

Edward Jones®

Renville County 457 Deferred Comp



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457 Plans

Three groups of people are eligible for 457 plans

- **State, county and city government workers, and public school, college or university employees**
- Anyone in upper management and highly paid employees of certain tax-exempt, nongovernmental organizations
- Top-level employees working for certain tax-exempt or governmental organizations (who qualify for what is also known as a “top hat” plan)

Keep in mind that 457 plans have contribution limits that are separate from those of other retirement plans. This means if you’re eligible to participate in a 457 plan and another deferral program, such as a 403(b) or 401(k) plan, you can contribute the maximum amount to both plans.

- For example, in 2024, a public school employee can defer \$23,000 into a 403(b) plan and another \$23,000 into a 457(b) plan

Differences amount the 457 plans

	Governmental 457(b)	Tax-exempt organization 457(b)	457(f)
Eligible employers	State and local governments and public schools	501(c) tax-exempt organizations (excluding churches and church-controlled organizations)	Usually used by tax-exempt organizations; rarely used by government entities
Participation	Generally offered to employees; employer may discriminate	Select group of managers or highly compensated employees	Select group of managers or highly compensated employees
2024 contribution limits ¹	\$23,000	\$23,000	Generally no limit
2024 catch-up contributions	\$7,500	Not available	Not available

Differences amount the 457 plans

	Governmental 457(b)	Tax-exempt organization 457(b)	457(f)
Catch-up contribution within three years of retirement ²	Yes	Yes	Not available
Roth contributions	If employer allows	Not available	Not available
Vesting	May apply to any employer contributions	May apply to any employer contributions	May not be vested to maintain tax-deferred status
Rollovers to IRAs and other qualified plans	Yes	No	No
Triggering events to allow a rollover	Separation from service, attainment of age 70½, certain emergencies, small and inactive accounts, QDRO, ³ plan termination	Not applicable	Not applicable
10% penalty on distributions taken before retirement age	No	No	No
Required minimum distribution rules	Yes	Yes	No
Loans	Allowed	Not allowed	Not allowed

Thank you

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