## Comparison of Governmental 457 Plan to 403(b) Plan

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<th>Features</th>
<th>Governmental 457 Plan</th>
<th>403(b) Plan</th>
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| **Contribution Limits Year 2014**| • $17,500 basic maximum contribution limit  
• 457 limits not coordinated with 403(b) plan                                         | • $17,500 basic maximum contribution limit  
• 403(b) limits not coordinated with 457 Plan                                   |
| **Early Withdrawal IRS Penalty Tax** | None - (normal income tax only)                                                      | 10% early withdrawal penalty tax may apply under age 59 ½ plus normal income tax |
| **Eligibility Rules**            | Non-discrimination rules do not apply                                                | Universal Availability Rule non-discrimination apply                         |
| **Small Balance Distribution**   | Account balance $5,000 or less  
No contributions in the past 24 months                                                  | Not Applicable                                                               |
| **Age 50 Catch-Up Option**       | Total of $5,500 annual limit - not permitted if special catch-up option used          | Total of $5,500 annual limit                                                 |
| **Special Catch-Up Option**      | As permitted in the Plan Document, three years prior to Normal Retirement Age stated in the Plan permits contribution of the lesser of:  
• Subject to strict IRS testing  
• Two times basic limit; subject to underutilized deferrals in past years. | None                                                                        |
| **Purchase Service Credit State Retirement System** | Permitted                                                                           | Permitted                                                                   |
| **Distribution Restrictions**     | • Severance from employment  
• Age 70 ½ while employed  
• Disability or Death  
• Small Account Balance  
• Unforeseeable Emergency.                                                          | • Severance from employment  
• Age 59 ½ while employed  
• Disability or Death  
• Financial Hardship.                                                              |
| **Portability of Plan Funds After Qualifying Event** | Funds can be rolled over to:  
• Governmental 457 Plan of Another Employer  
• Another 403(b) provider approved in the Plan  
• IRA (Traditional, SEP, SAR-SEP)  
• Pension, Profit Sharing, 401(k) | Funds can be rolled over to:  
• 403(b) TSA approved in the Plan  
• Governmental 457 Plan of Another Employer  
• IRA (Traditional, SEP, SAR-SEP)  
• Pension, Profit Sharing, 401(k) |
| **Hardship/Unforeseeable Emergency Distributions** | Contributions may be distributed to the extent required for an unforeseeable emergency defined by the IRS as a severe financial hardship to you resulting from events such as a sudden and unexpected illness; an accident you or a dependent experience; loss of your property because of casualty; or other similar extraordinary and unforeseen circumstances arising as a result of events beyond your control. Withdrawals are only permitted for limited financial circumstances that must be substantiated. | Contributions may be distributed to the extent required for a financial hardship defined by the IRS as expenses deemed to be immediate and heavy, including: (1) certain medical expenses; (2) purchase of a principal residence; (3) tuition and related educational fees and expenses; (4) prevent eviction from, or foreclosure on, a principal residence; (5) burial or funeral expenses; and (6) certain expenses for the repair of damage to the employee's principal residence. Withdrawals are only permitted for limited financial circumstances that must be substantiated. |
| **Loans**                        | Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of:  
• $50,000; or  
• One half of vested account balance | Applies to all accounts and all Plans (403(b) & 457) of the Employer; limited to the lesser of:  
• $50,000; or  
• One half of vested account balance |
| **Required Minimum Distribution**| RMD rules apply at age 70 ½ or later, severance from service, and also after death | RMD rules apply at age 70 ½ or later, severance from service, and also after death |

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