



## Understanding your 401(k), 457(b) and 403(b) Plans

At DCSD we offer employees a choice of 3 voluntary retirement savings plans. These retirement plans allow employees to contribute to their own individual accounts within a plan. The amount available at retirement (or at the time of distribution) depends on the contributions made and the performance of the investments. Familiarizing yourself with the basic features and differences between various types of defined contribution plans can help you make more informed decisions about your participation. The chart below outlines some of these key features and differences.

Plan Type	401(k)	457(b)	403(b)
Vendor	PERA	MetLife	MetLife
Eligibility	Employees are eligible to participate on date of hire.	All Employees except leased employees and independent contractors are eligible to participate on date of hire.	All employees are eligible to participate, except student teachers, on date of hire.
Type of Plan	A common type of retirement plan in the private sector.	A retirement plan offered to state or local government or a tax-exempt organization including public educational institutions.	A retirement plan offered to employees of educational institutions and other qualified entities.
Investment Responsibility	Participant	Participant	Participant
Contact Information	800-759-7372	800-543-2520	800-543-2520
Website	<a href="#">PERA</a>	<a href="#">MetLife</a>	<a href="#">MetLife</a>
Limits on employee contributions	The limit on employee contributions is \$23,500 for 2025. Contributions to 401(k) plans need to be combined with other 401(k) plans or 403(b) plans (not 457(b) plans) in applying limits.	The limit on employee elective deferrals is \$23,500 for 2025. This is in addition to \$23,000 combined limit for a 401(k) and/or 403(b) plan(s).	The limit on employee contributions is \$23,500 for 2025. Contributions to 403(b) plans need to be combined with other 403(b) plans or 401(k) plans (not 457(b) plans) in applying limits.
Maximum Deferral	100% of Eligible Compensation	85% of Eligible Compensation	100% of Eligible Compensation
Catch-up contributions	For participants that are age 50 or over, \$7,500 is the limit for annual catch-up contributions in 2025.  Age 60-63, you can make a catch-up contribution up to \$11,250.  Catch-up contributions to 403(b) and 401(k) have to be aggregated.	For participants that are age 50 or over, \$7,500 is the limit for annual catch-up contributions in 2025.  Age 60-63, you can make a catch-up contribution up to \$11,250.	For participants that are age 50 or over, \$7,500 is the limit for annual catch-up contributions in 2025.  Age 60-63, you can make a catch-up contribution up to \$11,250.  Catch-up contributions to 403(b) and 401(k) have to be aggregated.
Roth Option	Yes	Yes	Yes
District Match	No	No	No
Vesting	All Contributions are 100% vested	All Contributions are 100% vested	All Contributions are 100% vested

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When Distributions are Permitted	Age 59 1/2 Severance from employment Death or Disability	Age 59 1/2 Severance from employment Death or Disability	Age 59-1/2 Severance from employment Death or Disability
Other Distributions	Hardship DRO (Domestic Relations Order) Purchase service credit in PERA's Defined Benefit Plan according to Colorado State Statutes	Unforeseeable emergency DRO (Domestic Relations Order) Purchase service credit in PERA's Defined Benefit Plan according to Colorado State Statutes Qualified disaster recovery distributions	Hardship QDRO (Qualified Domestic Relations Order) Purchase service credit in PERA's Defined Benefit Plan according to Colorado State Statutes Qualified reservist & deemed severance Qualified disaster recovery distributions
Participant Loans	Yes, loans are allowed. Generally, participants can borrow up to 50% of their vested account balance to a maximum of \$50,000 and a minimum loan of \$1,000.	Loans are not permitted.	Yes, loans are allowed for active employees only. Generally, participants can borrow up to 50% of their vested account balance to a maximum of \$50,000 and a minimum loan of \$1,000.
Early Withdrawal	Withdrawals before 59 1/2 are generally subject to 10% federal tax penalty	Withdrawals can be generally made without penalty and regardless of age at termination	Withdrawals before 59 1/2 are generally subject to 10% federal tax penalty
Plan Administrative Fees	All participants will pay an asset-based fee up to 0.03%. Participants will also pay a flat monthly fee of \$1.00 per month	An annual administrative fee of 0.31% on fund assets will be charged to your account in quarterly installments	An annual administrative fee of 0.31% on fund assets will be charged to your account in quarterly installments
Investment Management Fees	Participants will pay an asset-based investment management fee that ranges from 0.05% to 0.26% based on the investment option. For additional information:  <a href="#">PERAPlus 401(k) Plan Fees Fact Sheet</a>	Participants will pay an asset-based Net Expense Ratio that ranges from 0.04% to 0.89% based on the investment option. For additional information:  <a href="#">457(b) Investment Options at a Glance</a>	Participants will pay an asset-based Net Expense Ratio that ranges from 0.04% to 0.89% based on the investment option. For additional information:  <a href="#">403(b) Investment Options at a Glance</a>
Investment Performance	<a href="#">Colorado PERA Investments</a>	<a href="#">457(b) Investment Options at a Glance</a>	<a href="#">403(b) Investment Options at a Glance</a>
How to Enroll	To start participating, log into Workday, select the Benefits Worklet, and click on Retirement Savings. If initiation is between the second and the end of the month, the effective date will be the first of the following month.	To start participating, log into Workday, select the Benefits Worklet, and click on Retirement Savings. If initiation is between the second and the end of the month, the effective date will be the first of the following month.	To start participating, log into Workday, select the Benefits Worklet, and click on Retirement Savings. If initiation is between the second and the end of the month, the effective date will be the first of the following month.

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Summary of plan Advantages	<p>Here's a brief summary of the advantages of a 401(k) plan:</p> <p>Contributions can be made with pre-tax dollars, reducing taxable income and allowing investments to grow tax-deferred until retirement.</p> <p>Generous annual contribution limits, including catch-up contributions for those over 50.</p> <p>Allows for Roth after-tax contributions, with tax-free growth and withdrawals in retirement.</p> <p>Easy and consistent saving through automatic paycheck deductions.</p> <p>Ability to borrow from your account in case of financial emergencies.</p> <p>Roll over your 401(k) to another retirement account, like an IRA, when changing jobs.</p> <p>Tax-deferred or tax-free growth allows investments to compound over time, increasing your savings.</p> <p>The 401(k) plan is a powerful tool for building retirement savings.</p>	<p>Here's a brief summary of the advantages of a 457(b) plan:</p> <p>Contributions can be made with pre-tax dollars, allowing investments to grow tax-deferred until retirement.</p> <p>Generous annual contribution limits, with additional catch-up contributions for those nearing retirement.</p> <p>Allows for Roth after-tax contributions, with tax-free growth and withdrawals in retirement.</p> <p>No 10% penalty for withdrawals before age 59½, offering flexibility if you retire early.</p> <p>Access your funds without penalties after leaving your job, regardless of age.</p> <p>Roll over your 457(b) to another retirement plan, like a 401(k), 403(b), or IRA, when changing jobs.</p> <p>You can contribute to a 457(b) in addition to a 401(k) or 403(b), maximizing retirement savings.</p> <p>The 457(b) plan is ideal for those looking for flexibility and additional retirement savings options, especially for early retirees or government and non-profit employees.</p>	<p>Here's a brief summary of the advantages of a 403(b) plan:</p> <p>Contributions can be made with pre-tax dollars, reducing taxable income and allowing investments to grow tax-deferred until retirement.</p> <p>Allows for Roth after-tax contributions, with tax-free growth and withdrawals.</p> <p>Generous annual contribution limits, including additional catch-up contributions for those over 50.</p> <p>Easy and consistent saving through automatic deductions from your paycheck.</p> <p>Ability to borrow from your account in case of emergencies.</p> <p>No 10% penalty if you retire at 55 or later (50 for public safety employees).</p> <p>Roll over to other retirement accounts when changing jobs.</p> <p>No required minimum distributions if rolled into a Roth IRA, offering flexibility.</p> <p>This makes the 403(b) a solid option for tax-advantaged retirement savings, particularly for those in public education or non-profits.</p>

Note that this is not a legal document and is for informational purposes only. Please contact the DCSD Benefits Team with any further questions.