanges between one approved 403(b) to another approved 403(b) only while employed 	<ul style="list-style-type: none"> • rollovers permitted to eligible retirement plan • transfers permitted from one government 457(b) to another 457(b) • purchase permissive services
VESTING	<ul style="list-style-type: none"> • employee salary deferrals are immediately 100% vested 	<ul style="list-style-type: none"> • employee salary deferrals are immediately 100% vested
SRJC Contacts	<ul style="list-style-type: none"> • Lisa Hotchkiss-527-4200 • lhotchkiss@santarosa.edu • Deepa Desai-527-4500 • ddessai@santarosa.edu 	<ul style="list-style-type: none"> • Lisa Hotchkiss-527-4200 • Deepa Desai-527-4500