



Summary Comparison of Retirement Plans, Roths, IRAs, 403(b)s, and 457s

(2012 limitations included herein; subject to change annually)

by Carol Lawton



Question/Topic	Individual(k)	SEP/IRA	SIMPLE/401(k)	Profit Sharing	Money Purchase	401(k)	Roth 401(k)	Defined Benefit	Roth IRA
Who Can Establish?	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships - "Owner(s) Only," Partnerships, LLCs, Businesses with "Excludable" Common-Law Employees	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, Non-Profit (not eligible for salary deferral).	Employers with no more than 100 employees, including sole proprietors and non-profit entities (cannot maintain another qualified plan).	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, LLCs, Non-Profit	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, LLCs, Non-Profit	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, LLCs, Non-Profit	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, LLCs, Non-Profit	Corporations, Sub-Chapter S, Self Employed, Sole Proprietorships, Partnerships, LLCs, Non-Profit	Individual with earned income.
Maximum Eligibility Requirements	1 year of service with employer. 1,000 hours per year. At least 21 years of age.	Worked for employer during any period of three of the last immediately preceding five years; however short. At least 21 years of age. \$550 annual compensation.	1 year of service with employer. 1,000 hours per year. At least 21 years of age.	2 years of service with immediate vesting. 1,000 hours per year. At least 21 years of age.	2 years of service with immediate vesting. 1,000 hours per year. At least 21 years of age.	1 year of service for employee salary deferrals. 2 years of service for Profit Sharing contribution with full & immediate vesting. 1,000 hours per year. At least 21 years of age.	1 year of service for employee salary deferrals. 2 years of service for Profit Sharing contribution with full & immediate vesting. 1,000 hours per year. At least 21 years of age.	2 years of service with immediate vesting. 1,000 hours per year. At least 21 years of age.	Must have modified adjusted gross income of <\$125,000 for single filers and <\$183,000 for joint filers.
Are Contributions Mandatory?	No	No	Employer—Yes Employee—No	No	Yes	No	No	Yes	No
Contribution Limits: Employer	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$50,000 per participant (\$250,000 salary cap).	25% of each employee's compensation (maximum \$50,000; \$250,000 salary cap).	Match deferrals \$1 for \$1 up to the first 3% of compensation (maximum match \$7,500) or non-elective contribution of 2% on first \$250,000.	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$50,000 per participant (\$250,000 salary cap).	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$50,000 per participant (\$250,000 salary cap).	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$50,000 per participant (\$250,000 salary cap).	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or \$50,000 per participant (\$250,000 salary cap).	Based on actuarial assumptions, i.e., age, compensation, etc. (\$200,000 Annual Benefit Cap); \$250,000 salary cap.	N/A
Contribution Limits: Individual	\$17,000 salary deferral limit under IRC Section 402(g).	Employee IRA—\$5,000	\$11,500 salary deferral limit under IRC Section 408(p).	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	\$17,000 salary deferral limit under IRC Section 402(g).	\$17,000 salary deferral limit under IRC Section 402(g).	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	100% of earned income up to \$5,000 per individual to all IRAs.
Catch-up Contributions For Workers Age 50 and Older	\$5,500	\$1,000—Employee IRA \$5,500—(Existing SAR-SEP)	\$2,500	Not Available	Not Available	\$5,500	\$5,500	Not Available	\$1,000
When Must the Plan Be Established?	By fiscal year-end (12/31 for calendar-year plan).	By tax-filing date plus extensions.	October 1 for existing businesses. As soon as administratively feasible for businesses established after October 1.	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By tax-filing date, but not including extensions.
When Must Contributions Be Made?	By tax-filing date plus extensions.	Employer—by tax-filing date plus extensions. Employee—on deferral basis. (SAR-SEP only)	Employer—by tax-filing date plus extensions. Employee—on deferral basis.	By tax-filing date plus extensions.	By tax-filing date plus extensions.	Deadline for depositing salary deferrals is as soon as reasonably possible, but no later than the 15th day of the month following the pay date.	Deadline for depositing salary deferrals is as soon as reasonably possible, but no later than the 15th day of the month following the pay date.	By tax-filing date plus extensions.	By tax-filing date, but not including extensions.
Who Directs Investments?	Individual	Individual	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee or plan may allow individual direction.	Employer/Trustee	Individual
Are Loans Available?	Loans optionally available.	No	Loans optionally available.	Loans optionally available.	Loans optionally available.	Loans optionally available.	Loans optionally available.	Loans optionally available.	No
Vesting	Full & Immediate	Full & Immediate	Full & Immediate	Three employer vesting schedules: immediate, cliff, graded	Three employer vesting schedules: immediate, cliff, graded	Three employer vesting schedules: immediate, cliff, graded; full & immediate for employee deferrals	Three employer vesting schedules: immediate, cliff, graded; full & immediate for employee deferrals	Three employer vesting schedules: immediate, cliff, graded	Full & Immediate

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Question/Topic	Traditional IRA	SIMPLE IRA	403(b) Non-ERISA Title I Plans with Only Salary Deferral Contributions	Roth 403(b) Non-ERISA Title I Plans with Only Salary Deferral Contributions	403(b) ERISA Title I Plans with Employer Contributions	Roth 403(b) ERISA Title I Plans with Employer Contributions	457(b) Eligible Plan	Roth 457(b) Governmental Eligible Plan	457(f) Ineligible Plan Plans with Employer Contributions
Who Can Establish?	Individual with earned income.	Employers with 100 or fewer employees who earned \$5,000 or more during prior calendar year (cannot maintain another retirement plan).	Non-profit organizations exempt under IRC 501(c)(3) (e.g., churches, hospitals and schools).	Non-profit organizations exempt under IRC 501(c)(3) (e.g., churches, hospitals and schools).	Non-profit organizations exempt under IRC 501(c)(3) (e.g., churches, hospitals and schools).	Non-profit organizations exempt under IRC 501(c)(3) (e.g., churches, hospitals and schools).	Governmental employers, public utility companies, elementary and secondary schools, public universities and colleges, city, county and state hospitals, certain non-governmental tax-exempt employers.	State and local governments only.	Same as a 457(b) but usually used for tax-exempt employers; rarely used by governmental employers.
Maximum Eligibility Requirements	Must have earned income and be under the age of 70½.	\$5,000 in compensation for any two preceding years and is expected to earn \$5,000 in current year.	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	Governmental—None Tax-Exempt—Eligibility for a select group of management or highly compensated employees, except if the group is church-related.	None	Eligibility for a select group of management or highly compensated employees.
Are Contributions Mandatory?	No	Employer—Yes Employee—No	No	No	Generally no, but may be designed with employer mandatory contributions.	Generally no, but may be designed with employer mandatory contributions.	No	No	No
Contribution Limits: Employer	N/A	Match deferral \$1 for \$1 up to 3% of compensation or 2% (subject to \$250,000 salary cap) non-elective contribution.	Not Applicable	Not Applicable	The employer's contributions (including elective deferrals) to an employee's account should not be more than the lesser of \$50,000, or 100% of the employee's compensation for the year (\$250,000 salary cap).	The employer's contributions (including elective deferrals) to an employee's account should not be more than the lesser of \$50,000, or 100% of the employee's compensation for the year (\$250,000 salary cap).	<ul style="list-style-type: none"> Employer contributions offset employee deferrals. Employer & Employee contributions combined cannot exceed 100% of compensation or \$17,000, whichever is less. 	<ul style="list-style-type: none"> Employer contributions offset employee deferrals. Employer & Employee contributions combined cannot exceed 100% of compensation or \$17,000, whichever is less. 	No limit
Contribution Limits: Individual	100% of earned income up to \$5,000 per individual to all IRAs.	100% of earned income up to \$11,500.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit. However, please note that employer contributions offset employee deferrals.	100% of compensation or \$17,000, whichever is less. Special catch-up provisions may increase the contribution limit. However, please note that employer contributions offset employee deferrals.	No limit
Catch-up Contributions For Workers Age 50 and Older	\$1,000	\$2,500	\$5,500	\$5,500	\$5,500	\$5,500	Governmental—\$5,500 Tax-Exempt—Not available A special catch-up provision for participants within three years of normal retirement age may apply.	\$5,500 A special catch-up provision for participants within three years of normal retirement age may apply.	Not Applicable
When Must the Plan Be Established?	By tax-filing date, but not including extensions.	October 1 for existing businesses. As soon as administratively feasible for businesses established after October 1.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.
When Must Contributions Be Made?	By tax-filing date, but not including extensions.	Employer—by tax-filing date plus extensions. Employee—on a deferral basis.	Salary deferral ongoing from payroll.	Salary deferral ongoing from payroll.	Employer—The plan may be funded any time during the calendar year. Employee—Salary deferral ongoing from payroll.	Employer—The plan may be funded any time during the calendar year. Employee—Salary deferral ongoing from payroll.	Salary deferral ongoing from payroll.	Salary deferral ongoing from payroll.	Anytime
Who Directs Investments?	Individual	Individual	Individual	Individual	Employer/Trustee or plan may allow individual direction.	Employer/Trustee may allow individual direction.	Individual	Individual	Employer/Trustee directed. However, plan may permit participant direction.
Are Loans Available?	No	No	Loans optionally available.	Loans optionally available.	Loans optionally available.	Loans optionally available.	Governmental—Yes Tax-Exempt—No	Yes	No
Vesting	Full & Immediate	Full & Immediate	Full & Immediate	Full & Immediate	Three vesting schedules: immediate, cliff, graded; full & immediate for employee deferrals	Three vesting schedules: immediate, cliff, graded; full & immediate for employee deferrals	<ul style="list-style-type: none"> Employee salary deferrals - full & immediate Employer contributions may vest over time according to plan terms 	<ul style="list-style-type: none"> Employee salary deferrals - full & immediate Employer contributions may vest over time according to plan terms 	Any vesting schedule

Question/Topic	Individual(k)	SEP/IRA	SIMPLE/401(k)	Profit Sharing	Money Purchase	401(k)	Roth 401(k)	Defined Benefit	Roth IRA
Distributions Before Age 59½	10% penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty utilizing substantially equal payments, death, disability, medical expenses, exceeding 7.5% of AGI or purchase of health insurance while employed.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions may be allowed in accordance with the plan provisions, after a fixed number of years, reaching a stated age, or a distributable event.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon the occurrence of a triggering event. (see "Eligible Rollovers").	10% tax penalty on earnings unless withdrawal is for death, disability; first-time homebuyer (\$10,000 limit in aggregate to all IRAs); substantially equal periodic payments; certain major medical expenses; certain long-term unemployment expenses.
Distributions for Ages 59½ - 70½	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than five years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59½, or older, death or disability. In any of these cases, the earnings withdrawn are tax-free.	No Tax Penalty	No tax penalty for "qualified distributions." A distribution is qualified if the Roth IRA has been established for at least five years and one of the following events occurs: attainment of age 59½, disability, death or a first-time home purchase. In any of these cases, the earnings withdrawn are tax-free.
Distributions After Age 70½	Required minimum distributions at the later age 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions. (May remove aggregate total from one account.)	Required minimum distributions at the later age of 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	Yes - Roth 401(k) is subject to minimum required distribution rules. However, prior to age 70½, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 401(k) account that is an eligible rollover distribution.	Required minimum distributions at the later age of 70½ or separation of service (70½ if 5% owner). May not aggregate total. Each plan separate.	No required minimum distributions at any age.
How Are Distributions Taxed?	Taxed as ordinary income.	Taxed as ordinary income.	Taxed as ordinary income.	Taxed as ordinary income.	Taxed as ordinary income.	Taxed as ordinary income.	Principal and earnings withdrawn are tax-free.	Taxed as ordinary income.	Principal and earnings withdrawn are tax-free.
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	One 60-day rollover per 12-month period. Reported as distribution and returned as a rollover contribution.	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	May be allowed in accordance with the plan provisions, after a fixed number of years, reaching a stated age, or a distributable event.	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 62).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 62).	Roth IRA to Roth IRA—rules follow the Traditional IRA rollover rules.
Portability: Rollovers Among Plans	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA¹ <p>¹ Only if the taxpayer's AGI for the tax year does not exceed \$100,000, and the taxpayer is not married filing separately.</p>	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Roth IRA • Roth 403(b) • Roth 401(k) 	<ul style="list-style-type: none"> • Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA 	<ul style="list-style-type: none"> • Roth IRA
Advantages	Generous contribution limits. Contribution flexibility. Immediate vesting. Simplified plan administration. No annual Dept. of Labor 5500 reporting of plans below \$250,000 of assets. Access to loans. Asset consolidation.	Simple to establish and maintain. No annual IRS filing requirements. Contributions deductible for employer.	Contributions deductible for employer. No discrimination testing. Not subject to top heavy rules. Some funding responsibility with employees. Deferral reduces taxable income to employee.	Contributions discretionary. Flexibility in plan design. Loans may be allowed. Contributions, plan expenses may be deductible by employer. Vesting schedules.	Contributions fixed. Plan expenses may be deductible by employer. Vesting schedules.	Flexibility in plan design; loans may be allowed. Contributions, plan expenses may be deductible by employer. Funding responsibility with employees. Deferred amount reduces employee's taxable income. Vesting schedules.	<ul style="list-style-type: none"> • Tax-free distribution. • No income limits to qualify for a Roth account, unlike a Roth IRA • Higher contribution and catch-up limits than a Roth IRA 	Contribution levels may be substantially higher than other types of retirement plans. Favors older, highly compensated employees. Vesting schedules.	Tax-free distribution.

Question/Topic	Traditional IRA	SIMPLE IRA	403(b) Non-ERISA Title I Plans with Only Salary Deferral Contributions	Roth 403(b) Non-ERISA Title I Plans with Only Salary Deferral Contributions	403(b) ERISA Title I Plans with Employer Contributions	Roth 403(b) ERISA Title I Plans with Employer Contributions	457(b) Eligible Plan	Roth 457(b) Governmental Eligible Plan	457(f) Ineligible Plan Plans with Employer Contributions
Distributions Before Age 59½	10% tax penalty unless the distribution is because of death, disability, a qualifying rollover; a direct transfer, the timely withdrawal of an excess contribution, certain qualified medical or educational expenses and a first-time home purchase (\$10,000 limit in aggregate to all IRAs). Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.	10% tax penalty unless the distribution is because of death, disability, a qualifying rollover; a direct transfer, the timely withdrawal of an excess contribution, certain qualified medical or educational expenses and a first-time home purchase (\$10,000 limit in aggregate to all IRAs). Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)	10% tax penalty unless over age 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)	10% tax penalty unless over age 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)	Severance from employment, unforeseeable emergencies, small inactive accounts. Also, plan termination and QDROs (if stated in the plan language). No tax penalty applies to any distribution.	Severance from employment, unforeseeable emergencies, small inactive accounts. Also, plan termination and QDROs (if stated in the plan language). No tax penalty applies to any distribution.	Distributions must be made on any monies that become vested. No tax penalty applies to any distribution.
Distributions for Ages 59½ - 70½	No Tax Penalty	No Tax Penalty	No Tax Penalty	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59½ or older, death, or disability. In any of these cases, the earnings withdrawn are tax-free.	No Tax Penalty	No tax penalty for "qualified distributions." A distribution is qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of age 59½ or older, death, or disability. In any of these cases, the earnings withdrawn are tax-free.	Same as above	Same as above	Same as above
Distributions After Age 70½	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70½.	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70½.	Required minimum distributions, by April 1 of the calendar year in which the participant becomes age 70½, or the calendar year in which the individual retires.	Yes - Roth 403(b) is subject to minimum required distribution rules. However, prior to age 70½, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 403(b) account that is an eligible rollover distribution.	Required minimum distributions, by April 1 of the calendar year in which the individual retires.	Yes - Roth 403(b) is subject to minimum required distribution rules. However, prior to age 70½, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 403(b) account that is an eligible rollover distribution.	Required minimum distributions, by April 1 of the calendar year in which the individual retires.	Yes - Roth 457(b) is subject to minimum required distribution rules. However, prior to age 70½, a participant may avoid the requirement to make lifetime minimum distributions by rolling to a Roth IRA any portion of the Roth 457(b) account that is an eligible rollover distribution.	No required minimum distributions
How Are Distributions Taxed?	Taxed as ordinary income.	Taxed as ordinary income.	Taxed as ordinary income.	Principal and earnings withdrawn are tax-free.	Taxed as ordinary income.	Principal and earnings withdrawn are tax-free.	Taxed as ordinary income.	Principal and earnings withdrawn are tax-free.	Not allowed
Eligible Rollovers	Traditional IRA to Traditional IRA, Traditional IRA to Roth IRA; pre-tax dollars are taxed as ordinary income.	Only from one SIMPLE IRA to another SIMPLE IRA, 403(b), 457, SEP/IRA, Roth IRA or a Qualified Plan and Traditional IRA after two years of participation.	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59½).	Must have triggering event (e.g., plan termination, death, separation from service, or age 70½). Tax-Exempt—No	Must have triggering event (e.g., death, separation from service, disability or age 59½).	Not allowed
Portability: Rollovers Among Plans	<ul style="list-style-type: none"> Qualified Plan 403(b) Plan 457 Governmental Plan SEP/IRA IRA Roth IRA¹ <p>¹ Only if the taxpayer's AGI for the tax year does not exceed \$100,000, and the taxpayer is not married filing separately.</p>	<ul style="list-style-type: none"> Qualified Plan¹ SIMPLE IRA 403(b) Plan 457 Governmental Plan SEP/IRA IRA¹ Roth IRA² <p>¹ Only after the individual has participated in the SIMPLE plan for two years</p> <p>² Only if the taxpayer's AGI for the tax year does not exceed \$100,000, and the taxpayer is not married filing separately.</p>	<ul style="list-style-type: none"> Qualified Plan 403(b) Plan 457 Governmental Plan SEP/IRA IRA 	<ul style="list-style-type: none"> Roth IRA Roth 403(b) Roth 401(k) 	<ul style="list-style-type: none"> Qualified Plan 403(b) Plan 457 Governmental Plan SEP/IRA IRA 	<ul style="list-style-type: none"> Roth IRA Roth 403(b) Roth 401(k) 	Applies to Governmental 457s only: <ul style="list-style-type: none"> Qualified Plan* 403(b) Plan 457(b) Governmental Plan SEP/IRA IRA (except a SIMPLE IRA) <p>*Except to a SIMPLE 401(k)</p>	<ul style="list-style-type: none"> Qualified Plan* Roth 403(b) Plan Roth 457(b) Governmental Plan SEP/IRA Roth IRA (except a SIMPLE IRA) <p>*Except to a SIMPLE 401(k)</p>	No limit on contributions
Advantages	Tax-deferred growth.	Employer—contributions are deductible. Employee—tax deferral reduces taxable income.	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed.	<ul style="list-style-type: none"> Tax-free distribution No income limits to qualify for a Roth account, unlike a Roth IRA Higher contribution and catch-up limits than a Roth IRA 	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed.	<ul style="list-style-type: none"> Tax-free distribution No income limits to qualify for a Roth account, unlike a Roth IRA Higher contribution and catch-up limits than a Roth IRA 	If an employer offers a 403(b) or 401(k) plan in addition to the 457(b) plan, an employee can defer the maximum to both plans. Employers may allow contributions for only certain key employees.	<ul style="list-style-type: none"> Tax-free distribution No income limits to qualify for a Roth account, unlike a Roth IRA Higher contribution and catch-up limits than a Roth IRA 	Employers may allow contributions for only certain key employees.