



Comparison Chart of 403(b) and 457(b) Plans

Feature	403(b) Plan	457(b) Plan
Eligibility	Tax deferred retirement plan available to employees of 501(c)(3) not for profit organizations as well as public educational organizations. Eligible employees include teachers of private k-12 schools, public school teachers, employees of colleges, churches, and research organizations.	Non qualified tax deferred plan governed by IRC Section 457. Since there are government and tax exempt private 457 plans, this comparison will focus on government plans of state and local entities only. Eligible employees include fire fighters, public school teachers, and police personnel to name a few.
Before Tax Contributions (Salary Reduction)	Lesser of \$19,000 in 2019 or 100% of compensation. Governed by Sections 415 and 402(g).	Lesser of \$19,000 in 2019 or 100% of compensation. Governed by Section 457.
Age 50 Catch-up	For employees age 50 and over, an additional \$6,000 in 2019 of elective deferrals are permitted. Can use age 50 for 403(b) and 457(b) in the same year.	For employees age 50 and over, an additional \$6,000 in 2019 of elective deferrals are permitted. Can use age 50 for 403(b) and 457(b) in the same year.
Other Catch-Up Amounts	For employees with 15 or more years of service at qualifying institution, up to an additional \$3,000 per year in elective salary deferral is permitted for a lifetime maximum of \$15,000.	For those within 3 years of normal retirement age, additional amount up to the lesser of twice the applicable limit or the applicable amount plus unused amounts from prior years.
Vesting (ownership of contributions)	Immediate	Immediate
Loans	Permitted.	Not permitted under the Wisconsin Deferred Compensation Plan.
Triggering Events for Distribution	Separation from service, age 59½, disability or death. Hardships may also be available.	Separation from service, age 70½ or death. Unforeseeable emergency may also be available.

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(Cont.)

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Early Withdrawal Penalty	At least age 55 and retired, or 59½ (regardless of employment status) – receive plan payout without tax penalty.	Plan payout upon retirement or separation from State service without tax penalty (no age requirement).
Rollovers Out	Permitted to IRA, 401(k), 457(b) Public, other 403(b) plans.	Permitted to IRA, 401(k), other 457(b) Public but not private, other 403(b) plans.
Minimum Distribution Requirements 403(b) plans have a grandfathered provision	Yes – applicable to accumulation at age 70½ (age 75 for pre-1987 accumulations) or retirement, if later.	Yes – applicable to entire accumulation at age 70½ or retirement, if later.
Funding	Not subject to creditors of employer.	Not subject to creditors of employer.
Plan Document	Yes, required under the new regulations	Always required.
Type of Contract	Individual contracts directly with investment sponsor	Funded public plan. Assets are held in one or more group annuity contracts with the investment sponsor for the exclusive benefit of participants and their beneficiaries.
Vendors	Voya MetLife TIAA-CREF WEA Trust	Wisconsin Deferred Compensation