



## Comparison of Retirement and Deferred Compensation Plans - 2013

	<b>403(b) Retirement Plan</b>	<b>457(b) Government Plan</b>	<b>457(b) Tax-Exempt Plan</b>
<b>Eligibility and Participation Requirements</b>	<ul style="list-style-type: none"> <li>Generally, eligibility may be extended to any individual who performs services for the employer</li> </ul>	<ul style="list-style-type: none"> <li>For public employers.</li> <li>Generally, eligibility may be extended to any individual who performs services for the employer.</li> </ul>	<ul style="list-style-type: none"> <li>For private employers.</li> <li>Participation must be limited to a "top-hat" group of management or highly compensated employees.</li> </ul>
<b>Employee Salary Reduction (Pretax) Contributions</b>	<ul style="list-style-type: none"> <li>Permitted. Generally, limited to the lesser of \$17,500 or 100% of compensation in 2013.</li> <li>Contributions must be aggregated with Roth contributions when applying limits.</li> <li>Governed by Section 415 and 402(g).</li> </ul>	<ul style="list-style-type: none"> <li>Permitted limited to the lesser of \$17,500 or 100% of compensation in 2013.</li> <li>Governed by Section 457 (b)(2).</li> <li>Assets must be held in trust or certain insurance contracts.</li> </ul>	<ul style="list-style-type: none"> <li>Permitted limited to the lesser of \$17,500 or 100% of compensation in 2014 and 2013.</li> <li>Once deferred, funds become assets of the employer and subject to the claims of the employer's creditor's</li> <li>Governed by Section 457(b)(2).</li> </ul>
<b>Employees Roth (After-Tax) Contributions</b>	<ul style="list-style-type: none"> <li>Permitted. Generally limited to the lesser of \$17,500 or 100% of compensation in 2014 and 2013. Contributions must be aggregated with Salary Reduction contributions when applying limits.</li> <li>Governed by Section 415 and 402(g).</li> </ul>	<ul style="list-style-type: none"> <li>Permitted – subjected to limits above.</li> </ul>	<ul style="list-style-type: none"> <li>Not permitted.</li> </ul>
<b>Employee Salary Deduction (Ordinary After-Tax Contributions)</b>	<ul style="list-style-type: none"> <li>Permitted. 415 limits apply.</li> </ul>	<ul style="list-style-type: none"> <li>Not Permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Not Permitted.</li> </ul>
<b>Section 415 Contributions Limits</b>	<ul style="list-style-type: none"> <li>Applies. Limit is the lesser of \$51,000 or 100% of compensation in 2013, subject to future indexing in \$1,000 increments.</li> <li>Generally, a separate 415 limit for 403(b) and qualified plans.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>
<b>Section 402(g) Limit</b>	<ul style="list-style-type: none"> <li>Applies to Salary Reduction Roth contributions</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>
<b>Section 401(a)(17) Compensation Limit</b>	<ul style="list-style-type: none"> <li>Applies. Limit is \$260,000 and \$255,000 in 2014 and 2013, respectively, subject to future indexing in \$5,000 increments.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>

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<b>Contribution Coordination</b>	<ul style="list-style-type: none"> <li>Employee pretax and Roth contributions to 403(b) and 401(k) plans in the same year are limited in the aggregate to the Section 402(g) limit. However, 457(b) contributions are excluded.</li> </ul>	<ul style="list-style-type: none"> <li>All public and private 457(b) contributions are aggregated.</li> <li>Not subject to the 402(g) limit.</li> <li>Subject to 457(b)(2) limit.</li> </ul>	<ul style="list-style-type: none"> <li>All Public and private 457(b) contributions are aggregated.</li> <li>Not subject to the 402(g) limit.</li> <li>Subject to 457(b)(2) limit.</li> </ul>
<b>Age 50 Catch-Up Amounts Section 414(v)</b>	<ul style="list-style-type: none"> <li>Plan may permit those age 50 and over to make an additional \$5,500 pretax or Roth elective salary deferral in 2013.</li> <li>Age 50 catch-up contributions can be made to both 403(b) and 457(b) plans in the same year. One catch-up allowed for (401(k) and 403(b) including Roth contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Plan may permit those age 50 and over to make an additional \$5,500 elective salary deferral in 2013. Age 50 and over contributions available to 457(b) and 403(b) plans in the same year. If within three years of plan's normal retirement age, employee is eligible for the greater of either the age 50 catch-up or the enhanced limit described under the following "Other catch-up amounts" feature (not both).</li> <li>One catch-up for all 457(b) plans</li> </ul>	<ul style="list-style-type: none"> <li>Not Available.</li> </ul>
<b>Other Catch-Up Amounts</b>	<ul style="list-style-type: none"> <li>Those with 15 or more years of service at the same qualifying employer may be able to make up to an additional \$3,000 elective salary deferral and/or Roth contribution per year (\$15,000 max lifetime).</li> <li>Prior-year contributions may limit this amount.</li> <li>Employee may make both 50 and 15-year catch-up contributions in the same year. Ordering rule applies excess contributions to 15-year catch-up first.</li> </ul>	<ul style="list-style-type: none"> <li>Those within three years of the plan's normal retirement age are eligible for an enhanced limit and may make additional contributions up to the lesser of twice the applicable annual limit or the annual limit plus an unused amounts from prior years.</li> <li>Employee may make the greater of the enhanced contribution limit or the age 50 catch-up (not both)</li> </ul>	<ul style="list-style-type: none"> <li>Those within three years of the plan's normal retirement age are eligible for an enhanced limit and may make additional contributions up to the lesser of twice the applicable annual limit or the annual normal limit plus any unused amounts from prior years.</li> <li>Age 50 catch-up is not permitted.</li> </ul>
<b>Total Contributions Limit (Employer + Employee)</b>	<ul style="list-style-type: none"> <li>Lesser of 100% of taxable compensation or \$51,000 in 2013.</li> <li>Governed by Section 415.</li> </ul>	<ul style="list-style-type: none"> <li>Lesser of 100% of taxable compensation or \$17,500 in 2013.</li> <li>Governed by Section 457 (b)(2).</li> </ul>	<ul style="list-style-type: none"> <li>Lesser of 100% of taxable compensation or \$17,500 in 2013.</li> <li>Governed by Section 457(b)(2).</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>Funded – not subject to the claims of creditors of the employer</li> </ul>	<ul style="list-style-type: none"> <li>Assets must be held in trust or certain insurance contracts.</li> </ul>	<ul style="list-style-type: none"> <li>Unfunded – subject to the claims of creditors of the employer.</li> </ul>

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<b>Vesting Employer – Matching Contributions</b>	<ul style="list-style-type: none"> <li>Employer-matching contributions to voluntary employee contributions must be fully vested either after three years, or in 20% 1 increments beginning with the employee’s second year of service (with full vesting after the employee has completed six years of service).</li> </ul>	<ul style="list-style-type: none"> <li>Delayed vesting should be avoided as it could result in participants exceeding annual limits in the year the employer contribution vests. The 457(b)(2) is applied to the year of vesting.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed vesting should be avoided as it could result in participants exceeding annual limits in the year the employer’s contribution vests. The 457(b)(2) is applied to the year of vesting.</li> </ul>
<b>Vesting: Employer – Non- Matching Contributions</b>	<ul style="list-style-type: none"> <li>For plan years beginning after 12/31/2006, employer non-matching contributions must be fully vested either after three years or in 20% increments beginning in the second year (with full vesting after the employee has completed six years of service).</li> </ul>	<ul style="list-style-type: none"> <li>Delayed vesting should be avoided, as it could result in participants exceeding annual limits in the year the employer contribution vests.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed vesting should be avoided, as it could result in participants exceeding annual limits in the year the employer contribution vests.</li> </ul>
<b>Maximum Waiting Periods</b>	<ul style="list-style-type: none"> <li>For plans with immediate vesting: two years and age 21 or one year and age 26 (latter for educational institutions only).</li> <li>For delayed vesting plan: one year and age 21.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable.</li> </ul>
<b>Loans</b>	<ul style="list-style-type: none"> <li>Permitted</li> </ul>	<ul style="list-style-type: none"> <li>Permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Not Permitted</li> </ul>
<b>Distribution Triggering Events</b>	<ul style="list-style-type: none"> <li>Severance from service, age 59 ½, disability or death.</li> <li>Hardship (contributions only) may also be available (hardship is not a triggering event for employer contributions to 403(b)(7) mutual fund).</li> </ul>	<ul style="list-style-type: none"> <li>Severance from service, age 70 ½ or death.</li> <li>Unforeseeable emergency, small sum withdrawal and loans may also be available.</li> </ul>	<ul style="list-style-type: none"> <li>Severance from service, age 70 ½ or death.</li> <li>Unforeseeable emergency, small sum withdrawal and loans may also be available.</li> </ul>
<b>Early Withdrawal Penalty</b>	<ul style="list-style-type: none"> <li>Applies, generally 10% before age 59 ½.</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>
<b>Direct Transfers and Rollovers Out</b>	<ul style="list-style-type: none"> <li>Rollovers permitted to IRA, 401(a), 401(k), 457(b) public and other 403(b) plans that accept them</li> <li>Not permitted to 457(b) private plans or Roth 403(b) or Roth 401(k). Direct Transfers permitted to approve funding vehicles only.</li> </ul>	<ul style="list-style-type: none"> <li>Permitted to IRA, 403(b), 401(a), 4101(k) and other 457(b) public plans that accept them – assets are subject to the rules of the new plan including possible 10% penalty on early withdrawals.</li> <li>Not permitted to 457(b) private plans.</li> </ul>	<ul style="list-style-type: none"> <li>Rollovers to other plans are not permitted by the IRC.</li> <li>Direct transfers to another 457(b) private plan may be permitted only if both the sending and receiving plans allow it.</li> </ul>



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<b>Direct Transfers and Rollovers In</b>	<ul style="list-style-type: none"> <li>• Rollovers accepted if new plan permits, from IRA, 401(a), 401(k), 457(b), plans – subject to the rules of the new plan.</li> <li>• Distributions of rollover account permitted if plan allows.</li> <li>• Not permitted from 457(b) private plans. Plan-to-plan transfers allowed for current and former employers if new plan permits.</li> </ul>	<ul style="list-style-type: none"> <li>• Accepted if new plan permits from IRA, 403(b), 401(a) and 401(k) plans – 10% penalty on early withdrawal still applies.</li> <li>• Direct transfers from other 457(b) public plans permitted, if plan allows.</li> <li>• Not permitted from 457 private plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Rollovers from other plans are not permitted by the IRC.</li> <li>• Direct transfers from another 457(b) private plan may be permitted only if both the sending and receiving plan allows it.</li> </ul>
<b>Minimum Distribution Requirements</b>	<ul style="list-style-type: none"> <li>• Applicable to accumulation at age 70 ½ (age 75 for pre-1987 accumulations) or retirement, if later.</li> <li>• 1099-R issued.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable to entire accumulation at age 70 ½ or retirement, if later.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable to entire accumulation at age 70 ½ or retirement, if later.</li> </ul>
<b>Tax Reporting</b>	<ul style="list-style-type: none"> <li>• 1099-R issued</li> </ul>	<ul style="list-style-type: none"> <li>• 1099-R</li> </ul>	<ul style="list-style-type: none"> <li>• W-2</li> </ul>
<b>Taxability</b>	<ul style="list-style-type: none"> <li>• Amounts are generally taxable when distributed except for after-tax contributions</li> <li>• Roth distributions are tax free if first contribution was made at least 5 years earlier and the owner is at least 59 ½, disabled or deceased.</li> </ul>	<ul style="list-style-type: none"> <li>• Amounts are taxable when distributed. Roth distributions are tax free if first contribution was made at 5 years earlier and the owner is at least 59 1/2 , disabled or deceased.</li> </ul>	<ul style="list-style-type: none"> <li>• Amounts are taxable when paid or “made available,” whichever comes first.</li> </ul>

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Belfint, Lyons & Shuman can assist,  
please contact us at [info@belfint.com](mailto:info@belfint.com)  
or visit [www.Belfint.com](http://www.Belfint.com).**

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