



Pre-tax Plans comparison chart

| | Traditional 457(b) Deferred Compensation Plan | Traditional 401(k) Savings & Investment Plan | 403(b) Tax Deferred Annuity Plan |
|---|--|---|---|
| Who's eligible to participate? | All regular and contractual State employees | | State educational institution employees |
| Who's eligible for the State match? | All State employees in the State Employees' Alternate Contributory Pension Plan | | |
| Are payroll deductions pretax? | Yes (after FICA deduction) | | |
| What's the minimum I may contribute? | \$5 per biweekly pay | | |
| What's the maximum I may contribute? | \$17,500 effective Calendar Year 2014 (may be adjusted in future years for inflation) ¹ | | |
| May I "catch-up" in a later year? | Age 50 or older bonus: \$5,500 effective Calendar Year 2014. Special 457(b) Catch-up provision available within 3 years of retirement. These two provisions may not be used in the same year. ¹ | Age 50 or older bonus: \$5,500 deferral effective Calendar Year 2014 ¹ | |
| May I contribute to more than one Plan at the same time? | Yes – but with the following limitations: | <ul style="list-style-type: none"> • \$17,500 457(b) and/or Roth 457(b) + \$17,500 401(k) and/or Roth 401(k) = \$35,000/yr¹ • \$17,500 457(b) and/or Roth 457(b) + \$17,500 403(b) = \$35,000/yr¹ • \$17,500 457(b) and/or Roth 457(b) + combination of 403(b) & 401(k)/Roth 401(k) not to exceed \$17,500 = \$35,000/yr¹ | |
| How often may I change my contribution amount? | Unlimited | | |
| What are the costs to participate? | 0.14% of your account value a year, no more than \$2,000, and 50 cents per month per account. ² | | |
| What are the current investment options? | Investment Contract Pool Mutual Funds Targeted Retirement Funds | Vanguard Money Market Mutual Funds Targeted Retirement Funds | |
| May I roll over money from other retirement accounts into my Maryland Supplemental Retirement account? ³ | Yes – from a 457(b), 401(k), 403(b), thrift savings plan or IRA into your supplemental retirement account | | |
| May I roll over my supplemental retirement account to another type of retirement account, like an IRA? | Yes – to a 457(b), 403(b), 401(k) or IRA, upon leaving State service | Yes – to a 457(b), 403(b), 401(k) or IRA, upon leaving State service or obtaining age 59½ | |
| May I withdraw money from my account while employed? | Yes, but only at age 70½ or older, or qualify for an unforeseeable emergency withdrawal | Yes, but only at age 59½ or older, or qualify for a hardship withdrawal | |
| When may I begin withdrawals from my account without a penalty? ⁴ | When you leave State employment, regardless of age | If you leave State employment at age 55 or older, or age 59½ regardless of employment. Other exceptions may apply. Consult your tax or legal advisor for more information | |
| May I change my withdrawal option, amount or frequency once I start payout? | Yes, excluding purchased annuities | | |
| Must I elect my payout date when I leave State employment? | No – payouts not required until 70½ and separated from service | | |
| Is there a loan provision and a hardship/emergency provision? | Yes/Yes | | |

NOTE: 401(a) Match Plan: The withdrawal rules are the same for the 401(a) and 401(k) plans except that in the 401(a) plan, distributions are not permitted until separation from State service.

¹ Source: IRS Announces Pension Plan Limits for 2014, www.irs.gov

² In addition, each of the mutual funds offered by the plan has fund expenses that are netted directly from the mutual fund's daily price. These will vary based upon the mutual fund selected. Also, some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully. NOTE: some mutual funds pay reimbursements that offset fees, see our "Mutual Fund Savings" pamphlet and your account statement for more information.

³ As you make decisions about rolling over assets especially qualified retirement plans and IRAs, keep in mind that each type of account has different rules about fees, when you can access your funds, surrender charges and tax penalties.

⁴ Withdrawals are taxed as ordinary income.

Money market funds: Investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other federal government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Targeted Retirement Funds offered by T. Rowe Price, also known as target date funds, are asset allocation funds that are based on a targeted date as to when an investor plans to begin to withdraw money. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments over time. As a result, the funds become more conservative over time as you approach retirement. It's important to remember that no strategy can assure a profit or prevent a loss in a declining market. The principal value of the fund(s) is not guaranteed at any time, including at the target date.

Fund prospectuses can be obtained by calling 800-545-4730. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information. Read prospectuses carefully before investing.





After-tax Plans comparison chart

| | Roth 457(b) Deferred Compensation Plan | Roth 401(k) Savings & Investment Plan |
|---|---|---|
| Who's eligible to participate? | All regular and contractual State employees | |
| Who's eligible for the State match? | All State employees in the State Employees' Alternate Contributory Pension Plan | |
| Are payroll deductions pretax? | No | |
| What's the minimum I may contribute? | \$5 per biweekly pay | |
| What's the maximum I may contribute? | \$17,500 effective Calendar Year 2014 (may be adjusted in future years for inflation) ⁵ | |
| May I "catch-up" in a later year? | Age 50 or older bonus: \$5,500 effective Calendar Year 2014. Special 457(b) Catch-up provision available within 3 years of retirement. These two provisions may not be used in the same year. ⁵ | Age 50 or older bonus: \$5,500 deferral effective Calendar Year 2014 ⁵ |
| May I contribute to more than one Plan at the same time? | Yes – but with the following limitations: <ul style="list-style-type: none"> • \$17,500 457(b) and/or Roth 457(b) + \$17,500 401(k) and/or Roth 401(k) = \$35,000/yr⁵ • \$17,500 457(b) and/or Roth 457(b) + \$17,500 403(b) = \$35,000/yr⁵ • \$17,500 457(b) and/or Roth 457(b) + combination of 403(b) & 401(k)/Roth 401(k) not to exceed \$17,500 = \$35,000/yr⁵ | |
| How often may I change my contribution amount? | Unlimited | |
| What are the costs to participate? | 0.14% of your account value a year, no more than \$2,000, and 50 cents per month per account. ⁶ | |
| What are the current investment options? | Investment Contract Pool Mutual Funds Targeted Retirement Funds | |
| May I roll over money to or from other retirement accounts into my Maryland Supplemental Retirement account? ⁷ | Yes – but only a direct rollover from another Roth 457(b) account. | Yes – but only a direct rollover from another Roth 401(k) account. |
| Will my distributions be taxed? | Qualified distributions are not subject to federal or Maryland income tax. If not a qualified distribution, investment earnings are subject to ordinary income tax and possibly a 10% early withdrawal penalty. ⁸ | |
| When may I begin withdrawals from my account without a penalty? ⁴ | When you leave State employment, regardless of age | If you leave State employment at age 55 or older, or age 59½ regardless of employment. Other exceptions may apply. Consult your tax or legal advisor for more information |
| May I change my withdrawal option, amount or frequency once I start my payout? | Yes, excluding purchased annuities | |
| Must I elect my payout date when I leave State employment? | No – payouts not required until 70½ and separated from service | |
| Is there a loan provision and a hardship/emergency provision? | Yes/Yes | |

NOTE: 401(a) Match Plan: The withdrawal rules are the same for the 401(a) and 401(k) plans except that in the 401(a) plan, distributions are not permitted until separation from State service.

⁵ Source: IRS Announces Pension Plan Limits for 2014, www.irs.gov

⁶ In addition, each of the mutual funds offered by the plan has fund expenses that are netted directly from the mutual fund's daily price. These will vary based upon the mutual fund selected. Also, some mutual funds may impose a short-term trade fee. Please read the underlying prospectuses carefully. NOTE: some mutual funds pay reimbursements that offset fees, see our "Mutual Fund Savings" pamphlet and your account statement for more information.

⁷ As you make decisions about rolling over assets especially qualified retirement plans and IRAs, keep in mind that each type of account has different rules about fees, when you can access your funds, surrender charges and tax penalties.

⁸ Generally, a Roth 401(k) account distribution is a qualified distribution if 1) the Roth 401(k) account has been in existence for a five-year period (the five-year period begins January 1 of the year a participant first makes a Roth contribution into the plan, and 2) a participant is age 59½, or has died or become disabled under IRC section 72(m)(7). Distributions made prior to these requirements being met are non-qualified distributions, and earnings could be taxable.

Fund prospectuses can be obtained by calling 800-545-4730. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other important information. Read prospectuses carefully before investing.

This information is of a general and informational nature and is NOT INTENDED TO CONSTITUTE LEGAL OR INVESTMENT ADVICE.

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