



# 457(b) deferred compensation plan for Wesleyan University

## The 457(b) plan offers an opportunity to increase your tax-deferred savings.

The 457(b) deferred compensation plan offers certain employees an opportunity to double the tax-deferred contributions they set aside annually for their retirement.

To enroll, go to [TIAA.org/enrollnow](https://www.tiaa.org/enrollnow). When prompted, enter the following access code: 102153.

To view investment options for the plan, go to [TIAA.org/performance](https://www.tiaa.org/performance) and enter plan number 102153.

In 2021, you can contribute the lesser of 100% of your compensation or up to \$19,500 to your employer's 457(b) plan with TIAA, in addition to a maximum of \$19,500 you may already be contributing to another employer-sponsored or supplemental plan such as a 403(b) or 401(k) plan.

Also, if your plan permits, within three years prior to the year in which you attain your plan's normal retirement age, you may be able to take advantage of an enhanced catch-up provision to contribute even more if you haven't contributed the maximum amount in previous years.

## How does the 457(b) plan work?

A 457(b) plan provides certain employees, based on position and salary, the opportunity to contribute to an additional tax-deferred account offering a variety of investment options. Unlike with a 403(b) plan, however, the assets in a 457(b) plan are owned by your employer and are subject to creditor claims in the event of bankruptcy until distributed.

Your plan contributions are automatically made pretax through payroll deductions, reducing your current taxable income and taxes owed for the year.

Federal income taxes (and in most cases, state and local income taxes) on contributions and earnings are typically deferred in a 457(b) plan until paid or made available to you.

In order to avoid a default distribution from the plan and immediate taxation of benefits, you will be required to choose a distribution date and option within a specific period of time following your separation from service, as outlined in the plan document. Generally, to be entitled to receive a distribution from your 457(b) plan before age 70½ (if your plan allows), you must terminate employment. (Some plans also provide in-service distributions for events such as an unforeseeable emergency or small-sum distributions.)

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## 403(b) and 457(b) plans at a glance

	Section 403(b) plans	Section 457(b) plans
<b>Eligibility and participation</b>	Benefits-eligible employees generally able to participate Consult plan document for rules on eligibility and enrollment	Limited to a select group of employees, based on position and salary Consult plan document for rules on eligibility and enrollment
<b>Taxability</b>	Taxable in the year distributed	Taxable in the year paid or otherwise made available
<b>Contribution limits</b>	In 2021, limited to the lesser of 100% of compensation or \$19,500 Governed by IRC Sections 415 and 402(g)	In 2021, limited to the lesser of 100% of compensation or \$19,500 Governed by IRC Section 457(e)(15)
<b>Contribution coordination</b>	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans
<b>Age 50 catch-up amounts</b>	An additional \$6,500 elective salary deferral may be permitted in 2021	Not available
<b>Other catch-up amounts</b>	Employees with 15 or more years of service (with the same eligible employer) may also be eligible to contribute up to an additional \$3,000 per year (\$15,000 lifetime maximum), depending on prior-year contributions, if applicable	If available under the plan, catch-up provisions allow individuals within three years prior to the year in which they attain their plan's normal retirement age to make contributions equal to the lesser of twice the applicable annual limit or applicable underutilized limitation
<b>Triggering events</b>	Severance from employment, age 59½, disability or death Hardship distributions may be available subject to certain restrictions relating to employer contributions Consult plan document for specific rules	Severance from employment, age 70½ (if your plan allows) or death Distributions may be available for an unforeseeable emergency Distribution elections must be made within a specific period of time following separation from employment to avoid a default distribution from the plan and immediate taxation of benefits received Consult plan document for specific rules
<b>Early withdrawal penalty</b>	None for employees who separate from service on or after age 55 Otherwise, 10% on withdrawals generally before age 59½ Exceptions include death and disability	No early withdrawal penalties
<b>Rollovers</b>	Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans Rollovers are NOT permitted to 457(b) plans of a tax-exempt employer	NOT permitted to an IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans Direct transfers to another 457(b) plan of a tax-exempt employer may be permitted only if both plans allow for the transaction Consult plan document for specific rules
<b>Loans</b>	Availability subject to plan rules	Not available

**Contact Wesleyan Human Resources to learn more about your 457(b) deferred compensation plan options, or call 800-732-8353 to schedule a one-on-one advice and education session with a TIAA financial consultant.**



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