



Voluntary 403(b) vs. 457(b)

This document provides a comparison of the UCF voluntary pre-tax 403b & after tax (Roth) 403b plan and the pretax 457 plan. For additional information contact the UCF HR Benefits team at Benefits@ucf.edu or 407-823-2771.

What investment products are offered?

- The UCF voluntary pretax and Roth 403b plans offer Mutual Funds, Fixed Accounts, Variable and Fixed Annuities investment products.
- The Florida Deferred Compensation 457 plan offer guaranteed principal and interest funds, variable annuities, time deposit accounts and certificates of deposit, no-load mutual funds, securities, evidence of indebtedness, and Qualified Longevity Annuity Contracts (QLACs).

What is the employee deferral limit?

- The 2024 IRS contribution limit for the UCF voluntary pretax and Roth 403b plans is \$23,000. Contributions to the pretax 403(b) and Roth 403(b) must be aggregated.
- The 2024 IRS contribution limit for the 457 plan is \$23,000.
- Employees are permitted to maximize the contributions to their 403b and 457 accounts.

Can employees aged 50 or over make catch up contributions?

- The plans permits participants aged 50 or older at any time during 2024, to make an additional \$7,500 pre-tax (or post-tax Roth) elective salary deferral. 50+ catch-up contributions can be made to both 403(b) and 457 plans in the same year.
- For participants of the 403b plan, in addition to the 50+ catch-up contributions, employees with 15 years or more of service at UCF may be able to make up to an additional \$3,000 elective salary deferral and/or Roth contribution per year (\$15,000 max lifetime). Prior year contributions may limit this amount. Employee may make both 50+ and 15-year catch-up contributions in the same year. Ordering rule applies; excess contributions to 15 year catch-up first. **Review the eligibility requirements for the 15 years of service catch-up on the [Catch-up Agreement form](#).**
- For participants of the 457 plan, There is also a standard catch-up provision which allows deferrals up to twice the regularly established maximum in effect for the calendar year in which the participant has been approved. The earliest you can participate in this provision are the 3 calendar years that you qualify for unreduced benefits from the FRS. The 50+ catch-up cannot be used in the same year as the standard catch-up. **Employees are advised to speak to their investment provider regarding eligibility for the standard catch-up.**



Are loans permitted from the voluntary pretax & Roth 403b and/or the 457 plans?

- Yes, but check with your provider as some exceptions may apply.

When can withdrawals/distributions be taken?

- Under the pretax and Roth 403b plan, generally, penalty-free distributions may occur if:
 - Age 59 ½
 - Separating from employment
 - Retire before age 55 (*Consult with your investment provider*)
 - Disability
 - Death
 - Hardship
 - *Employees are advised to consult with their investment provider or tax professional before accessing funds from their 403(b).*
- Under the 457 plan, distributions may occur:
 - After a 31-day separation from employment regardless of age;
 - Unforeseeable emergency as provided in 5.05 of the [plan document](#);
 - De Minimis Distribution (restrictions may apply);
 - In-service distribution in calendar year participant attains age 72;
 - Death of participant;
 - If funds are in a separate sub-account attributable to rollover contributions.

Are taxes applied to distributions from the voluntary pretax & Roth 403b and/or the 457 plans?

- Distributions from the pretax 403b and pretax 457 plan will be deemed taxable in year funds are distributed.
- Roth 403b distributions are tax free if the first contribution was made at least 5 years earlier and the owner is at least 59 ½, disabled or deceased.

Which providers are available for the 403b and 457 plans?

- For the pretax and Roth 403b plan:
 - Corebridge Financial (formerly VALIC)
 - Fidelity
 - TIAA
- For the 457 plan:
 - Corebridge Financial (formerly VALIC)
 - Nationwide
 - Voya

The contact information for our 403b and 457 providers can be found on the [HR Benefits Retirement](#) website.