

Plan Comparison



Choosing a Retirement Plan

Are you looking for a way to save more for retirement?

Although your pension may provide a significant source of income during retirement, it may not be enough to meet all of your income needs.

As an educational employee, you have additional retirement savings resources to help you achieve a successful retirement: The Oregon Savings Growth Plan (OSGP), a 457(b) deferred compensation plan, and a 403(b)/TSA program.

This comparison outline will help you understand your options and make a decision that will help you achieve your retirement goals.

The OSGP and 403(b) allow you to make contributions through payroll deduction on a pre-tax basis.

You can also make Roth after-tax contributions to OSGP, allowing you to withdraw any earnings tax free, as long as qualifying conditions are met.*

You can participate in both plans at the same time. See reverse side for a side-by-side comparison of the OSGP 457(b) Plan and a 403(b) Plan.

**The withdrawal availability for Roth sources will be subject to the terms of the Plan. Earnings you withdraw from the Roth sources within the 457 Plan will only be tax free if: (1) they have been in the Roth account within the Plan for at least a five year taxable period; AND (2) you are either over age 59½, disabled or the distribution is made to your beneficiary subsequent to your death.*

Investment Options

OSGP 457 Plan

OSGP offers target date funds along with nine other investment options that range from conservative to aggressive risk levels. The Oregon Investment Council and PERS provide investment and administrative oversight, including the selection and monitoring of the investment options. Most are a blend of several professionally managed mutual funds. You may choose one of the target date options and let a team of investment managers gradually shift the investment mix throughout each stage of your life, or create your own portfolio that is tailored to suit your circumstances and retirement goals.

403(b) Plans

A wide range of investment options are available through 403(b) plans, including annuities and mutual funds. The sponsor of a 403(b) plan typically does not screen or evaluate companies based on their investment records, credit ratings, or any other basis. It is the participant's responsibility to research and understand the provisions of the investments selected and to monitor them on an ongoing basis.

Taking Withdrawals

OSGP 457 Plan

OSGP provides a number of flexible options for withdrawing money when you leave your employer. You can leave the money in the Plan and choose from the various cash distribution options, or you can roll the money over to another eligible retirement plan or IRA. Since there is no minimum age requirement to begin taking distributions, these distribution options are available when you leave your employer and funds are accessible 30 days after separating from your employer. Whether you roll your money over to another plan or IRA, or you leave it in the OSGP, its tax-deferred status will be preserved and your savings can continue growing tax-deferred until withdrawn.

Unlike 403(b) plans, a distribution from the OSGP is never subject to a 10 percent early withdrawal penalty fee.

403(b) Plans

Generally, if you withdraw money from a 403(b) plan prior to age 59 1/2 or retire at age 55, you will be assessed a 10 percent early withdrawal penalty and possibly other penalties and fees.

If you're looking for a plan that provides the best direction for your investment dollar consider the Oregon Savings Growth Plan.

OSGP 457(b) Plan & 403(b) Plan Compared

It's clear that although there are many similarities, there are also significant differences between the OSGP 457(b) Plan and a typical 403(b) plan. You may find the following comparison chart helpful in your decision-making.

	OSGP 457 Plan	Typical 403(b) Plan
Employee Deferrals		
Pre-tax	Yes	Yes
Roth (after-tax)	Yes	Depends, check with the Plan.
Account Transfers		
Prior pre-tax plans including 401(a), 401(k), 403(b), IRAs	Yes, from prior qualified plan or IRA (pre-tax amounts only).	Yes, from prior qualified plan or IRA (pre-tax amounts only).
Roth 401(k) and 403(b) plans	Yes	Yes
457(b) Plans	Yes	Yes, but assets may assume a tax penalty.
Contribution Limits	For current IRS limits on retirement savings account contributions, go to www.voya.com/IRSlimits .	
Current Catch-Up Deferral Limits	For current IRS limits on catch-up contributions, go to www.voya.com/IRSlimits	
50-plus catch-up	Yes	Yes
3-year catch-up	Yes	N/A
15-year catch-up	N/A	Yes
Distributable Events		
Unforeseeable emergency	Yes, upon employer approval.	Yes, upon employer approval.
Loans	Yes, upon employer approval.	Yes, upon employer approval.
Severance from employment	Yes	Yes
Age 72 required distribution ¹	Yes	Yes
De Minimis ²	Yes	Yes
Payment Options		
Lump sum	Yes	Yes
Partial lump sum	Yes	Yes
Installment	Yes	Yes
Period certain	Yes	Yes
Tax Penalty for Withdrawals	No	Yes, depending on age, circumstances, and type of distribution.
Expenses and Fees	<ul style="list-style-type: none"> • No "loads" on funds. • No investment option transfer fees. • No annual account maintenance fees. • No 12b-1 sales management fees. 	<ul style="list-style-type: none"> • Possible "loads" on funds. • Possible investment option transfer fees. • Possible annual account maintenance fees. • Possible 12b-1 sales management fees. • Possible surrender fees of up to 6%.

¹ If you turned 70½ in 2019 or earlier and still have a balance in the Plan, you are required to take a Required Minimum Distribution (RMD) by April 1st of the calendar year following the calendar year in which you reach 70½. Beginning in 2020 or later, if you have a balance in the Plan, you are required to take a Required Minimum Distribution (RMD) by April 1st of the calendar year following the calendar year in which you reach 72.

² De Minimis means a participant who has not contributed to his/her OSGP account for at least two years and who is still employed, may withdraw the account balance, if it is less than \$5,000. Withdrawals are subject to applicable taxes.

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