

2002 PLAN COMPARISON CHART MAJOR PROVISIONS AND DIFFERENCES BETWEEN TAX SHELTERED ANNUITY (403[b]), STATE DEFERRED COMPENSATION (457) AND STATE THRIFT (401[k]) PLANS
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Eligibility: Generally, all employees are eligible to participate in the 403(b) program with the exception of certain student classifications. The following employees are prohibited from joining the 457 and 401(k) plans: seasonal or temporary employees required to be enrolled in the PST Retirement Plan and rehired annuitants (employees receiving a retirement allowance from PERS).

TSA PLAN (403[b])	DEFERRED COMP (457)	THRIFT PLAN (401[k])
Deferred tax on investment	Deferred tax on investment	Deferred tax on investment
\$15 min. contribution per month	\$20 min. contribution per month	\$20 min. contribution per month
Variety of annuities and custodial funds	Variety of investment choices	Variety of investment choices
Assets held by vendor	Assets held in trust by State	Assets held in trust
The lesser of \$11,000/yr, or 100% of compensation*	The lesser of \$11,000/year or 100% of compensation*	The lesser of \$11,000/year or 100% of compensation*
Hardship withdrawal for heavy financial emergency	Hardship withdrawal for unforeseeable financial emergency	Hardship withdrawal for heavy financial emergency
Eligible roll over distribution to an IRA or to/from another 403(b) program, a 401(a) or governmental 457 plan; surviving spouse of participant may also roll over distributions	Eligible roll over distribution to an IRA or to/from another employer's 457, 401(a) or to another 403(b) program; surviving spouse of participant may also roll over distributions	Eligible roll over distribution to an IRA or to/from another employer's 401(k), 403(b), governmental 457 or 401(a) plan; surviving spouse of participant may also roll over distributions
Choice of payout method	Choice of payout method	Lump sum payment or partial lump sum with IRA rollover or annuity
No tax averaging available	No tax averaging available	No tax averaging available
15-year "Catch-up" provision available	"Catch-up" provision available	No 15-year "Catch-up" provision available
Additional \$1,000 catch-up deferral for 2002 available to participants who have reached age 50 by the end of the plan year and who have hit plan or dollar limit	Additional \$1,000 catch-up deferral for 2002 available to participants who have reached age 50 by the end of the plan year and who have hit plan or dollar limit	Additional \$1,000 catch-up deferral for 2002 available to participants who have reached age 50 by the end of the plan year and who have hit plan or dollar limit
At least age 55 and retired, or 59 1/2 (regardless of employment status) - receive plan payout without tax penalty	Plan payout upon retirement or separation from State service without tax penalty. (No age requirement)	At least age 55 and retired, or 59 1/2 (regardless of employment status) - receive plan payout without tax penalty

* 403(b), 401(k) and 457 plans apply the 100% limit to the employee's taxable income **PLUS** employee contributions to 403(b), 457, 401(k), 132(f) (pre-tax parking) and 125 plans (Dependent Care Reimbursement Account, Health Care Reimbursement Account, and Tax Advantaged Premium Plan). Employee pre-tax contributions to CalPERS retirement are **not** included.

NOTES:

- 1. Maximum contribution limits for these plans are all interrelated.** If an individual participates in more than one plan in the same calendar year, he/she may be limited by the lowest maximum. Effective January 1, 2002, 401(k) and 403(b) deferrals do not count against the 457(b) dollar limit. In addition, age-50 catch-up contributions to a 403(b) or 401(k) plan do not count against the age-50 catch-up contributions to a 457(b) plan.
- 2. These statements are general comparisons only.** For specific information refer to your tax advisor. For the Deferred Compensation and Thrift Plans, additional information is available from the Department of Personnel Administration's Savings Plus Program (SPP) Office at (916) 322-5070 or www.dpa.ca.gov.