COMPARISON OF RETIREMENT PROGRAMS[1] AVAILABLE TO PUBLIC SCHOOL CORPORATIONS[2]

	403(b) PLAN	401(a) DEFINED BENEFIT PLAN	401(a) DEFINED CONTRIBUTION PLAN[3]	457(b) PLAN
ELIGIBLE EMPLOYER	Public education employers and 501(c)(3) tax-exempt organizations.	All employers.	All employers.	State and local governments and any tax-exempt organization except a church.
ELIGIBILITY	Common law employees who perform services for the employer.	Common law employees who perform services for the employer.	Common law employees who perform services for the employer.	Common law employees who perform services for the employer and independent contractors.
CONTRIBUTION / BENEFIT LIMITS	1. **415(c) Limit**: Total contributions are limited to the **lesser** of 100% of includible compensation or $54,000 for 2017. The $54,000 is indexed for inflation in $1,000 increments. **Note**: The 415(c) limit is separate from the limits applicable to a 457(b) plan, a 401(a) plan, or a 401(k) plan (unless the participant controls another business that maintains a 401(k) or 401(a) defined contribution plan). 2. **402(g) Limit**: Participant	**415(b) Limit**: For governmental employers, the annual benefit is limited to $215,000 in 2017. The $215,000 is indexed for inflation in $5,000 increments. **Note**: The 415(b) limit may be adjusted if benefits begin earlier or later than normal retirement age or if the participant has less than 10 years of participation. **Note**: The 415(b) limit is separate from the limits applicable to a 457(b) plan, 403(b) plan, 401(a) defined contribution plan, or 401(k) plan. However, the 401(a) defined contribution limits under 415(c)	**415(c) Limit**: Total contributions are limited to the **lesser** of 100% of compensation or $54,000 for 2017. The $54,000 is indexed for inflation in $1,000 increments. **Note**: The 415(c) limit is separate from the limits applicable to a 457(b) plan, a 401(a) defined benefit plan (except after-tax employee contributions to a 401(a) defined benefit plan), or a 403(b) plan (unless a participant in a 403(b) plan controls another business that maintains a 401(a) defined contribution plan). **Note**: If an employer sponsors	Total contributions (both employer and employee) are limited to the **lesser** of 100% of includible compensation or $18,000 for 2017. The $18,000 is indexed for inflation in $500 increments. **Note**: This limit is separate from the limits applicable to a 403(b) plan, a 401(a) plan, or a 401(k) plan.

[1] This chart outlines the rules for qualified retirement plans only. A public school corporation can also establish a qualified governmental excess benefit arrangement (QEBA) under Code Section 415(m)(3) or a ineligible deferred compensation plan under Code Section 457(f).

[2] This chart outlines the rules that apply to a public school corporation only. It is important to note that different rules often apply to non-governmental tax-exempt employers and for-profit companies. This chart does not address those rules.

[3] A school corporation cannot establish a 401(k) plan. However, a public school corporation may maintain a grandfathered 401(k) plan that was adopted before May 6, 1986. Since there are very few grandfathered 401(k) plans, this chart does not outline the applicable rules for those plans.

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	elective deferrals are limited to the **lesser** of 100% of compensation or $18,000 for 2017. The $18,000 is indexed for inflation in $500 increments. **Note:** The 402(g) limit applies to elective deferrals made to all 403(b) and/or 401(k) plans in which an individual participates, whether or not sponsored by the employer, but is separate from the limits applicable to a 457(b) plan.	apply to after-tax contributions to a 401(a) defined benefit plan. **Note:** Annual benefit is defined in terms of a straight life annuity without regard to after-tax employee contributions and rollovers.	both a 401(a) defined contribution plan and a 401(k) plan, this limit is applied to the aggregate contributions made to both plans.	
CATCH-UP CONTRIBUTION LIMITS	1. Participants who have 15 or more years of service with a qualified employer (which includes any educational organization) may contribute additional elective deferrals in an amount equal to the **lesser** of (i) $3,000 or (ii) $5,000 times years of service with their employer less total elective deferrals made by the participant during all prior years of employment with the employer. The total limit under this catch-up is $15,000. These limits are not indexed for inflation. This catch-up must be used before the age 50 catch-up applies. 2. Participants age 50 or older who have maxed out their contributions under other	Not Applicable.	Not Applicable.	1. For the three years prior to the year the participant attains "normal retirement age," the limit is the **lesser** of the (i) regular limit for the year plus unused limits from prior years or (ii) twice the otherwise applicable regular limit for the year. 2. For governmental employers, participants age 50 or older who have maxed out their contributions under the basic limit, may contribute additional elective deferrals in an amount equal to the **lesser** of 100% compensation or $6,000 for 2017. The $6,000 is indexed for inflation in $500 increments. **Note:** A participant employed by a governmental employer can take advantage of two age 50

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	limits may contribute additional elective deferrals in an amount equal to the **lesser** of 100% of compensation or $6,000 for 2017. The $6,000 is indexed for inflation in $500 increments. **Note**: A participant employed by a governmental employer can take advantage of two age 50 catch-ups, one through a 403(b) or 401(k) plan, and one through a 457(b) plan. **Note**: The age 50 catch-up does not count against the $54,000 total contribution limit under 415(c). **Note**: If a participant is eligible for both of these catch-up limits, contributions in excess of the 402(g) limit are treated as first applying to the 15 years of service catch-up and then to the age 50 catch-up.			catch-ups, one through a 403(b) or 401(k) plan, and one through a 457(b) plan. **Note**: If a participant employed by a governmental employer is eligible for both of these catch-up limits, the participant may use whichever limit is higher for that year, but not both.
COMPENSATION RELATED LIMITS	1. For purposes of calculating 100% compensation limit under 415(c), "includible compensation" includes elective deferrals to a 403(b), 401(k), or 457(b) plan, cafeteria plan contributions, and salary reduction amounts for qualified transportation benefits.	Compensation in excess of $270,000 for 2017 may not be used in calculating benefits. The $270,000 is indexed for inflation in $5,000 increments. Higher limits may apply for certain grandfathered employees of governmental employers.	1. For purposes of calculating 100% compensation limit under 415(c), "compensation" includes elective deferrals to a 403(b), 401(k), or 457(b) plan, cafeteria plan contributions, and salary reduction amounts for qualified transportation benefits.	1. For purposes of calculating 100% compensation limit under 415(c), "includible compensation" includes elective deferrals to a 403(b), 401(k), or 457(b) plan, cafeteria plan contributions, and salary reduction amounts for qualified transportation benefits. 2. For purposes of calculating

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	2. For purposes of calculating 100% of compensation for age 50 catch-up, compensation does not include elective deferrals. 3. Compensation in excess of $270,000 for 2017 may not be used in calculating contributions. The $270,000 is indexed for inflation in $5,000 increments. Higher limits may apply for certain grandfathered employees of governmental employers.		2. Compensation in excess of $270,000 for 2017 may not be used in calculating contribution. The $270,000 is indexed for inflation in $5,000 increments. Higher limits may apply for certain grandfathered employees of governmental employers.	100% of compensation for age 50 catch-up, compensation does not include elective deferrals.
POST-RETIREMENT CONTRIBUTIONS	1. <u>Post-retirement employer contributions</u> can be made through the end of the year of severance of employment and for up to five years thereafter. The total limit on contributions is the **lesser** of 100% of includible compensation for the most recent year of service, or $54,000 for 2017. The $54,000 is indexed for inflation in $1,000 increments. 2. <u>Post-retirement elective deferrals</u> of regular or accrued sick or vacation pay can be made for up to the **lesser** of 2½ months after severance from employment or the end of the calendar year in which severance from employment occurs. No	Not applicable.	Not applicable.	<u>Post-retirement elective deferrals</u> of regular or accrued sick or vacation pay can be made for up to the **lesser** of 2½ months after severance from employment or the end of the calendar year in which severance from employment occurs. No post-retirement deferral of severance payments is permissible.

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	post-retirement deferral of severance payments is permissible.			
ROTH CONTRIBUTIONS	Roth contributions are permitted. A participant may also rollover distributions from a non-Roth account to a designated Roth account in the same plan, if permitted under the terms of the plan.	Not applicable.	Not applicable.	Roth contributions are permitted. A participant may also rollover distributions from a non-Roth account to a designated Roth account in the same plan, if permitted under the terms of the plan.
VESTING FOR EMPLOYER CONTRIBUTIONS	For governmental employers, no vesting rules apply.	Plans sponsored by governmental employers must provide for 100% vesting at normal retirement age or upon termination of the plan (including complete discontinuance of contributions).	Plans sponsored by governmental employers must provide for 100% vesting at normal retirement age or upon termination of the plan (including complete discontinuance of contributions).	No vesting rules apply, but application of annual limits may make delayed vesting difficult.
VESTING FOR EMPLOYEE CONTRIBUTIONS	100% immediate.	100% immediate	100% immediate.	100% immediate.
MINIMUM AGE AND SERVICE REQUIREMENTS	1. **Employer contributions**. For governmental employers, no minimum age and service rules apply. 2. **Elective deferrals**. For governmental employers, age and service requirements are not permitted.	For governmental employers, no minimum age and service rules apply.	For governmental employers, no minimum age and service rules apply.	No minimum age and service rules apply.
WRITTEN PLAN DOCUMENT	Required.	Required.	Required.	Required.

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WRITTEN SUMMARY FOR EMPLOYEES	Not required for governmental employers (unless state law requires). Employers must communicate eligibility for salary deferrals at least once a year.	Not required for governmental employers (unless state law requires).	Not required for governmental employers (unless state law requires).	Not required.
LOANS	Permitted.	Permitted.	Permitted.	Permitted in plans sponsored by governmental employers only.
DISTRIBUTABLE EVENTS	1. Elective deferrals and amounts held in a custodial account (and earnings thereon) cannot be distributed prior to: • severance from employment • age 59½ • disability • death • financial hardship (with respect to elective deferrals, not including earnings). Elective deferrals may be distributed to a member of the reserves who has been ordered or called to active duty for a period exceeding 179 days or for an indefinite period. Distributions may be made to a participant performing service in the uniformed services while on active duty for a period of more	Distributions are not permitted prior to: • severance from employment • disability • age 62	For a money purchase pension plan, distributions are not permitted prior to: • severance from employment • disability • death • age 62 For a profit-sharing plan, distributions are not permitted prior to: • severance of employment • a fixed number of years • attainment of a stated age • occurrence of an event such as layoff, illness, disability, retirement or death	Distributions are not permitted prior to: • severance from employment • age 70½ • death • unforeseeable emergency Distributions may be made to a participant performing service in the uniformed services while on active duty for a period of more than 30 days under a deemed severance from employment.

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	than 30 days under a deemed severance from employment. 2. Employer contributions and earnings thereon cannot be distributed prior to: • severance from employment • a fixed number of years • attainment of a stated age • the occurrence of an event such as disability			
EARLY DISTRIBUTION TAX	Amounts withdrawn prior to attainment of age 59½ are subject to an additional 10% early withdrawal tax, subject to certain exceptions including: (1) death (2) disability (3) series of substantially equal periodic payments after separation from service (4) deductible medical expenses (5) tax levy (6) separation from service after attainment of age 55 (substitute "age 50" for "age 55" for qualified public safety employees) (7) distribution to alternate payee under QDRO (8) qualified reservist	Amounts withdrawn prior to attainment of age 59½ are subject to an additional 10% early withdrawal tax, subject to certain exceptions including: (1) death (2) disability (3) series of substantially equal periodic payments after separation from service (4) deductible medical expenses (5) tax levy (6) separation from service after attainment of age 55 (substitute "age 50" for "age 55" for qualified public safety employees) (7) distribution to alternate payee under QDRO	Amounts withdrawn prior to attainment of age 59½ are subject to an additional 10% early withdrawal tax, subject to certain exceptions including: (1) death (2) disability (3) series of substantially equal periodic payments after separation from service (4) deductible medical expenses (5) tax levy (6) separation from service after attainment of age 55 (substitute "age 50" for "age 55" for qualified public safety employees) (7) distribution to alternate payee under QDRO	Early distribution tax does not apply. **Note:** For governmental employers, if the 457(b) plan contains rollover amounts from a 403(b) plan, a 401(a) plan, or a 401(k) plan, then those amounts are subject to the early distribution tax.

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	distribution			
DISTRIBUTION REQUIREMENTS	Minimum distribution requirements under 401(a)(9) apply. Undistributed account balances as of December 31, 1986, must comply with minimum distribution incidental benefit requirements (e.g., age 75 rule).	Minimum distribution requirements under 401(a)(9) apply.	Minimum distribution requirements under 401(a)(9) apply.	Minimum distribution requirements under 401(a)(9) apply.
REPORTING	Form 1099-R	Form 1099-R	Form 1099-R	For plans sponsored by governmental employers, Form 1099-R for income tax reporting and Form W-2 for FICA reporting.
TAXATION	When distributed.	When distributed.	When distributed.	For plans sponsored by governmental employers, when distributed.
FUNDING	Plan assets must be held in a 403(b)(1) annuity contract or a 403(b)(7) custodial account. Custodial accounts must be invested in mutual funds. Plan assets are not subject to the employer's creditors.	Trust is required and plan assets are not subject to the employer's creditors. Plans sponsored by governmental employers must provide for 100% vesting at normal retirement age or upon termination of the plan (including complete discontinuance of contributions).	Trust is required and plan assets are not subject to the employer's creditors. Money purchase plans sponsored by governmental employers must provide for 100% vesting at normal retirement age or upon termination of the plan (including complete discontinuance of contributions).	For governmental employers, trust is required and plan assets are not subject to the employer's creditors.
PORTABILITY	1. A plan must allow eligible rollover distributions to be rolled over by a participant or surviving spouse to an eligible retirement plan (IRA,	1. A plan must allow eligible rollover distributions to be rolled over by a participant or surviving spouse to an eligible retirement plan (IRA,	1. A plan must allow eligible rollover distributions to be rolled over by a participant or surviving spouse to an eligible retirement plan (IRA,	1. A plan sponsored by a governmental employer must allow eligible rollover distributions to be rolled over by a participant or surviving

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	Roth IRA, 401(a), 401(k), 403(a), governmental 457(b), 403(b) plan). The plan must also allow eligible rollover distributions to be rolled over by a nonspouse beneficiary to an inherited IRA by trustee-to-trustee transfer. 2. A plan may accept rollovers from IRA, 401(a), 401(k), 403(a), governmental 457(b), or 403(b) plans. Rollovers may include after-tax amounts if made by trustee-to-trustee transfer and plan provides separate accounting. Rollovers may include Roth if a trustee-to-trustee transfer and plan permits Roth elective deferrals. 3. A plan may permit a plan-to-plan in-service transfer to a governmental 401(a) defined benefit plan for the purchase of permissive service credit or repayment of contributions. 4. Transfers between 403(b) plans are permitted.	Roth IRA, 401(a), 401(k), 403(a), governmental 457(b), 403(b) plan). The plan must also allow eligible rollover distributions to be rolled over by a nonspouse beneficiary to an inherited IRA by trustee-to-trustee transfer. 2. A plan may accept rollovers from IRA, 401(a), 401(k), 403(a), governmental 457(b), or 403(b) plans. Rollovers may include after-tax amounts if made by trustee-to-trustee transfer and plan provides separate accounting. 3. A plan sponsored by a governmental employer may accept a plan-to-plan in-service transfer from a 403(b) plan or a governmental 457(b) plan for the purchase of permissive service credit or repayment of contributions. 4. Transfers between 401(a) plans are permitted.	Roth IRA, 401(a), 401(k), 403(a), governmental 457(b), 403(b) plan). The plan must also allow eligible rollover distributions to be rolled over by a nonspouse beneficiary to an inherited IRA by trustee-to-trustee transfer. 2. A plan may accept rollovers from IRA, 401(a), 401(k), 403(a), governmental 457(b), or 403(b) plans. Rollovers may include after-tax amounts if made by trustee-to-trustee transfer and plan provides separate accounting. 3. Transfers between 401(a) plans are permitted.	spouse to an eligible retirement plan (IRA, Roth IRA, 401(a), 401(k), 403(a), governmental 457(b), or 403(b) plan). The plan must also allow eligible rollover distributions to be rolled over by a nonspouse beneficiary to an inherited IRA by trustee-to-trustee transfer. 2. A plan sponsored by a governmental employer may accept rollovers from an IRA, 401(a), 401(k), 403(a), governmental 457(b), or 403(b) plan, provided the plan must account separately for amounts rolled into the plan from non-457(b) plans. Rollovers may not include after-tax amounts. Rollovers may include Roth if a trustee-to-trustee transfer and plan permits Roth elective deferrals. 3. A plan sponsored by a governmental employer may permit a plan-to-plan in-service transfer to a governmental 401(a) defined benefit plan for the purchase of permissive service credit or repayment of contribution. 4. Transfers to and from governmental 457(b) plans permitted.

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NON-DISCRIMINATION RULES	1. **Elective Deferrals**. For governmental employers, universal availability rule applies with respect to elective deferrals. 2. **Employer Contributions**. For governmental employers, no non-discrimination rules apply to employer contributions.	For governmental employers, no non-discrimination rules apply.	For governmental employers, no non-discrimination rules apply.	For governmental employers, no non-discrimination rules apply.
FORM 5500	Not required for governmental employers.	Not required for governmental employers.	Not required for governmental employers.	Not required.
DETERMINATION LETTER	Not available, but IRS has adopted a pre-approved plan program.	A determination letter is available upon adoption and termination of a plan, and may in the future be available in other limited circumstances. It is not required, but recommended, to apply for a determination letter on the qualified status of the plan when available.	A determination letter is available upon adoption and termination of a plan, and may in the future be available in other limited circumstances. It is not required, but recommended, to apply for a determination letter on the qualified status of the plan when available.	Not available, but an employer can seek a private letter ruling.
IRS CORRECTION PROGRAMS	Yes.	Yes.	Yes.	Yes.

This chart is for general informational purposes only, and does not and is not intended to constitute legal advice. The reader should consult with legal counsel to determine how the laws outlined herein apply to the reader's specific circumstances. For more information, please contact Ann O'Hara, ann.ohara@icemiller.com, 317-236-2356, or Tara Sciscoe, tara.sciscoe@icemiller.com, 317-236-5888, at Ice Miller LLP.