



## Voluntary 403(b) vs. 457(b)

This document provides a comparison of the UCF voluntary pre-tax 403(b) & after tax (Roth) 403(b) plan and the pre-tax 457(b) & after tax (Roth) 457(b) plan.

Making contributions to both a voluntary 403(b) and 457(b) account can dramatically boost your retirement savings. Participants who maximize both their 457(b) and voluntary 403(b) accounts are better prepared to meet their retirement savings goals.

For additional information contact the UCF HR Benefits team at [Benefits@ucf.edu](mailto:Benefits@ucf.edu) or 407-823-2771.

### What investment products are offered?

- The UCF voluntary pre-tax and Roth 403(b) plans offer Mutual Funds, Fixed Accounts, Variable and Fixed Annuities investment products.
- The Florida Deferred Compensation pre-tax and Roth 457(b) plan offer Fixed Accounts, Target Date Funds, numerous Mutual Funds, and a Self-Directed Brokerage Account.

### What is the employee deferral limit?

- The 2025 IRS contribution limit for the **UCF voluntary pre-tax and Roth 403(b) plans** is \$23,500. Contributions to the pre-tax 403(b) and Roth 403(b) must be aggregated.
- The 2025 IRS contribution limit for the pre-tax and Roth 457(b) plans is \$23,500. Contributions to the pre-tax 457(b) and Roth 457(b) must be aggregated.
- Employees are permitted to maximize the contributions to their 403(b) and 457(b) accounts.

### Can employees aged 50 or over make catch up contributions?

- The plans permits participants aged 50 or older at any time during 2025, 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(b) plans in the same year.
- For participants of the 403(b) 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(b) 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 should contact the Bureau of Deferred Compensation at 877-299-8002 regarding eligibility for the standard catch-up.**

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

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

**When can withdrawals/distributions be taken?**

- Under the pre-tax and Roth 403(b) 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 pre-tax & Roth 457(b) plan, generally, penalty-free distributions may occur if:
  - 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 pre-tax & Roth 403(b) and/or the 457(b) plans?**

- Distributions from the pre-tax 403(b) and pre-tax 457(b) plan will be deemed taxable in year funds are distributed.
- Roth 403(b) and 457(b) 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 403(b) and 457(b) plans?**

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

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