

403(b) and 457(b) plans at a glance

Features	403(b) Plan	457(b) Deferred Compensation Plan
Eligibility and participation	All Drexel employees are eligible to participate upon hire except for student employees.	Drexel University faculty and professional staff whose salary in their primary position exceeds \$150,000 during a calendar year.
Types of contributions	Pre-tax and Roth (after tax).	Pre-tax only. Note: Unlike the 403(b) Plan, which is a qualified plan, the 457(b) Plan is a non-qualified deferred compensation arrangement. This means that the assets that are held pursuant to the 457(b) Plan will be subject to the claims of all unsecured creditors of the University if the University becomes bankrupt or insolvent.
Maximum annual contributions	\$23,000 in 2024 (includes pre-tax and Roth contributions combined). Employees may contribute the maximum to both 403(b) and 457(b) plans.	\$23,000 in 2024. Pre-tax only.
Contribution coordination	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans.	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans.
Catch-up contributions	At age 50 or above, an additional \$7,500 elective salary deferral may be permitted in 2024.	Plan participants who are within three years of the normal retirement age of 65 and who have not contributed the maximum contribution amount permitted under the applicable Internal Revenue Code (IRC) may be eligible to contribute additional catch-up contributions for the years they did not contribute the maximum. Contact TIAA for assistance with calculating your potential catch up amount.
Loans	Permitted through TIAA only, availability subject to Plan rules. See Summary Plan Description for specific rules.	Not permitted.
Rollovers out of the Plan	<ul style="list-style-type: none"> Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans. Rollovers are NOT permitted to another 457(b) private plan. 	<ul style="list-style-type: none"> Not permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans. Direct transfers to another 457(b) private plan may be permitted only if both plans allow for the transaction. Consult Plan document for specific rules.
Direct transfers and rollovers in	<ul style="list-style-type: none"> Rollovers accepted from IRA, 401(a), 401(k), 457(b) governmental and other 403(b) plans. Rollover funds become subject to distribution rules of the Plan. Plan-to-plan transfers allowed for current and former employees. 	Direct transfers permitted from other 457(b) private plans.
Distributable event	<ul style="list-style-type: none"> Severance from employment, age 59½, disability or death. Hardship distributions may be available from employee contributions. Consult Summary Plan Description for specific rules. 	<ul style="list-style-type: none"> Severance from employment, retirement, age 70½ or death. Unforeseeable emergency withdrawals are available and subject to Plan Sponsor approval.
Early withdrawal penalty	<ul style="list-style-type: none"> 10% on withdrawals generally before age 59½. Exceptions include death and disability. 	N/A

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Distribution options*	<ul style="list-style-type: none"> ▪ Lump sums ▪ Installments ▪ Required minimum distribution option ▪ Fixed-period annuities (2-30 years) ▪ Lifetime annuities 	<ul style="list-style-type: none"> ▪ Lump sums ▪ Installments ▪ Required minimum distribution option ▪ Fixed-period annuities (2-30 years) ▪ Lifetime annuities
Minimum distribution requirements	Applicable to entire accumulated balance at age 73 (age 75 for pre-1987 accumulated balance) or at retirement, if later.	Applicable to entire accumulated balance at age 73 or at retirement, if later.
Tax reporting	1099-R issued.	W-2 earnings.
Taxability**	Pre-tax contributions will be taxed in the year you take the distribution. Roth distributions are tax free if first contribution was made at least five years earlier and the owner is at least 59½, disabled or deceased.	Pre-tax contributions will be taxed in the year you take the distribution.

*These are descriptions of distribution methods that are typically available. Note that specific distribution options differ by contract type.

**See a tax advisor regarding your particular situation.

Visit the [Drexel University Human Resources page \(https://drexel.edu/hr/benefits/retirement/457b/\)](https://drexel.edu/hr/benefits/retirement/457b/) to learn more about your 457(b) deferred compensation plan options, or visit TIAA.org/schedulenow to schedule a one-on-one advice and education session with a TIAA financial consultant. You may also call 800-842-2252 to speak with a TIAA representative weekdays, from 8 a.m. to 10 p.m, ET.



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