

401(k), 403(b), and 457(b) Plans - Key Features and Contribution Limits for 2011*

Section 401(k) plans are the most prevalent type of defined contribution plan in the private sector. Section 403(b) plans are another form of defined contribution plan, available only to employees of certain tax-exempt and public educational organizations. Section 457(b) plans are defined contribution plans established by state and local governments and certain tax-exempt organizations. The table below compares important aspects of these plans.

CHARACTERISTICS	401(k)	403(b)	457(b)
Type of Employer.	Any nongovernmental employer; Indian tribal governments and the federal government	Certain tax-exempt organizations and public educational organizations	State or local governments and certain tax-exempt employers
Elective Deferral Limits	Lesser of \$16,500 or 100% compensation	Lesser of \$16,500 or 100% compensation	Lesser of \$16,500 or 100% compensation
Roth Contributions	Permitted	Permitted	Not permitted
Age 50 Catch-up	Permitted - \$5,500	Permitted - \$5,500	Permitted for governmental only - \$5,500
Special Catch-up	Not permitted	Permitted	Permitted
Automatic Enrollment Feature	Permitted	Permitted	Permitted
Loan	Permitted	Permitted	Permitted for a governmental 457(b) plan; not permitted for nongovernmental plans.
Top Heavy Rules	Apply	Exempt	Exempt
Minimum Required Distribution Rules	Apply	Apply	Apply
415 Annual Contribution Limit	Lesser of \$49,000 or 100% of compensation. Other qualified plans of the same employer are combined in determining the limit. Generally, 403(b) and 457(b) plans do not count in determining the limit for qualified plans.	Lesser of \$49,000 or 100% of compensation. Other 403(b) plans of the same employer are combined in determining the limit. Generally, qualified plans and 457(b) plans do not count in determining the limit for 403(b) plans.	Not applicable. No 415 limit applies; only the limit on elective deferrals (above) applies.
Rollovers from a 401(k) plan or other qualified plans	Permitted	Permitted	Permitted for a governmental 457(b) plan; not permitted for nongovernmental plans.
Rollovers from a 403(b) plan	Permitted	Permitted	Permitted for a governmental 457(b) plan; not permitted for nongovernmental plans.
Rollovers from a governmental 457(b) plan	Permitted	Permitted	Permitted for a governmental 457(b) plan. Plan-to-plan transfer permitted for a nongovernmental 457(b) plan.
Corrections Programs	Employee Plans Compliance Resolution System (EPCRS)	EPCRS	For governmental only, on a provisional basis outside of EPCRS, using standards similar to EPCRS.
Other Nondiscrimination Requirements	ADP, ACP, 401(a)(4), 410(b)	No ADP, but universal availability rule applies. ACP and 410(b) apply for employee after tax and employer match. 401(a)(4) and 410(b) for employer nonelective contributions.	Only contribution limits apply.
Deemed IRA	Permitted	Permitted	Permitted, for governmental; not permitted, for tax-exempt.
Hardship Withdrawal Requirements	Safe harbor hardship: <ul style="list-style-type: none"> • Eviction/foreclosure • Medical • Purchase primary residence • Post-secondary education • Burial/funeral • Repair of casualty damage to principal residence 	Same as 401(k) rules	<ul style="list-style-type: none"> • Unforeseeable emergency • Illness or accident of participant, a spouse, or dependent • Loss of property due to casualty • Other extraordinary events beyond control of participant, (e.g., funeral expenses) (College and purchase of a home are not unforeseeable events.)

* This chart updates the 2008 information published in the Spring 2008 *Benefits Perspectives* article, "A comparative look at 401(k), 403(b), and 457(b) plans," available at www.milliman.com.