

## Wicomico County Public Schools Retirement Plan Comparison Chart

FEATURE	<u>403(b)</u>	<u>457(b)</u>
<b>Contributions</b>	<p><b>Pre-tax</b> employee elective contributions are made with before-tax dollars. Amount can be set as dollar amount or percentage of pay. Amount can be changed any time</p> <p>Eligible participating employees will receive employer match into their 401(a) Plan</p>	<p><b>Pre-tax</b> employee elective contributions are made with before-tax dollars. Amount can be set as dollar amount or percentage of pay. Amount can be changed any time</p>
<b>Basic 2009 Contribution Limit<sup>1</sup></b>	\$16,500	\$16,500
<b>Age 50 Catch-up Contribution</b>	\$5,500	\$5,500
<b>15 Years of Service Catch-Up</b>	Yes, \$3,000 per year or \$15,000 (lifetime total)	Not applicable
<b>Who may benefit from contributing?</b>	<ul style="list-style-type: none"> <li>~ Employees who expect to be in a lower tax bracket at retirement.</li> <li>~ Employees who want to defer current taxation on income and investment earnings.</li> </ul>	<ul style="list-style-type: none"> <li>~ Employees who expect to be in a lower tax bracket at retirement.</li> <li>~ Employees who want to defer current taxation on income and investment earnings.</li> <li>~ Employees who will terminate employment prior to age 55 and want to withdrawal funds without 10% early penalty withdrawal.</li> <li>~ Employees who are maxing out contribution in 403(b) Plan and want to defer even more</li> </ul>
<b>Timing of Distributions</b>	<ul style="list-style-type: none"> <li>~ Age 59½</li> <li>~ At retirement if over 55</li> <li>~ Total &amp; Permanent Disability</li> <li>~ Death</li> <li>~ Severance from employment<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>~ Severance of employment</li> <li>~ Death</li> <li>~ Total &amp; Permanent Disability</li> <li>~ Unforeseeable emergency as defined by IRS.</li> </ul>
<b>Loans and Hardship Withdrawals</b>	<ul style="list-style-type: none"> <li>~ Loans allowed only for hardship reasons</li> <li>~ Hardship withdrawals allowed as established by IRS</li> </ul>	~ No loans or hardship distributions allowed
<b>Taxation of Withdrawals</b>	Withdrawals of contributions and earnings are subject to federal and state income taxes.	Withdrawals of contributions and earnings are subject to federal and state income taxes.
<b>Required Minimum Distributions</b>	Distributions must begin no later than age 70½, unless still working.	Distributions must begin no later than age 70½, unless still working.

<sup>1</sup> Employees may split their contributions between the Traditional 403(b) and Roth 403(b), however the total combined contribution may not exceed the IRS annual maximum amount.

<sup>2</sup> Employees must satisfy 59½ age requirement or IRS qualifying distribution event to avoid the 10% early withdrawal penalty.

Please refer to your retirement plan summary document for more complete information on contributions and withdrawals eligibility. Mutual funds offered through Lincoln Financial Advisors Corp., a broker/dealer, member SIPC. 1300 South Clinton Street, Fort Wayne, IN 46801. The stable value option may be offered as a fixed annuity through Lincoln affiliates or as a collective trust through independent third party trust companies. CRN200705-2005118