

VOLUNTARY SUPPLEMENTAL RETIREMENT PROGRAM COMPARISON

TYPE OF PLAN	UNC System 403(b) Program	State's 457 Deferred Compensation Plan	State's 401(k) Plan
Eligibility	Employees who pay FICA	Permanent employees	Permanent employees who participate in TSERS or ORP
Approved Vendors	Fidelity Investments and TIAA-CREF	Prudential Retirement	Same as 457
Investment Options	<ul style="list-style-type: none"> • Fixed Accounts and Mutual Funds. • Pre-tax and Roth after-tax investments 	North Carolina Institutional Funds—11 individual investment options and 12 Goalmaker profiles	Same as 457, and Roth after-tax investments
Ownership of Account	Employee	Held in trust by the State of North Carolina exclusively for participants and their beneficiaries	Same as 457
Contribution Limits*	<p>Minimum: \$200 per calendar year</p> <p>Maximum: \$16,500 in 2009; participants who are age 50 by the end of the plan year may defer an additional \$5,500 in 2009.</p>	<p>Minimum: None</p> <p>Maximum: 100% of taxable pay not to exceed \$16,500 in 2009; participants who are age 50 by the end of the plan year may defer an additional \$5,500 in 2009. As an alternative to the age 50 catch-up, a participant is eligible to defer up to twice the contribution limit in effect for the 3 years preceding the employee's normal retirement age, subject to eligibility.*</p>	<p>Minimum: Same as 457</p> <p>Maximum: In 2009, 80% of gross pay not to exceed \$16,500. NOTE: This same limit applies to Law Enforcement Officers. Participants who are age 50 by the end of the plan year may defer an additional \$5,500 in 2009.</p>
Aggregation With Other Plans	Yes. If both 403(b) and 401(k) plans are utilized, the amount of the contribution to both plans cannot exceed the 403(b) plan limit, assuming the 401(k) contribution amount does not exceed the 402(g) limit, (currently \$16,500 for 2009). The age 50 catch-up is a combined amount with 401(k).	No coordination is required.	Same as 403(b).
Portability (i.e., transfers) for Terminated Employees	Easily transferable to other non-profit employers. May permit use of same contract throughout career with non-profit employers.	(See "Distribution Options for Terminated Employees" below.)	May continue participation if employed with other North Carolina state or local governmental employers. (See "Distribution Options for Terminated Employees" below.)
Transfers Among Carriers While Actively Employed	Yes, to another 403(b)(1) account or 403(b)(7) contract only.	Not applicable while actively employed.	Not applicable while actively employed unless over age 59 ½.

*An annual calculation must be made for each individual situation.

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Loan Provisions	<ul style="list-style-type: none"> Fidelity: Permits loans from both pre-tax and Roth accounts. TIAA-CREF: Permits loans from pre-tax accounts. 	Yes	Yes
Withdrawal Provisions	Separation from employment, death, disability, hardship, or age 59 ½	<ul style="list-style-type: none"> Severance from State employment regardless of age Death Permanent Disability Financial hardship (Sudden and unexpected emergency that no other source may satisfy, as approved by the Plan's Board of Trustees.) Purchase of allowable service credits with the State Retirement System De minimus benefits less than \$5,000 	<ul style="list-style-type: none"> Retirement Age 59 ½ and still employed Permanent Disability as determined by the State Retirement System Separation from employment at any age Death Financial Hardship (as defined by 401(k) Plan Document in accordance with Internal Revenue Code). Purchase of allowable service credits with the State Retirement System.
Distribution Requirement	Participant must begin to receive distribution no later than April 1 st following the year in which age 70 ½ or retirement is attained, whichever is later. A 50% penalty tax will be levied on amounts that were not, but should have been distributed. Contributions made prior to 1/1/87 are subject to different rules.	Participant must begin to receive distribution no later than April 1 st following the year in which age 70 ½ or retirement is attained, whichever is later. A 50% penalty tax will be levied on amounts that were not, but should have been distributed.	Same as 457 plan
Distribution Options at Termination of Employment	May receive distribution according to contract/account terms, or may rollover to another 403(b), 401(k), 457(b) plan, or to an IRA.	Flexible distribution options according to Plan Document, or may be rolled over to IRA, 401(k), 403(b), 457, or other qualified retirement plans.	Same as 457 plan