



Unique opportunity- As an education-related employer, you may add a 457 employee contribution plan and 401a plan along-side your 403b plan. The addition of the 457 and 401a plans give you the chance to:

- Offer an “enhancement” to your employee benefits package.
- Call attention to your retirement savings benefit and increase employee awareness of the opportunity to save for the future.



Four additional tax-favored options-

- At separation from employment, 457 plan assets have no early withdrawal penalty due to age.
- Participants may make maximum allowable contributions to the 457 **and** 403b plans in the same tax year.
- Eligible 457 participants close to retirement may contribute additional catch-up contributions.
- Employer dollars deposited to the 401a plan are not subject to FICA and do not impact 457 plan contribution limits.

2016 IRS Maximum Contribution Limits

Contribution Type	Plan Type			Combined Maximum Limit
	403b (pretax/Roth)	457 (pretax/Roth)	401a (pretax only)	
Employee Regular	\$ 18,000	\$ 18,000	NA	\$ 36,000
Employee Age 50+ Catch-up	\$ 24,000 *	\$ 24,000	NA	\$ 48,000
Employee Catch-up**	\$ 3,000 (up to 5 yrs)	\$ 18,000 (up to 3 yrs)	NA	\$ 21,000
Employee Total Max	\$ 27,000	\$ 36,000	NA	\$ 63,000
Employer	\$ 53,000***	NA	\$ 53,000	\$ 106,000***

* Employees eligible for both the 403b Age 50+ *and* 15-Year catch-up limits in the same year must utilize the current year's 15-Year catch up before utilizing the Age 50+ Catch-up. The 403b Age 50+ catch-up of up to \$3,000/year has a cumulative maximum of \$15,000.

** Maximum amount added to Regular limit if participant meets IRS requirements

*** Maximum employer 403b contributions are reduced by the amount of any employee contributions

Participating education employers (listed at https://das.iowa.gov/RIC/PSE/plan_details) who have added the 457/401a plans have done so for a variety of reasons such as:

- A new retirement savings option
- An alternative 457 plan option
- In place of an existing 457 or 403b plan option
- Use of the 401a plan for employer contributions

Want more information? Visit the RIC website at <https://das.iowa.gov/RIC> or contact the RIC Plan Administrator directly at jennifer.sandusky@iowa.gov or call 515-281-0569.