



**2007 COMPARISON CHART  
TAX SHELTERED ANNUITY (403[b]), STATE DEFERRED COMPENSATION (457) AND STATE THRIFT (401[k]) PLANS**

*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: rehired annuitants (employees receiving a retirement allowance from CalPERS, including FERP employees), seasonal or temporary employees required to be enrolled in the Part-time, Seasonal and Temporary Employees Retirement Program (PST Program).*

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 warrant	Initial investment: \$50 minimum; thereafter, \$20 min. contribution per warrant	Initial investment: \$50 minimum; thereafter, \$20 min. contribution per warrant
Variety of annuities and custodial funds	Variety of investment choices	Variety of investment choices
Assets held by vendor through insurance contract or by custodial bank	Assets held in trust	Assets held in trust
The lesser of \$15,500/yr, or 100% of adjusted taxable income*	100% of compensation up to \$15,500/year*	100% of compensation up to \$15,500/year*
Hardship withdrawal for heavy financial emergency	Hardship withdrawal for unforeseeable financial emergency	Hardship withdrawal for heavy financial emergency
Choice of payout method	Choice of payout method	Choice of payout method
Eligible roll over distribution to an IRA or to another 403(b), 401(k)**, or governmental 457(b)** plan, or to a 401(a) plan	Eligible roll over distribution to an IRA, or to another employer's governmental 457(b) plan, or 401(k) plan, or to a 401(a), or 403(b) plan	Eligible roll over distribution to an IRA, or to another employer's 401(k) plan or governmental 457(b) plan, or to a 401(a), or 403(b) plan
Eligible rollover in from another 403(b), 401(k) or governmental 457(b) plan	Eligible rollover in from another employer's governmental 457(b) plan only	Eligible rollover in from another employer's 401(k) plan only
Surviving spouse of participant may roll over distributions. Effective 01/01/07, non-spousal beneficiary may roll over distributions to an IRA	Surviving spouse of participant may roll over distributions. Effective 01/01/07, non-spousal beneficiary may roll over distributions to an IRA	Surviving spouse of participant may roll over distributions. Effective 01/01/07, non-spousal beneficiary may roll over distributions to an IRA.
No tax averaging available	No tax averaging available	See #3 under Notes
15-year "Catch-up" provision available for up to \$3,000 per year for 5 years, for a lifetime maximum of \$15,000. Participants must prove eligibility by submitting a completed Catch-Up Calculation Worksheet.	Special 457 "Catch-up" provision available. Contact the Savings Plus Program for details	No 15-year "Catch-up" provision available
Additional \$5,000 age based catch-up deferral for 2007 available to participants who have reached age 50 by the end of the calendar year and who have hit plan or dollar limit, including 15 year catch-up, if eligible	Additional \$5,000 age based catch-up deferral for 2007 available to participants who have reached age 50 by the end of the calendar year and who have hit plan or dollar limit, including special 457 catch-up, if eligible	Additional \$5,000 age based catch-up deferral for 2007 available to participants who have reached age 50 by the end of the calendar 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)	Distributions prior to age 59 1/2 may be subject to an early withdrawal tax penalty

\*403(b) plans apply the 100% limit to the employee's taxable income PLUS employee pre-tax contributions to 403(b), 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. For 401(k) and 457 plans, limits are based on 100% of compensation up to \$15,500, for tax year 2007.

\*\*Please note: The Savings Plus Program 401(k) and 457 plans do not accept rollovers from 403(b) plan distributions.

**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. Please note: 401(k) and 403(b) deferrals do not count against the 457(b) dollar limit and 457(b) deferrals do not count against the 401(k) and 403(b) dollar limit.
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 (866) 566-4777 or [www.sppforu.com](http://www.sppforu.com).
3. **Averaging treatment is still available for lump sums paid from a 401(k) plan to grandfathered participants born before January 2, 1936.**