

# You have options when it comes to saving for retirement

Increasing life expectancy and the rising cost of health care are making retirement more expensive today than for prior generations. Individuals who save in 403(b) or 457(b) plans can be better prepared to leave service at normal retirement ages and have more flexibility to meet their future financial needs.

The attractiveness of a 403(b) or 457(b) plan may vary greatly depending on the circumstances. For more information on comparing 403(b) and 457(b) plans, please review the chart below.

Feature	403(b)	457(b)
<b>IRS annual contribution limits</b>	<p><b>2021 limits</b></p> <ul style="list-style-type: none"> <li>• \$19,500 for those under age 50</li> <li>• \$6,500 catch-up contribution for those over age 50</li> </ul> <p>Visit <a href="https://www.irs.gov/pub/irs-pdf/p571.pdf">https://www.irs.gov/pub/irs-pdf/p571.pdf</a> for details</p>	<p><b>2021 limits</b></p> <ul style="list-style-type: none"> <li>• \$19,500 for those under age 50</li> <li>• \$6,500 catch-up contribution for those over age 50</li> </ul> <p>Visit <a href="https://www.irs.gov/retirement-plans/irc-457b-deferred-compensation-plans">https://www.irs.gov/retirement-plans/irc-457b-deferred-compensation-plans</a> for details</p>
<b>Loans</b>	Yes, as allowed by the plan	Yes, as allowed by the plan
<b>Distributable events</b>	Termination of employment, death, disability, retirement, age 59 ½ (even if still employed), hardship, loan (if allowed by the plan)	Termination of employment, death, disability, retirement, unforeseen emergency loan
<b>Penalties for early withdrawals</b>	10% IRS penalty before age 59 ½ and may be subject to income taxes	None
<b>Emergency withdrawals</b>	<p><b>Financial hardship</b></p> <p>Examples: prevent eviction or foreclosure, purchase of a principle residence, loss-related repairs on principle residence, out-of-pocket medical expenses, post-secondary education, current funeral or burial expenses</p>	<p><b>Unforeseen emergency</b></p> <p>Examples: prevent eviction or foreclosure, unexpected medical expenses not reimbursed by insurance, funeral expenses for a family member</p>
<b>Minimum distribution requirements</b>	Applicable to accumulation at age 72 (age 70½ if you reached 70½ before Jan. 1, 2020) or retirement, whichever is later	Applicable to accumulation at age 72 (age 70½ if you reached 70½ before Jan. 1, 2020) or retirement, whichever is later
<b>Taxability</b>	Amounts are taxable when distributed. 1099-R issued by investment provider.	Amounts are taxable when distributed. 1099-R issued by investment provider.

*You have options. We can help you find answers. At Horace Mann, we can help you understand the options available so you can make the decision that's best for your individual situation.*

See page 2 for important disclosure  
IM-MU0159 (Apr. 21)



*This document provides only a summary of the main features of Topeka School District's 403(b) and 457(b) plans, and the Plan Documents will govern in the event of any discrepancy.*

*The information provided here is for general informational purposes only, and should not be considered a recommendation or investment, tax or legal advice. Horace Mann Investors, Inc., member FINRA, is located at 1 Horace Mann Plaza, Springfield, IL 62715.*

*Withdrawals from a 403(b) and 457(b) account are restricted by the Internal Revenue Code and may be further restricted by your employer's plan. Generally, you may make a withdrawal from a 403(b) account only upon reaching age 59½, severance from employment, disability or certain hardships (if allowed by the plan); a 457(b) account only upon reaching age 59½, severance from employment, disability or an unforeseeable emergency. If you take money out before age 59½, you could be subject to a federal penalty tax of 10% (except for 457(b) accounts) in addition to income taxes. You should consult with a tax advisor regarding any tax-favored products.*