



SAVINGS PLUS PLAN COMPARISON

401(k) vs. 457(b)

One of the decisions you make when you enroll is whether to choose a 401(k) or 457(b) plan, or both. You will also want to consider whether you will make pre-tax or Roth contributions to your account. You may choose to make pre-tax contributions to your account and pay taxes on contributions and earnings when you take a distribution. Roth contributions are also available, which means you have already been taxed on the contributions before it enters your account(s), so you may take tax free distributions if certain criteria are met.

We give you a choice: would you rather pay taxes now or later? Compare your options by using the chart below.

| | 401(k) | | 457(b) | |
|---|---------|------|---------|------|
| | Pre-tax | Roth | Pre-tax | Roth |
| Maximum contribution of \$19,500 per year ¹ | ✓ | ✓ | ✓ | ✓ |
| Age-based Catch-Up (\$6,500) | ✓ | ✓ | ✓ | ✓ |
| Traditional 457(b) Catch-Up ² | | | ✓ | ✓ |
| In-service transfers to purchase service credit | ✓ | | ✓ | |
| Loans ³ | ✓ | | ✓ | |
| Rollovers allowed from an eligible or qualified employer's plan | ✓ | ✓ | ✓ | ✓ |
| Financial hardship withdrawals ⁴ | ✓ | ✓ | | |
| Unforeseeable emergency withdrawals | | | ✓ | ✓ |
| Convert account assets to Roth ⁵ | ✓ | | ✓ | |
| Roth IRA Rollover In to Savings Plus account | | | | |

¹ Combined contributions to the 401(k) and the California State University System 403(b) plans also cannot exceed \$19,500. Combined contributions to the 457(b) and PST plans cannot exceed \$19,500.

² The Traditional 457(b) Catch-Up provision and the Age-based Catch-Up provision may not be used in the same Plan within the same calendar year.

³ One outstanding loan per plan is allowed, not to exceed two outstanding loans across both the 401(k) and 457(b) plans. You may qualify for a loan based on your account value. Note: A defaulted loan is considered a withdrawal or distribution and will be treated accordingly. Visit savingsplusnow.com.

⁴ Withdrawals may be subject to ordinary income tax. Withdrawals made prior to age 59½ may incur a 10% early withdrawal tax. Eligibility criteria to withdraw funds are featured in the 401(k) Hardship Withdrawal Booklet in the Forms/Publications/Support section of savingsplusnow.com.

⁵ See In-Plan Roth Conversion Election Form at savingsplusnow.com.

Contributions and Distributions Comparison

| | 401(k) | | 457(b) | |
|---|---|--------|---|--------|
| | Pre-tax | Roth * | Pre-tax | Roth * |
| Contributions | | | | |
| Contribution(s) are taxable income in the calendar year contributed | | ✓ | | ✓ |
| Contribution(s) and earnings are taxable income in the year distributed | ✓ | | ✓ | |
| Distributions | | | | |
| Assets can be retained in your Savings Plus account, even if you leave state employment | ✓ | ✓ | ✓ | ✓ |
| Required Minimum Distribution at age 72 if you are retired, separated from service, or are a Rehired Annuitant (RA) | ✓ | ✓ | ✓ | ✓ |
| In-service distributions | ✓ | ✓ | ✓ | ✓ |
| | <p>You are eligible to receive in-service withdrawals when you are age 59½ or older without an additional 10% early withdrawal tax.</p> <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to savingsplusnow.com for details).</p> | | <p>You are eligible to receive a voluntary in-service withdrawal if you meet the following requirements:</p> <ul style="list-style-type: none"> • Account balance is less than or equal to \$5,000. • No 457(b) or PST contributions in the last 2 years. • You have not used this option in the past. • There is not a legal hold on your account. • You do not have an active or defaulted loan on your account. <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to savingsplusnow.com for details).</p> | |



| | 401(k) | | 457(b) | |
|---|---|-------|--|-------|
| | Pre-tax | Roth* | Pre-tax | Roth* |
| Distributions after separation from service or retirement | ✓ | ✓ | ✓ | ✓ |
| | <p>You are eligible to receive a distribution when you separate or retire without an additional 10% early withdrawal tax if you meet one of the following requirements:</p> <ul style="list-style-type: none"> • Non-Public Safety employee separated from service at age 55 or older • Public Safety employee separated from service at age 50 or older • 59½ or older • Death • Disabled <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to savingsplusnow.com for details).</p> | | <p>You are eligible to receive a distribution when you separate or retire, regardless of age without being subject to an early withdrawal tax.</p> <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to savingsplusnow.com for details).</p> | |
| Multiple distribution options are available. See Benefit Payment Booklet at savingsplusnow.com . | ✓ | ✓ | ✓ | ✓ |

This chart is for educational purposes only and is not intended as tax or legal advice. Please consult a tax professional regarding your specific tax situation.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.



Website
savingsplusnow.com



Savings Plus Service Center
(855) 616-4776
5 a.m. - 8 p.m. PT



Savings Plus Walk-in Center
1810 16th Street, Room 108
Sacramento, CA 95811
8 a.m. - 5 p.m. PT



Information provided by Retirement Specialists is for educational purposes only and is not intended as investment advice.

Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

Nationwide representatives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA. Nationwide Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

Nationwide is a service mark of Nationwide Mutual Insurance Company. © 2020 Nationwide

NRM-13505CA-CA.7