

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"> -\$23,500 2025 | <ul style="list-style-type: none"> -\$23,500 2025 |
| 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: -limited to lesser of: <ul style="list-style-type: none"> (1) twice the basic annual limit [\$33,000 for 2009]; or <ul style="list-style-type: none"> (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 |
| CATCH-UP CONTRIBUTIOSN Age 60-63 | <ul style="list-style-type: none"> additional employee contribution of \$11,250 | <ul style="list-style-type: none"> additional employee contribution of \$11,250 |
| QUALIFIED DOMESTIC RELATIONS ORDERS RECOGNIZED | <ul style="list-style-type: none"> yes | <ul style="list-style-type: none"> yes |

Comparison between 403(b) and 457(b)

| PLAN | 403(b) | 457(b) Governmental |
|--------------------------------|--|--|
| 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 at age 73 with first distribution no later than April 1st of the following the year • minimum distribution age 59 ½ | <ul style="list-style-type: none"> • withdrawals permitted after severance from employment • must start receiving at age 73 with first distribution no later than April 1st of the following the year |
| 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 |