

UMass Medical School 403(b) and 457(b) Voluntary Retirement Savings Plan Comparison

Features	403(b) Plan	457(b) Plan	Additional Comments
Eligibility & Participation	Benefited employees are eligible to participate upon employment.	Benefited employees are eligible to participate upon employment.	
Fees	Fees differ by vendor and by fund.	Fees differ by vendor and by fund.	Research and talk to Vendor(s) to make sure you understand all fees before investing in funds.
Taxability	Account is taxable at your current taxable rate when distributed.	Account is taxable at your current taxable rate when distributed.	
Employee Contributions	Up to \$18,500 in 2018	Up to \$18,500 in 2018	Can contribute up to maximum in both plans, or \$37,000 total.
Age 50 Catch-up	Additional \$6,000 in contributions allowed for those ages 50 or older.	Additional \$6,000 contributions allowed for those ages 50 or older.	Employees are eligible for the age-50 catch-up in both plans.
Investment Changes	Each vendor determines how often changes are allowed and what fees may apply.	Each vendor determines how often changes are allowed and what fees may apply.	Inquire with vendor about moving funds between investment options and between vendors.
Account Withdrawal	Upon separation of employment, age 59 ½, early retirement at age 55 or older, disability, death, or qualified reservist distribution. Hardship and loan withdrawals available.	Upon severance from employment or retirement. Hardship withdrawals allowed.	
Early Withdrawal Penalty	10% penalty on withdrawals if you are under age 59 ½. (Exception if you separate from service at age 55 and retire, or become disabled, or die).	None.	
Rollovers out	Permitted to IRA, 401(a), 401(k), 457(b) public and other 403(b) plans.	Same as 403(b) – then will be subject to new plan rules (10% penalty on early withdrawals).	
Loans	Up to two loans allowed on your account at any time; maximum allowed is 50% of your account balance or \$50,000.	Not Available	