

| | University of Massachusetts 403(b) Elective Deferral Savings Plan | Commonwealth of Massachusetts Deferred Compensation SMART Plan |
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| General Description | A retirement income vehicle, which allows eligible employees to defer taxation savings to future years. Operates under Internal Revenue Code Section 403(b). | A retirement income vehicle, which allows eligible employees to defer taxation savings to future years. Operates under Internal Revenue Code Section 457. Also referred to as a Deferred Compensation Plan (DCP). |
| Contributions | Voluntary; made through payroll deduction with pre-tax or after-tax (Roth) contributions. No employer match. | |
| Maximum Annual Deferral | Governed by Sections 415 and 402(g) of the Internal Revenue Code; basic contribution limit of \$23,500 for 2025. | Governed by Section 457 of the Internal Revenue Code; basic contribution limit of \$23,500 for 2025. |
| Age 50 “Catch-Up” Provision | In 2025, an additional \$7,500 in contributions is permitted for those employees up to age 59. Employees aged 60-63 may defer an additional \$11,250. For employees that are age 64 in calendar year 2025, the contribution limit is \$7,500. | In 2025, an additional \$7,500 in contributions is permitted for those employees up to age 59. Employees aged 60-63 may defer an additional \$11,250. For employees that are age 64 in calendar year 2025, the contribution limit is \$7,500. |
| Other “Catch-up” Provisions | N/A | For those employees within 3 years of the plan’s normal retirement age, an additional amount may be available, subject to eligibility. For eligible employees, the “enhanced” maximum annual contribution amount would be up to the lesser of twice the applicable limit or the applicable limit plus unused deferral amounts from prior years. For example, in 2025 an eligible employee could have a maximum annual deferral of as much as \$47,000 (\$23,500 x 2). Employees are only eligible for the greater of the enhanced limit or the age 50 catch-up limit, but not both. |
| Deferral Coordination Between the Two Plans | None; employees can contribute maximum to both the 403(b) plan and the 457(b) plan. | |

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| Availability of Benefits/ “Triggering Events” | The earlier of the attainment of age 59 ½, separation from service, death, disability, or hardship. | The earlier attainment of age 73, separation from service, death, disability, or unforeseeable emergency. |
| Required Minimum Distributions | The Income Tax Regulations provide that the Required Beginning Date (RBD) for minimum distribution payments is the later of the April 1st of the year after the year the employee turns 73, or the April 1st of the year after the year in which the employee retires from the employer sponsoring the plan. | |

| (RMD) | | |
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| Loan Provision | Yes. | No. |
| Tax Penalties | <p>A 10% Federal penalty tax applies to distributions made prior to age 59 ½ (the “Early Withdrawal Penalty”).</p> <p>Failure to withdraw a Required Minimum Distribution (RMD), will subject you to a 50% excess accumulation penalty on the amount that should have been withdrawn.</p> | <p>No Early Withdrawal Penalty.</p> <p>Failure to withdraw an RMD, will subject you to a 50% excess accumulation penalty on the amount that should have been withdrawn.</p> |
| Additional Information | <p>For additional information about the University’s 403(b) plan, please visit the following link: http://www.massachusetts.edu/treasurer/403b.html; or contact Human Resources at (774) 528-0369.</p> | <p>For specific information about the Commonwealth of Massachusetts Deferred Compensation 457(b) Plan (also referred to as the “SMART Plan”), please visit the following links: http://www.mass.gov/smartplan</p> |