IOWA **Retirement Investors' Club**

457/401a/403b Plan Differences

Plan Provision		457 Plan	401a Plan	403b Plan
Employee contributions		Minimum to participate – none unless specified by the employer **2026 maximum limits:** • Regular limit: $24,500 • Age 50+ limit: $32,500 • Age 60-63 limit: $35,750 • 3-Year Catch-Up limit: $49,000 (3-Year Catch-Up benefit is available to qualified participants 4 years or less from normal retirement)	NA	Minimum to participate - none unless specified by the employer **2026 maximum limits**: • Regular limit: $24,500 • Age 50+ limit: $32,500 • Age 6-63 limit: $35,750 • Special Catch-Up limit: $3,000 (available to qualified participants employed 15+ years with current employer; $3,000/yr up to 5 yrs)
Employer contributions		NA	**2026 maximum limit** = $72,000	• **2026 maximum limit** = $72,000 - including employee contributions (higher if EE contributes 50+ or 60-63 limit)
Rollovers into RIC		Receives eligible assets from pretax and Roth 457 plans and Roth 401k and 403b plans	Receives eligible assets from pretax 403b, 401k, 403a, 401a plans and traditional, rollover, or SEP IRAs	Receives eligible assets from pretax 403b, 401k, 403a, 401a, 457 plans, Roth 401k and 403b plans, and traditional, rollover, or SEP IRAs
Investment providers		Employers select one or more of the RIC 457/401a active providers for their plan		All RIC 403b active providers available
Distributable events while employed	**Hardship**	Access to employee contributions and earnings due to extraordinary circumstances (must meet federal guidelines); not available for home purchase or education costs	NA	Access to employee & employer contributions and earnings for approved financial hardship due to extraordinary circumstances (must meet federal guidelines); may be available for home purchase or education costs
	Loans	NA		Employer determines availability
	Cash Out	If total assets = $7,000 or less and no deferrals have been made in the previous 24 months	NA	NA
	Age	Attainment of age 70 ½		Attainment of age 59 ½
	Disability	NA		Yes
Processing distributions		Requests are made directly to the provider; no employer or TPA approval required		Distributions based on severance of employment require planwithease certification
Processing provider transfers		Requests are made by completing the Transfer Between RIC Providers form		Requests require planwithease certification
Early withdrawal penalty		None	Possible IRS 10% early withdrawal penalty prior to age 59 ½	

For information specific to each participating employer 457 plan, go to https://das.iowa.gov/RIC/PSE/plan_details. For information specific to each participating employer 403b plan, go to https://das.iowa.gov/ric/education-related-employees-ere/employer-plan-details-search.

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