



	457 Employee Contribution Plan	401(a) Plan
Eligibility requirements	Full-time state of Iowa employee working 20+ hours/week or receiving a fixed annual salary	All 457 participants
Enrollment	Year-round – Call an RIC provider to request an enrollment kit or appointment. Return completed paperwork to the provider.	
Contributions (pre & post-tax)	Payroll deductions maximums are set by IRS annually. Deductions may be changed at any time. A 3-Year Catch-Up benefit is available to qualified participants who are 4 years from normal retirement.	Employer matches 100% of 457 contributions up to the maximum match amount of \$75/month (legislators are not eligible)
Rollovers in	Accepts eligible 457, 401k Roth and 403b Roth plan assets; no withdrawal restrictions.	Accepts eligible 401(a), 401(k), 403(a), 403(b), and IRA (traditional, rollover, and SEP) assets. Roll-in assets may roll out again at any time.
Fed & state tax	Pretax contributions and earnings are exempt until taxable distributions are made. Post-tax (457 Roth) contributions are subject to federal and state income tax when deducted from payroll; <i>earnings</i> grow tax-deferred and are tax-free at distribution if qualified.	Contributions and earnings are exempt until taxable distributions are made
Vesting	No vesting requirements ⇨	
Investment options	A large selection of diversified investment options is available through RIC. You may change your investment selections online or by phone. There are no fees for moving money between RIC investments. (go to http://das.iowa.gov/RIC/SOI/providers)	
Distribution options while employed (processed by RIC)	Unforeseeable Emergency - Must prove financial hardship due to an unforeseeable emergency (complete <i>RIC Unforeseeable Emergency Form</i>). Taxed as ordinary income-no age penalty.	None
	Cash Out Provision - Allowed if total assets=\$5,000 or less and no deferrals have been made for previous 24 months (complete <i>RIC Distribution Form</i>). Taxed as ordinary income; no IRS early withdrawal penalty.	
	Age 70 ½ - Allowed (but not required) in the year you attain age 70 ½ ⇨	
Options after separation from employment (processed by provider)	Remain invested - Distributions are not required until age 72 (70 ½ if you turned 70 ½ before 2020)*. Assets remain invested without withdrawal restrictions or penalties.	
	Take payment - Options include total/partial lump sum withdrawals, periodic withdrawals, lifetime payments, or any combination. Pretax assets are taxed as ordinary income-no IRS early withdrawal penalty. Roth contributions are tax-free. Roth earnings are tax-free if qualified (Roth account held for 5+ years and you are either age 59 ½+, disabled, or deceased).	Take payment - Options include total/partial lump sum withdrawals, periodic withdrawals, lifetime payments, or any combination. Taxed as ordinary income. Possible IRS 10% early withdrawal penalty before age 59½.
	Rollover - Assets may roll out of RIC to an eligible plan. ⇨	
	Purchase Eligible Service Credits – Pretax assets may be transferred to IPERS for purchase of eligible service credits when filing for IPERS benefits.	

*Required Minimum Distribution - IRS requires minimum annual distributions begin no later than April of the calendar year following the year you attain age 72 (70 ½ if you turned 70 ½ before 2020) or retire, whichever is later.