



## 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 <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 \$19,500. Combined contributions to the 457(b) plan, and Part-Time, Seasonal, and Temporary (PST) Employees Retirement Program cannot exceed \$19,500.

<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.

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](https://savingsplusnow.com)



**Savings Plus Solutions 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. © 2021 Nationwide

NRM-13505CA-CA.9