

Summary of 2009 Retirement Options

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Qualified Plans

Question/Topic	Individual (k)	SEP/IRA	Simple 401(k)	Keogh	Profit Sharing
Who Can Establish?	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships-"Owners Only", Partnerships, LLC's, Businesses with "Excludable" Common-Law Employees	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, Non-Profit (Not eligible for salary deferral).	Employers with no more than 100 employees including sole proprietors and non-profit entities (cannot maintain another qualified plan).	Self-Employed, Sole Proprietorships, Partnerships	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Non-Profit
Maximum Eligibility Requirements	None	Worked for employer during any period of 3 of the last immediately preceding 5 years; however short. At least 21 years of age. \$550 annual compensation.	Employees must be 21 and have at least one year of service (typically 1,000 hours).	2 years of service with employer. 1,000 hours per year.	2 years of service with employer. 1,000 hours per year. At least 21 years of age.
Are Contributions Mandatory?	None	No	Employer-Yes Employee-Yes	Money Purchase, Yes. Profit Sharing, No.	No
Contribution Limits: Employer	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.	25% of each employee's compensation (maximum \$49,000) (\$245,000 salary cap)	Match deferrals 1-for-1 up to the first 3% of compensation (maximum match \$7,350) or non-elective contribution of 2% on first \$245,000.	MP-25% of participating payroll. PS-25% of participating payroll. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant. (\$245,000 salary cap)	PS-25% of participating payroll. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.
Contribution Limits: Individual	\$16,500 salary deferral limit under IRC Section 402(g).	Employee IRA - \$5,500	\$11,500 salary deferral limit under IRC section 408(p).	No employee contributions.	No employee contributions.
Catch-Up contributions for workers age 50 and older	\$5,500	\$1,000-Employee IRA \$5,500-(Existing SAR-SEP)	\$2,500	\$2,500-SIMPLE 401(k) \$2,500-SIMPLE IRA \$5,500-401(k)	Not Available
When must the plan be established?	By fiscal year-end (12/31 for calendar-year plan).	By tax-filing date plus extensions. Employee, on deferral basis.	Oct. 1 for businesses. As soon as administratively feasible for businesses established after Oct. 1	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).
When must contributions be made?	Unincorporated Business Employer/Employee Contributions By tax-filing date plus extensions Incorporated Business/Employer Contributions By tax-filing date plus extensions Incorporated Businesses /Employee Contributions No later than the 15th business day of the month following the month in which the deferrals are withheld.	Employer, by tax-filing date plus extensions. Employee, on deferral basis.	Employer by tax-filing date plus extensions. Employee, on deferral basis.	By tax-filing date plus extensions.	By tax-filing date plus extensions.
Who directs investments?	Individual	Individual	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.
Are loans available?	Yes	No	Yes	Yes	Yes
Vesting	Full & Immediate	Full & Immediate	Full & Immediate	3 vesting schedules: immediate, cliff, graded	3 vesting schedules: immediate, cliff, graded
Distributions before age 59 1/2	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% tax penalty utilizing substantially equal payments, death, disability, medical expenses, exceeding 7.5% AGI, or purchase of health insurance while employed.	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)

Qualified Plans

Question/Topic	Individual (k)	SEP/IRA	Simple 401(k)	Keogh	Profit Sharing
Distributions for ages 59 1/2 - 70 1/2	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty
Distributions after age 70 1/2	Required minimum distributions at the later age 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions. (May remove aggregate total from 1 account).	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner).	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.
How are distributions taxed?	Taxed as ordinary income.	Taxed as ordinary income	Taxed as ordinary income	Taxed as ordinary income	Taxed as ordinary income
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	One 60-day rollover per 12 month-month period. Reported as distribution and returned as a rollover contribution.	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).
Portability: Rollovers among plans	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA, Roth IRA (only if the taxpayer's AGI for the tax year does not exceed \$109,000, and the taxpayer is not married filing separately.	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA
Advantages	Generous contribution limits. Contribution flexibility. Immediate vesting. Simplified plan administration. No annual DOL 5500 reporting of plans below \$250,000 of assets. Access to loans. Asset consolidation.	Simple to establish and maintain. No annual IRS filing requirements. Contributions deductible for employer.	Contributions deductible for employer. No discrimination testing. Not subject to top-heavy rules. Some funding responsibility with employees. Deferral reduces taxable income to employee.	May exclude some part-time employees. Contributions deductible to employer.	Contributions discretionary. Flexibility in plan design. Loans may be allowed. Contributions, plan expenses may be deductible by employer. Vesting schedules.

Qualified Plans

Question/Topic	Money Purchase	401(k)	Defined Benefit
Who Can Establish?	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Non-Profit
Maximum Eligibility Requirements	2 years of service with employer. 1,000 hours per year. At least 21 years of age.	2 years of service with employer. 1,000 hours per year. At least 21 years of age.	2 years of service with employer. 1,000 hours per year. At least 21 years of age.
Are Contributions Mandatory?	Yes	No	Yes
Contribution Limits: Employer	MP-25% of participating payroll. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.	The employers current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.	Based on actuarial assumptions (i.e. age, compensation, etc.) (\$195,000 Annual Benefit Cap)
Contribution Limits: Individual	No employee contributions.	\$16,500 salary deferral limit under IRC Section 402(g)	No employee contributions
Catch-Up contributions for workers age 50 and older	Not Available	\$5,500	Not Available
When must the plan be established?	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).
When must contributions be made?	By tax-filing date plus extensions.	By tax-filing date plus extensions.	By tax-filing date plus extensions.
Who directs investments?	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee
Are loans available?	Yes	Yes	Yes
Vesting	3 vesting schedules: immediate, cliff, graded	3 vesting schedules: immediate, cliff, graded	3 vesting schedules: immediate, cliff, graded
Distributions before age 59 1/2	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)

Qualified Plans

Question/Topic	Money Purchase	401(k)	Defined Benefit
Distributions for ages 59 1/2 - 70 1/2	No Tax Penalty	No Tax Penalty	No Tax Penalty
Distributions after age 70 1/2	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.
How are distributions taxed?	Taxed as ordinary income	Taxed as ordinary income	Taxed as ordinary income
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).
Portability: Rollovers among plans	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA

Advantages	Contributions fixed. Plan expenses may be deductible by employer. Vesting schedules.	Flexibility in plan design; loans may be allowed. Contributions plan expenses may be deductible by employer. Funding responsibility with employees. Deferred amount reduces employee's taxable income. Vesting schedules.	Contribution levels may be substantially higher than other types of retirement plans. Favors older, highly compensated employees. Vesting schedules.
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Roth's

Question/Topic	Roth 401(k)	Roth IRA
Who Can Establish?	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, Non-Profit	Individual with compensation
Maximum Eligibility Requirements	2 years of service with employer. 1,000 hours per year. At least 21 years of age.	Must have earned income of <\$110,000 for single filers and <\$160,000 for joint filers
Are Contributions Mandatory?	No	No
Contribution Limits: Employer	The employer's current year deduction is 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.	N/A
Contribution Limits: Individual	\$16,500 salary deferral limit under IRC Section 402(g)	100% of earned income up to \$5,000 per individual to all IRAs.
Catch-Up contributions for workers age 50 and older	\$5,500	\$1,000
When must the plan be established?	By fiscal year-end (12/31 for calendar-year plan).	4/17/2006 for 2005
When must contributions be made?	By tax-filing date plus extensions.	4/17/2006 for 2005
Who directs investments?	Employer/Trustee or plan may allow individual direction.	Individual
Are loans available?	Yes	No
Vesting	3 vesting schedules: immediate, cliff, graded	Full & Immediate
Distributions before age 59 1/2	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% tax penalty on earnings unless withdrawal is for death, disability; first-time homebuyer (\$10,000 limit in aggregate to all IRAs); substantially equal periodic payments; certain major medical expenses; certain long-term unemployment expenses.

Roth's

Question/Topic	Roth 401(k)	Roth IRA
Distributions for ages 59 1/2 - 70 1/2	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59 1/2, or older, death, or disability. In any of these cases, the earnings withdrawn are tax-free.	No tax penalty for "qualified distributions." A distribution is qualified if the Roth IRA has been established for at least 5 years and one of the following events occurs: attainment of age 59 1/2, disability, death, or a first-time home purchase. In any of these cases, the earnings withdrawn are tax-free.
Distributions after age 70 1/2	Yes-Roth 401(k) is subject to minimum required distribution rules. However, prior to age 70 1/2, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 401(k) account that is an eligible rollover distribution.	No required minimum distributions at any age.
How are distributions taxed?	Principal and earnings withdrawn are tax free.	Principal and earnings withdrawn are tax-free.
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Roth IRA to Roth IRA - rules follow the Traditional IRA rollover rules.
Portability: Rollovers among plans	Roth IRA, Roth 403(b), Roth 401(k)	Roth IRA
Advantages	Tax-free growth, No income limits to qualify for a Roth account, unlike a Roth IRA, Higher contribution and catch-up limits than a Roth IRA	Tax-free growth

Roth's

Question/Topic	Roth 403(b) Non-ERISA Title 1 Plans with only Salary Deferral Contribution	Roth 403(b) ERISA Title 1 Plans with Employer Contributions
Who Can Establish?	Non-profit organizations exempt under IRC 501(c)(3) (e.g. churches, hospitals, and schools).	Non-profit organizations exempt under IRC 501(c)(3) (e.g. churches, hospitals, and schools).
Maximum Eligibility Requirements	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	Minimum participation, minimum coverage and nondiscrimination requirements may apply.
Are Contributions Mandatory?	Non-profit organizations exempt under IRC 501(c)(3) (e.g. churches, hospitals, and schools).	Generally no, but may be designed with Employer mandatory contributions.
Contribution Limits: Employer	Not Applicable	The employer's current year deduction is 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$49,000 per participant.
Contribution Limits: Individual	100% of compensation or \$16,500 whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$16,500 whichever is less. Special catch-up provisions may increase the contribution limit.
Catch-Up contributions for workers age 50 and older	\$5,500	\$5,500
When must the plan be established?	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.
When must contributions be made?	Salary deferral ongoing from payroll.	Employer-The plan may be funded any time during the calendar year. Employee-Salary deferral ongoing from payroll.
Who directs investments?	Individual	Employer/Trustee or plan may allow individual direction.
Are loans available?	Yes	Yes
Vesting	Full and immediate	Full and immediate
Distributions before age 59 1/2	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)

Roth's

Question/Topic	Roth 403(b) Non-ERISA Title 1 Plans with only Salary Deferral Contribution	Roth 403(b) ERISA Title 1 Plans with Employer Contributions
Distributions for ages 59 1/2 - 70 1/2	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59 1/2, or older, death, or disability. In any of these cases, the earnings withdrawn are tax-free.	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59 1/2, or older, death, or disability. In any of these cases, the earnings withdrawn are tax-free.
Distributions after age 70 1/2	Yes-Roth 403(b) is subject to minimum required distribution rules. However, prior to age 70 1/2, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 403(b) account that is an eligible rollover distribution.	Yes-Roth 403(b) is subject to minimum required distribution rules. However, prior to age 70 1/2, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 403(b) account that is an eligible rollover distribution.
How are distributions taxed?	Principal and earnings withdrawn are tax-free.	Principal and earnings withdrawn are tax-free.
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).
Portability: Rollovers among plans	Roth IRA, Roth 403(b), Roth 401(k)	Roth IRA, Roth 403(b)
Advantages	Tax-free growth, No income limits to qualify for a Roth account, unlike a Roth IRA, Higher contribution and catch-up limits than a Roth IRA	Tax-free growth, No income limits to qualify for a Roth account, unlike a Roth IRA, Higher contribution and catch-up limits than a Roth IRA

IRAs

Question/Topic	Traditional IRA	Simple IRA
Who Can Establish?	Individual with compensation	Employers with 100 or fewer employees who earned \$5,000 or more during prior year calendar year (cannot maintain another retirement plan).
Maximum Eligibility Requirements	Must have earned income and be under the age of 70 1/2.	\$5,000 for compensation for any 2 preceding years and is expected to earn \$5,000 in current years.
Are Contributions Mandatory?	No	Employer-Yes Employee-No
Contribution Limits: Employer	N/A	Match deferral \$1 for \$1 up to 3% of compensation or 2% (subject to \$245,000 salary cap) nonelective contribution.
Contribution Limits: Individual	100% of earned income up to \$5,000 per individual to all IRAs.	100% of earned income up to \$11,500
Catch-Up contributions for workers age 50 and older	\$1,000	\$2,500
When must the plan be established?	4/17/2006 for 2005	Oct 1 for existing business. As soon as administratively feasible for businesses established after Oct. 1
When must contributions be made?	4/17/2006 for 2005	Employer-by tax-filing date plus extensions. Employee-on a deferral basis.
Who directs investments?	Individual	Individual
Are loans available?	No	No
Vesting	Full & Immediate	Full & Immediate
Distributions before age 59 1/2	10% tax penalty on earnings unless withdrawal is for death, disability; a qualifying rollover; a direct transfer; the timely withdrawal of an excess contribution, certain qualified medical or educational expenses, and a first-time home purchase (\$10,000 limit in aggregate to all IRAs); Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.	10% tax penalty on earnings unless withdrawal is for death, disability; a qualifying rollover; a direct transfer; the timely withdrawal of an excess contribution, certain qualified medical or educational expenses, and a first-time home purchase (\$10,000 limit in aggregate to all IRAs); Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.
Distributions for ages 59 1/2 - 70 1/2	No Tax Penalty	No Tax Penalty
Distributions after age 70 1/2	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70 1/2.	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70 1/2.
How are distributions taxed?	Taxed as ordinary income.	Taxed as ordinary income.

IRAs

Question/Topic	Traditional IRA	Simple IRA
Eligible Rollovers	Traditional IRA to Traditional IRA. Traditional IRA to Roth IRA; pre-tax dollars are taxed as ordinary income.	Only from one SIMPLE IRA to another SIMPLE IRA, 403(b), 457, SEP/IRA, Roth IRA, or a Qualified Plan and Traditional IRA after 2 years or participation.
Portability: Rollovers among plans	Qualified Plan (Only if the taxpayer's AGI for the tax year does not exceed \$109,000, and the taxpayer is not married filing separately); 403(b) Plan; 457 Governmental Plan; SEP/IRA; IRA; Roth IRA	Qualified Plan (Only after the individual has participated in the SIMPLE plan for 2 years); SIMPLE IRA, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA (Only after the individual has participated in the SIMPLE plan for 2 years); Roth IRA (Only if the taxpayer's AGI for the tax year does not exceed \$109,000, and the taxpayer is not married filing separately)
Advantages	Tax-deferred growth	Employer-contributions are deductible. Employee-tax deferral reduces taxable income.

TSA's

Question/Topic	403(b) Non-ERISA Title 1 Plans with only Salary Deferral Contributions	403(b) ERISA Title 1 Plans with only Salary Deferral Contributions
Who Can Establish?	Non-profit organizations exempt under IRC 501(c)(3) (e.g. churches, hospitals, and schools).	Non-profit organizations exempt under IRC 501(c)(3) (e.g. churches, hospitals, and schools).
Maximum Eligibility Requirements	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	Minimum participation, minimum coverage and nondiscrimination requirements may apply.
Are Contributions Mandatory?	No	Generally no, but may be designed with Employer mandatory contributions.
Contribution Limits: Employer	Not Applicable	The employer's contributions (including elective deferrals) to an employee's account should not be more than the lesser of \$49,000, or 100% of the employee's compensation for the year.
Contribution Limits: Individual	100% of compensation or \$16,500, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$16,500, whichever is less. Special catch-up provisions may increase the contribution limit.
Catch-Up contributions for workers age 50 and older	\$5,500	\$5,500
When must the plan be established?	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.
When must contributions be made?	Salary deferral ongoing from payroll.	Employer-Any time during the calendar year. Employee-Salary deferral ongoing from payroll.
Who directs investments?	Individual	Employer/Trustee or plan may allow individual direction.
Are loans available?	Yes	Yes
Vesting	Full & Immediate	3 vesting schedules: immediate, cliff, graded
Distributions before age 59 1/2	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)	10% penalty unless over 55 and separated from service (except self-employed or more than 10% owner), death, or disability. Distributions are only allowed upon the occurrence of a triggering event. (See Eligible Rollovers)
Distributions for ages 59 1/2 - 70 1/2	No Tax Penalty	No Tax Penalty
Distributions after age 70 1/2	Required minimum distributions, by April 1 of calendar year in which participant becomes age 70 1/2, or calendar year in which the individual retires	Required minimum distributions, by April 1 of calendar year in which participant becomes age 70 1/2, or calendar year in which the individual retires
How are distributions taxed?	Taxed as ordinary income	Taxed as ordinary income
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).
Portability: Rollovers among plans	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA	Qualified Plan, 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA

TSA's

Question/Topic	403(b) Non-ERISA Title 1 Plans with only Salary Deferral Contributions	403(b) ERISA Title 1 Plans with only Salary Deferral Contributions
Advantages	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed.	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed.

Question/Topic	457(b) Eligible Plan Plans only with Salary Deferral Contribution	457(f) Ineligible Plan Plans with Employer Contribution
Who Can Establish?	Governmental employers, public utility companies, elementary & secondary schools, public universities & colleges, city, county, & state hospitals, certain non-governmental tax-exempt employers.	Same as 457(b) but usually used for tax-exempt employers; rarely used by governmental employers.
Maximum Eligibility Requirements	Governmental - None Tax Exempt - Eligibility for a select group of management or highly compensated employees, except if the group is church-related.	Eligibility for a select group of management or highly compensated employees.
Are Contributions Mandatory?	No	No
Contribution Limits: Employer	Employer contributions are rare, Employer contributions offset employee deferrals, Employer & Employee contributions combined cannot exceed 100% of compensation or \$16,500, whichever is less	No limit
Contribution Limits: Individual	100% of compensation or \$16,500, whichever is less. Special catch-up provisions may increase the contribution limit. However, please note that the employer contributions offset the employee deferrals.	No limit
Catch-Up contributions for workers age 50 and older	Governmental - \$5,500 Tax-Exempt - Not available A special catch-up provision for participants within 3 years of normal retirement age may apply. Tax-Exempt - Not available	Not applicable
When must the plan be established?	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.
When must contributions be made?	Salary deferral from ongoing payroll.	Any time
Who directs investments?	Individual	Employer/Trustee directed. However plans may permit participant suggestions.
Are loans available?	Governmental - Yes Tax-Exempt - No	No
Vesting	Any vesting schedule	Any vesting schedule
Distributions before age 59 1/2	Severance from employment, unforeseeable emergencies, small inactive accounts. Also, plan termination and QDRO's (if stated in the plan language). No tax penalty applies to any distribution.	Distributions must be made on any monies that become vested. No tax penalty applies to any distribution.
Distributions for ages 59 1/2 - 70 1/2	Same as above	Same as above
Distributions after age 70 1/2	Required minimum distributions, by April 1 of calendar year in which participant becomes age 59 1/2 or calendar year in which the individual retires.	No required minimum distributions
How are distributions taxed?	Taxed as ordinary income	Taxed as ordinary income
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability, age 59 1/2).	Not allowed

457s

Question/Topic	457(b) Eligible Plan Plans only with Salary Deferral Contribution	457(f) Ineligible Plan Plans with Employer Contribution
Portability: Rollovers among plans	Applies to Governmental 457's Only: Qualified plan except to a SIMPLE 401(k), 403(b) Plan, 457 Governmental Plan, SEP/IRA, IRA (except a SIMPLE IRA)	No limit on contributions
Advantages	If an Employer offers a 403(b) or 401(k) plan in addition to the 457(b) plan, an employee can defer the maximum to both plans. Employers may allow contributions for only certain key employees.	Employers may allow contributions for only certain key employees.