

403(b) vs. 457(b): Which is better for you?

Or choose both and possibly save twice as much a year – tax deferred

What's the difference?

403(b)	457(b)
Key difference: It's easier to access your funds while you are employed by the plan sponsor.	Key difference: You are not subject to the 10% federal early withdrawal tax penalty once you leave the plan sponsor.
Here's why:	
Less stringent withdrawal restrictions while you are employed, but a 10% federal early withdrawal tax penalty might apply.	More stringent withdrawal restrictions while you are employed, but no 10% federal early withdrawal tax penalty after severance from employment [except in the case of rollovers from non-457(b) plans, including IRAs].
Generally withdrawals made prior to severance from employment or the year you reach age 59½ can only be made due to financial hardship.	Generally withdrawals made prior to severance from employment or the year in which you reach age 70½ can only be made for an unforeseeable emergency.
A financial hardship withdrawal is considered less restrictive — while you are employed — than a 457(b) unforeseeable emergency. Examples of financial hardship include: • Unreimbursed medical expenses • Payments to purchase a principal residence • Higher education expenses • Payments to prevent eviction or foreclosure of a mortgage	An unforeseeable emergency is more restrictive — while you are employed — than a 403(b) financial hardship. Some examples: • A sudden and unexpected illness or accident for you or a dependent • Loss of your property due to casualty • Other similar extraordinary circumstances arising as a result of events beyond your control Sending a child to college or purchasing a home, two common reasons for 403(b) hardship withdrawals, generally are not considered unforeseeable emergencies
Withdrawals can be subject to a 10% federal early withdrawal tax penalty prior to age 59½.	The 10% federal early withdrawal tax penalty, generally applicable to distributions prior to age 59½ from a 403(b) plan, does not apply to distributions from 457(b) plans except on amounts rolled into the plan from non-457(b) plans (including IRAs).

403(b) vs. 457(b)

Visit aig.com/RetirementServices or contact your financial professional with any questions.

Your Future is Calling. Meet It with Confidence.

CLICK aig.com/RetirementServices **CALL** 1-888-569-7055 **VISIT** your financial professional

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser. Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

