



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

| Feature                                                           | 457(b)                                                                                                                                                                                                                                                         | 403(b)                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contribution maximum limits (can contribute to both plans)</b> | 2025: \$23,500; \$31,000 age 50+, \$34,750 ages 60-63                                                                                                                                                                                                          | 2025: \$23,500; \$31,000 age 50+, \$34,750 ages 60-63                                                                                                                                                                                                             |
| <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%                                                                                                                                                                                                                                                               |
| <b>Investment options</b>                                         | Managed allocations or self-directed mutual funds.                                                                                                                                                                                                             | Fixed/Variable interest annuities or mutual funds/custodial accounts                                                                                                                                                                                              |
| <b>Investment committee/advisor oversight</b>                     | Yes, managed by TCG Advisors and Investment Oversight Board (comprised of superintendents & CFO's).                                                                                                                                                            | No                                                                                                                                                                                                                                                                |
| <b>Distribution restrictions</b>                                  | Funds can be requested upon: <ul style="list-style-type: none"><li>o Age 59 1/2</li><li>o Separation from employer</li><li>o Disability</li><li>o Death</li><li>o Unforeseeable emergency</li></ul>                                                            | Funds can be requested upon: <ul style="list-style-type: none"><li>o Age 59 1/2</li><li>o Age 55 and/or leaving employer</li><li>o Disability</li><li>o Death</li><li>o Financial hardship</li></ul>                                                              |
| <b>Financial Hardship/Unforeseeable Emergency Distributions</b>   | Must be an unforeseeable Emergency. Can include the following criteria is met: <ul style="list-style-type: none"><li>o Medical expenses</li><li>o Funeral expenses</li><li>o Foreclosure/eviction</li><li>o Certain hurricanes and natural disasters</li></ul> | Qualified for the following causes: <ul style="list-style-type: none"><li>o Medical care</li><li>o Foreclosure/eviction</li><li>o Tuition payment</li><li>o Buying a home</li><li>o Funeral costs</li><li>o Home repair costs</li><li>o Disaster relief</li></ul> |
| <b>Loans</b>                                                      | Permitted; loans from all qualified plans limited to the lesser of 50,000 or 50% of vested account balance.                                                                                                                                                    | Permitted; loans from all qualified plans limited to the lesser of \$50,000 or 50% of vested account balance.                                                                                                                                                     |
| <b>Required minimum distributions</b>                             | 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.**

Schedule a TeleWealth™ virtual meeting at [www.tcgservices.com/telewealth](https://www.tcgservices.com/telewealth) or by calling the Advisor Hotline at 512-600-5204.

