

# 403(b) and 457(b) Plans at a glance

Features	403(b) Plan	457(b) Deferred Compensation Plan
<b>Eligibility and participation</b>	All Drexel employees are eligible to participate upon hire except for student employees, co-op positions.	Drexel University faculty and professional staff whose salary exceeds \$150,000 during a calendar year.
<b>Types of contributions</b>	Pre-tax and Roth (after tax)	Pre-tax only.
<b>Maximum annual contributions</b>	\$19,500 in 2021 (includes Pre-tax and Roth contributions combined). Employee may contribute the maximum to both 403(b) and 457(b) Plans	\$19,500 in 2021. Pre-tax only.
<b>Contribution coordination</b>	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.
<b>Catch-up contributions</b>	At age 50 or above, an additional \$6,500 elective salary deferral may be permitted in 2021.	<ul style="list-style-type: none"> <li>Those within three years prior to the Plan's normal retirement age of 65 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 any unused amounts from prior years.</li> </ul>
<b>Loans</b>	Permitted through TIAA only, availability subject to Plan rules. See Summary Plan Description for specific rules.	Not permitted.
<b>Rollovers out of the plan</b>	<ul style="list-style-type: none"> <li>Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental Plans.</li> <li>Rollovers are NOT permitted to another 457(b) private Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Not Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental Plans.</li> <li>Direct transfers to another 457(b) private Plan may be permitted only if both Plans allow for the transaction.</li> <li>Consult Plan document for specific rules</li> </ul>
<b>Direct transfers and rollovers in</b>	<ul style="list-style-type: none"> <li>Rollovers accepted from IRA, 401(a), 401(k), 457(b) governmental and other 403(b).</li> <li>Rollover funds become subject to distribution rules of the Plan.</li> <li>Plan-to-Plan transfers allowed for current and former employees.</li> </ul>	<ul style="list-style-type: none"> <li>Direct transfers permitted from other 457(b) private Plans.</li> </ul>
<b>Distributable Event</b>	<ul style="list-style-type: none"> <li>Severance from employment, age 59½, disability or death.</li> <li>Hardship distributions may be available from employee contributions. Consult Summary Plan Description for specific rules.</li> </ul>	<ul style="list-style-type: none"> <li>Severance from employment, retirement, age 72 or death.</li> <li>Unforeseeable emergency, withdrawals are available and subject to Plan Sponsor approval.</li> </ul>
<b>Early withdrawal penalty</b>	<ul style="list-style-type: none"> <li>10% on withdrawals generally before age 59½.</li> <li>Exceptions include death and disability.</li> </ul>	N/A

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<b>Distribution options*</b>	<ul style="list-style-type: none"> <li>▪ Lump sums</li> <li>▪ Installments</li> <li>▪ Required minimum distribution option</li> <li>▪ Fixed-period annuities (5-30 years)</li> <li>▪ Lifetime annuities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lump sums</li> <li>▪ Installments</li> <li>▪ Required minimum distribution option</li> <li>▪ Fixed-period annuities (2-30 years)</li> <li>▪ Lifetime annuities</li> </ul>
<b>Minimum distribution requirements</b>	Applicable to entire accumulated balance at age 72 (age 75 for pre-1987 accumulated balance) or at retirement, if later.	Applicable to entire accumulated balance at age 72 or at retirement, if later.
<b>Tax reporting</b>	1099-R issued.	W-2 earnings.
<b>Taxability**</b>	Pretax 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.	Pretax 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-drexel](https://TIAA.org/schedulenow-drexel) to schedule a one-on-one advice and education session with a TIAA financial consultant.



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