

2023

PLAN

COMPARISON



ALDRICH
INVESTMENT MANAGEMENT

702-403-1113



457(b) Governmental PLANS

- \$22,500 maximum contribution plus catch-up options
- 457(b) limits no longer reduced by 403(b) contributions

None (normal income tax only)

Employer responsible for administration

No discrimination rules apply - employer defines and limits eligibility

\$7,500 annual limit {not available if special catch-up option utilized}

Three years prior to normal retirement age allows the lesser of:

- Two times current year's normal contribution limit; or
- Underutilized limits from past years with the same employer

FEATURES



Portability of Plan Funds After qualifying Event (Plan Restrictions May Apply)



Early Withdrawal Penalty Tax



Employer Control



Eligibility Rules



Age 50 Catch-Up Option



Special Catch-Up Option (If Permitted By Plan)

403(b) PLANS

- \$22,500 maximum contribution plus catch-up options
- 403(b) limits no longer reduced by 457(b) contributions

10% early withdrawal federal penalty tax may apply for distributions prior to age 59 ½. Waived if age 55 and separated from service (normal income tax only)

Employer responsible for administration

Deferrals available to all eligible employees receiving W-2 wages.

\$7,500 annual limit special catch-up option may also be utilized

Fifteen years of service option increases limit by the lesser of:

- \$3,000;
- \$15,000 less additional limit used in past years; or
- Excess of \$5,000 times years of service, less elective deferrals.

457(b) Governmental PLANS

Available

Funds cannot be distributed until:

- Age 59 ½;
- Severance from employment;
- Disability;
- Death; or
- Unforeseeable emergency

Funds may be rolled over to:

- Another 457(b) Governmental Plan
- 403 (b) TSA
- IRA (Traditional, SEP)
- 401(a) Plan (Pension, Profit Sharing 401(k), STRS)

Contribution and earnings may be distributed to the extent required for an unforeseeable emergency (sudden and unforeseen beyond control of participant, such as:

- Medical care
- Casualty loss

MD rules apply at age 72 or later, severance from service, and also after death.

FEATURES



Transfer to Purchase Service Credits



Distribution Restrictions



Portability of Plan Funds After qualifying Event (Plan Restrictions May Apply)



Financial Need Distribution (Hardship/Unforeseeable Emergency Withdrawals)



Required Minimum Distributions

403(b) PLANS

Available

Funds cannot be distributed until:

- Age 59 ½;
- Age 55 and/or severance from employment;
- Disability;
- Death; or
- Financial hardship.

Funds may be rolled over to:

- Another 403(b)
- 457(b) Governmental
- IRA (Traditional, SEP)
- 401(a) Plan (Pension, Profit Sharing 401(k), STRS)

Contributions (but not earnings) may be distributed to extent required for a financial hardship even if foreseeable and voluntary, such as:

- Medical care;
- Payment of tuition; or
- Purchase of a home: or
- Payments needed to prevent eviction from or foreclosure on home

MD rules apply at age 72 or later, severance from service, and also after death.

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