

## 457(b) vs 403(b) Plan Comparison

Feature	457(b)	403(b)
<b>Contribution maximum limits (can contribute to both plans)</b>	2023: \$22,500 or \$30,000 if over age 50	2023: \$22,500 or \$30,000 if over age 50
<b>Retirement Contributions Tax Credit</b>	Up to \$1,000 (\$2,000 if filing jointly)	Up to \$1,000 (\$2,000 if filing jointly)
<b>Early withdrawal penalty tax</b>	None	10% unless qualified exception
<b>Investment options</b>	Target date funds, risk-based managed portfolios, or self-directed mutual funds	Fixed/Variable interest annuities or mutual funds/custodial accounts
<b>Employer Investment Oversight</b>	Yes, managed by TCG Advisors and Investment Advisory Committee (made up of school superintendents & chief financial officers)	No
<b>Distribution restrictions</b>	Funds can be requested upon: <ul style="list-style-type: none"> <li>• Age 59 1/2</li> <li>• Separation from service</li> <li>• Disability</li> <li>• Death</li> <li>• Unforeseeable emergency</li> </ul>	Funds can be requested upon: <ul style="list-style-type: none"> <li>• Age 59 1/2</li> <li>• Separation of service</li> <li>• Disability</li> <li>• Death</li> <li>• Financial hardship</li> </ul>
<b>Financial Hardship/Unforeseeable Emergency Distributions</b>	<ul style="list-style-type: none"> <li>• Must be an unforeseeable Emergency. Can include the following if they meet the criteria: <ul style="list-style-type: none"> <li>» Medical expenses</li> <li>» Funeral expenses</li> <li>» Foreclosure/eviction</li> <li>» Certain hurricanes and natural disasters</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Medical care</li> <li>• Foreclosure/eviction</li> <li>• Tuition payment</li> <li>• Buying a home</li> <li>• Funeral costs</li> <li>• Home repair costs</li> <li>• Disaster relief</li> </ul>
<b>Loans</b>	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)
<b>Required minimum distributions</b>	RMD rules apply at age of 72 or if later, severance from employment or death	RMD rules apply at age of 72 or if later, severance from employment or death