



	457 Employee Contribution Plan	401(a) Plan
Eligibility requirements	None	457 participant
Enrollment	Year-round – Call an RIC investment provider to request an enrollment kit or appointment. Return completed paperwork to the provider.	
Contributions	Minimum payroll deductions of \$25/month; maximums set by IRS annually. Deductions may be changed at anytime. A 3-Year Catch-Up benefit is available to qualified participants who are 4 years from normal retirement.	None
Rollovers in	Accepts eligible 457 plan assets	Accepts eligible 401(a), 401(k), 403(a), 403(b), and IRA (traditional, rollover, and SEP) assets. Roll-in assets may roll out again while employed.
Fed & state tax	Exempt until taxable distributions are made	⇒
Vesting	Always 100% vested	⇒
Investment options	A large variety of diversified investment options are available through RIC. You may change your investment selections online or by phone. There are no fees for moving money out of RIC investments. (go to https://das.iowa.gov/RIC/PSE/providers for more information)	
Distributions during employment (contact RIC)	Unforeseeable Emergency- Must prove financial hardship due to an unforeseeable emergency (complete <i>RIC Unforeseeable Emergency Form</i>)	None
	Cash Out Provision- Allowed if total assets=\$5,000 or less and no deferrals have been made for a 2-year period (complete <i>RIC Distribution Form</i>)	
	Service Credit Purchase- A nontaxable transfer of assets for purchase of permissive service credits such as IPERS (fax IPERS forms to RIC)	
	Age 70 ½- allowed (but not required) in the year you attain age 70 ½	⇒
Distributions after employment (contact provider)	Taxable- (reported as ordinary income on 1099R)- payment options include total/partial lump sum withdrawal(s), systematic withdrawals, and irrevocable lifetime payments.	Taxable- (reported as ordinary income on 1099R)- payment options include total/partial lump sum withdrawal(s), systematic withdrawals, and irrevocable lifetime payments. Possible IRS 10% penalty if taken before age 59½
	Non-taxable- Assets may roll to an eligible 457, 401(a), 401(k), 403(a), 403(b), or IRA (traditional, rollover, and SEP)	
	Service Credit Purchase- A nontaxable transfer of assets for purchase of permissive service credits such as IPERS (fax IPERS forms to RIC)	
	Age 70 ½ requirement- IRS required minimum distributions must begin no later than April of the calendar year following the year you attain age 70½ or retire, whichever is later	