

PLAN COMPARISON CHART

Understand the differences among your options.

One of the decisions you will have to make when you enroll is whether to choose a 401(k) or 457 Plan. These two plans have very similar features, and you may compare them by using the chart. Make sure to review the differences and carefully consider your options before enrolling.

	401(k) Plan	457 Plan	401(k)/457 Roth
Contribution types	Pre-tax	Pre-tax	After-tax
Taxability	Reduces your taxable income in the year you contribute.	Reduces your taxable income in the year you contribute.	Contributions are made after taxes are withheld. The accumulated balance gives you the opportunity for tax-free income during retirement (provided that the withdrawal is made on account of the participant's death, disability, or attainment of age 59½ and the withdrawal is made 5 years or more after January 1st of the first year that the participant made a Roth contribution.)
Deferral limits	<ul style="list-style-type: none"> • Minimum monthly contribution is \$50 on a pre-tax basis. • Maximum annual contribution limit is \$18,000 for 2016. 	<ul style="list-style-type: none"> • Minimum monthly contribution is \$50 on a pre-tax basis. • Maximum annual contribution limit is \$18,000 for 2016. • The 457 Plan annual contribution limit includes part-time, seasonal and temporary employees retirement program (PST) contributions. 	<ul style="list-style-type: none"> • Minimum monthly contribution is \$50 on a after-tax basis. • Maximum annual contribution limit is \$18,000 per plan for 2016.

Note: The \$18,000 maximum contribution limit is a combination both pre-tax and Roth contributions. Each plan has its own \$18,000 limit.

	401(k) Plan	457 Plan	401(k)/457 Roth
Contribution types	Pre-tax	Pre-tax	After-tax
<p>Age-based deferral (age 50 or older) allows additional deferrals to both plan types</p> <p>Note: The \$24,000 age based maximum contribution limit is a combination of both pre-tax and Roth contributions. Each plan has its own age based deferral limit of \$24,000.</p>	<ul style="list-style-type: none"> • \$18,000 plus \$6,000 (age-based deferral) for a total of \$24,000 annually for 2016. 	<ul style="list-style-type: none"> • \$18,000 plus \$6,000 (age-based deferral) for a total of \$24,000 annually for 2016. • You cannot participate in 457 Traditional Catch-up and 457 age-based deferral in the same year. • The 457 age-based deferral limit includes PST contributions. 	<ul style="list-style-type: none"> • \$18,000 plus \$6,000 (age-based deferral) for a total of \$24,000 annually for 2016. • The combined total of your Roth and pre-tax contributions cannot exceed the annual limit.
Traditional Catch-up option	Not available.	<ul style="list-style-type: none"> • Traditional Catch-up may allow you up to double the annual 457 Plan contribution limit. For 2016, the maximum contribution may be up to \$36,000. • The Catch-up amount allowed is limited to your underutilized amount in the previous years while employed by the State and eligible to contribute to the 457 Plan. • Utilize Traditional Catch-up for a maximum of three consecutive years. You cannot use this feature until three years prior to, but not including, the year of your normal retirement age. 	<ul style="list-style-type: none"> • Not available for 401(k) Roth contributions. • Traditional Catch-up may allow you up to double the annual 457 Plan contribution limit. For 2016, the maximum contribution may be up to \$36,000. • The Catch-up amount allowed is limited to your underutilized amount in the previous years while employed by the State and eligible to contribute to the 457 Plan. • Utilize Traditional Catch-up for a maximum of three consecutive years. You cannot use this feature until three years prior to, but not including, the year of your normal retirement age. • 457 Roth and pre-tax Catch-up contributions cannot exceed the 2016 maximum limit of \$36,000.

	401(k) Plan	457 Plan	401(k)/457 Roth
Contribution type	Pre-tax	Pre-tax	After-tax
Rollovers	Roll over your pre-tax funds from an eligible or qualified employer's plan or "pre-tax" IRA to Savings Plus. Access your account to learn more about rollover restrictions.	Roll over your pre-tax funds from an eligible or qualified employer's plan or "pre-tax" IRA to Savings Plus. Access your account to learn more about rollover restrictions.	Roll over your Roth funds from an eligible or qualified employer's plan to Savings Plus. Access your account to learn more about rollover restrictions.
Online investment advice	Online investment advice is available at no extra charge to you to help you with your saving and financial goals.	Online investment advice is available at no extra charge to you to help you with your saving and financial goals.	Online investment advice is available at no extra charge to you to help you with your saving and financial goals.
Professional management	Nationwide ProAccount allows you to have advisors create and maintain a personalized retirement strategy for your Savings Plus account for an additional management fee.	Nationwide ProAccount allows you to have advisors create and maintain a personalized retirement strategy for your Savings Plus account for an additional management fee.	Nationwide ProAccount allows you to have advisors create and maintain a personalized retirement strategy for your Savings Plus account for an additional management fee.
Withdrawal prior to separation from service	<p>Prior to age 59½, a hardship withdrawal is available for specific medical, home, post-secondary education and funeral expenses, if criteria are met. Access your account to find out more about reasons/criteria required.</p> <ul style="list-style-type: none"> • Only contributions are available — earnings on those contributions are not available for withdrawal. • Neither pre-tax nor Roth contributions may be made to the 401(k) Plan or the 457 Plan for six months after a hardship withdrawal. <p>Rollover withdrawal is available if you have rolled over assets from a prior employer's plan or taxable amounts from an IRA.</p> <p>Note: an additional 10% early excise tax may apply</p> <p>Participants age 59½ or older may take in-service withdrawals without an additional 10% excise tax.</p>	<p>Unforeseeable emergency withdrawal is available for severe financial hardships that are out of your control, if criteria are met. Access your account to find out more about reasons/criteria required.</p> <ul style="list-style-type: none"> • Pre-tax contributions and earnings are available for withdrawal. • Neither pre-tax nor Roth contributions may be made to the 401(k) Plan or the 457 Plan for six months after a hardship withdrawal. <p>Voluntary in-service withdrawal is available if your total account balance does not exceed \$5,000, and</p> <ul style="list-style-type: none"> • You have not made any PST or 457 contributions within the last 2 years, and • You have not received a prior distribution from the 457 Plan under this provision. <p>A rollover withdrawal is available if you have rolled over assets from a prior employer's plan.</p> <p>No excise tax for early withdrawal.</p>	<p>In order to be considered a qualified distribution, the withdrawal must be made on account of the death, disability, or attainment of age 59½ and it must be made 5 years or more after January 1st of the first year that you made a Roth contribution. Access your account to find out more about reasons/criteria required.</p> <ul style="list-style-type: none"> • The withdrawal rules for your Roth account follow the same guidelines as the 401(k) and 457 Plan's pre-tax withdrawal rules. • Neither pre-tax nor Roth contributions may be made to the 401(k) Plan or the 457 Plan for six months after a hardship or unforeseeable emergency withdrawal.

	401(k) Plan	457 Plan	401(k)/457 Roth
Contribution type	Pre-tax	Pre-tax	After-tax
Withdrawal after separation from service	<p>You are eligible to receive a distribution when you separate or retire, regardless of age. All payouts are subject to ordinary income taxes. You are eligible to receive a distribution without an additional 10% excise tax if you are 1) Retired or separated after age 55 or 2) After age 59½, regardless of your employment status. If you receive a payment and do not meet one of those two criteria, you may be subject to pay an additional 10 percent federal excise tax and, if you are a California resident, a 2½ percent state tax.</p> <p>Additional excise taxes may apply unless you qualify for one of the exceptions allowed by the IRS. Contact Savings Plus to discuss exceptions.</p> <p>Options available to you:</p> <ol style="list-style-type: none"> 1. Leave funds in Savings Plus. Once you reach age 70½, the IRS requires you to receive a minimum payment each year. 2. Withdraw funds directly — as a partial or lump sum. 3. Receive periodic payments. 4. Any combination of the above. 	<p>You are eligible to receive a distribution when you separate or retire, regardless of age without being subject to an excise tax. All payouts are subject to ordinary income taxes.</p> <p>Options available to you:</p> <ol style="list-style-type: none"> 1. Leave funds in Savings Plus. Once you reach age 70½, the IRS requires you to receive a minimum payment each year. 2. Withdraw funds directly — as a partial or lump sum. 3. Receive periodic payments. 4. Any combination of the above. <p>If you have 401(k) Plan rollover money in the 457 Plan, the money rolled in retains the same characteristics and rules as the 401(k) Plan.</p>	<p>You are eligible to receive a tax-free (qualified) distribution of 401(k) and 457 Roth contributions and earnings if the withdrawal is made on account of the participant's death, disability, or attainment of age 59½ and the withdrawal is made 5 years or more after January 1st of the first year that the participant made a Roth contribution.</p> <p>Options available to you:</p> <ol style="list-style-type: none"> 1. Leave funds in Savings Plus. Once you reach age 70½ the IRS requires you to receive a minimum payment each year. 2. Withdraw funds directly — as a partial or lump sum. 3. Receive periodic payments. 4. Any combination of the above. <p>If you receive a non-qualified distribution from your 401(k) Roth account before age 59½, you may be subject to an additional 10% federal excise tax on the taxable portion of the distribution. In addition, if you are a resident of the state of California, there is a 2½% state tax on top of normal taxes on the earnings.</p>

The above chart is for educational purposes only and is not intended as tax or legal advice. Please consult an attorney or tax professional regarding your specific tax situation.



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