

MONTGOMERY COUNTY PUBLIC SCHOOLS

403(b) & 457(b) Retirement Savings Plans Comparison Chart

Visit www.netbenefits.com/mcps for details, or call Fidelity at 800-343-0860,
Monday through Friday from 8 a.m. to midnight Eastern time.

Feature	403(b)	457(b)
IRS Annual Contribution Limits	<u>2023 Limits</u> \$22,500, under age 50 \$30,000, age 50 or older Visit www.irs.gov for details.	
Exchanges to Fidelity from a former MCPS provider	Allowed from former MCPS 403(b) vendors such as VALIC, Voya, LFG, Hendershot, TIAA, MetLife.	
Rollovers from former Employers or IRAs	Rollovers in are allowed from 401(a), 401(k), 403(b), 457(b) Governmental Plans, Conduit IRAs and Traditional IRAs.	
Loans	Only 2 loans allowed across both plans. Can only be taken from balances at Fidelity. Not allowed if you have had a loan default with a current or previous vendor.	
Distributable Events	One or more of the following: Age 59.5, severance from service, retirement, disability, <u>financial hardship</u> as defined by the plan.	One or more of the following: Age 59.5, severance from service, retirement, disability, <u>unforeseen emergency</u> as defined by the plan.
Penalties for Early Withdrawals	10% tax penalty before age 59.5 and may be subject to income taxes.	Governmental 457(b) distributions are not subject to the 10% early withdrawal penalty; however, a 10% early withdrawal penalty would apply to IRA, qualified plan, or 403(b) rollover money if it is distributed early.
Emergency Withdrawals	<u>Financial Hardship</u> Examples: Prevent eviction or foreclosure, purchase of a principal residence, loss-related repairs on principal residence, out-of-pocket medical expenses, post-secondary education, current funeral or burial expenses. Can only be taken from balances at Fidelity.	<u>Unforeseen Emergency</u> Examples: Prevent eviction or foreclosure, medical expenses not reimbursed by insurance, and funeral expenses for a family member. Can only be taken from balances at Fidelity.
Distribution Options after Separation from Service or Retirement	Lump Sum (Full payout or partial), Systematic Withdrawal Payments (SWP), and Minimum Required Distributions (MRD). <i>If you retire prior to age 59.5 and become re-employed by MCPS in any capacity, penalty-free distributions are not permitted if you are under age 59.5.</i>	
Minimum Distribution Requirements	Applicable to accumulations at age 73 or retirement, whichever is later (72 if you turned 72 in 2022 or earlier; 70 ½ if you turned 70 ½ in 2019 or earlier). Visit Fidelity.com for additional distribution details related to the SECURE 2.0 Act.	
Taxability	Amounts are taxable when distributed. 1099-R issued by investment provider.	

This document provides only a summary of the main features of the Montgomery County Public Schools 403(b) and 457(b) Plans. The Plan documents will govern in the event of any discrepancy.