



## 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 \$20,500 per year <sup>1</sup>	✓	✓	✓	✓
Age-based Catch-Up (\$6,500)	✓	✓	✓	✓
Traditional 457(b) Catch-Up <sup>2</sup>			✓	✓
In-service transfers to purchase service credit	✓		✓	
Loans <sup>3</sup>	✓		✓	
Rollovers allowed from an eligible or qualified employer's plan	✓	✓	✓	✓
Financial hardship withdrawals <sup>4</sup>	✓	✓		
Unforeseeable emergency withdrawals			✓	✓
Convert account assets to Roth <sup>5</sup>	✓		✓	
Roth IRA Rollover In to Savings Plus account				

<sup>1</sup> Combined contributions to the 401(k) and the California State University System 403(b) plans also cannot exceed \$20,500. Combined contributions to the 457(b) plan, and Part-Time, Seasonal, and Temporary (PST) Employees Retirement Program cannot exceed \$20,500.

<sup>2</sup> 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.

<sup>3</sup> 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](https://savingsplusnow.com).

<sup>4</sup> 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/Governing Documents and Reports section of [savingsplusnow.com](https://savingsplusnow.com).

<sup>5</sup> See In-Plan Roth Conversion Election Form at [savingsplusnow.com](https://savingsplusnow.com).

# Contributions and Distributions Comparison

	401(k)		457(b)	
	Pre-tax	Roth*	Pre-tax	Roth*
<b>Contributions</b>				
Contribution(s) are taxable income in the calendar year contributed		✓		✓
Contribution(s) and earnings are taxable income in the year distributed	✓		✓	
<b>Distributions</b>				
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 if you meet one of the following requirements without an additional 10% early withdrawal tax:</p> <ul style="list-style-type: none"> <li>• Attainment of age 59½</li> <li>• Qualified Birth or Adoption</li> <li>• Uniformed Service Qualified Military Service Leave</li> <li>• Qualified Reservist Military Service Leave (may be subject to 10% early withdrawal penalty)</li> </ul> <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to <a href="http://savingsplusnow.com">savingsplusnow.com</a> for details).</p>		<p>You are eligible to receive in-service withdrawals if you meet one of the following requirements:</p> <ul style="list-style-type: none"> <li>• Attainment of age 59½</li> <li>• Qualified Birth or Adoption</li> <li>• Uniformed Service Qualified Military Service Leave</li> <li>• Account balance is less than \$5,000, no contributions to the 457(b) or PST in the last 2 years, no legal hold, no defaulted loan and cannot have used this option before</li> </ul> <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to <a href="http://savingsplusnow.com">savingsplusnow.com</a> 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"> <li>• Non-Public Safety employee separated from service at age 55 or older</li> <li>• Public Safety employee separated from service at age 50 or older</li> <li>• 59½ or older</li> <li>• Death</li> <li>• Disabled</li> </ul> <p>*NOTE: Roth earnings will be taxed if certain requirements are not met (refer to <a href="https://www.savingsplusnow.com">savingsplusnow.com</a> 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 <a href="https://www.savingsplusnow.com">savingsplusnow.com</a> for details).</p>	
Multiple distribution options are available. See Benefit Payment Booklet at <a href="https://www.savingsplusnow.com">savingsplusnow.com</a> .	✓	✓	✓	✓

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.

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NRM-13505CA-CA.10