

**2008 COMPARISON CHART
TAX SHELTERED ANNUITY (403(b)), STATE DEFERRED COMPENSATION (457) AND STATE THRIFT (401(k)) PLANS**

Eligibility: Generally, all employees are eligible to participate in the 403(b) program with the exception of certain student classifications. The following employees are prohibited from joining the 457 and 401(k) plans: Faculty Early Retirement Program (FERP) employees and seasonal or temporary employees required to be enrolled in the Part-time, Seasonal and Temporary Employees Retirement Program (PST Program).

TSA PLAN (403(b))	DEFERRED COMP (457)	THRIFT PLAN (401(k))
Deferred tax on investment	Deferred tax on investment	Deferred tax on investment
\$15 min. contribution per warrant	Initial investment: \$50 minimum; thereafter, \$20 min. contribution per warrant	Initial investment: \$50 minimum; thereafter, \$20 min. contribution per warrant
Variety of annuities and custodial funds	Variety of investment choices	Variety of investment choices
Assets held by vendor through insurance contract or by custodial bank	Assets held in trust	Assets held in trust
The lesser of \$15,500/yr, or 100% of adjusted taxable income*	100% of compensation up to \$15,500/year*	100% of compensation up to \$15,500/year*
Hardship withdrawal for severe financial hardship	Hardship withdrawal for unforeseeable financial emergency	Hardship withdrawal for severe financial hardship
Choice of payout method	Choice of payout method	Choice of payout method
Eligible roll over distribution to an IRA or to another employer's 403(b), 401(k)** , or governmental 457(b)** plan, or to a 401(a) plan (In-service within plan 403(b) transfers were suspended as of September 24, 2007.)	Eligible roll over distribution to an IRA, or to another employer's governmental 457(b), 401(k) plan, or to a 401(a), or 403(b) plan	Eligible roll over distribution to an IRA, or to another employer's 401(k) plan or 457(b) governmental plan, or to a 401(a), or 403(b) plan
Eligible rollover in from another employer's 403(b), 401(k) or governmental 457(b) plan	Eligible rollover in from another employer's governmental 457(b) plan only	Eligible rollover in from another employer's 401(k) plan only; or from 403(b)** plan
Surviving spouse of participant may roll over distributions. Non-spousal beneficiary may roll over distributions to an inherited IRA	Surviving spouse of participant may roll over distributions. Non-spousal beneficiary may roll over distributions to an inherited IRA	Surviving spouse of participant may roll over distributions. Non-spousal beneficiary may roll over distributions to an inherited IRA
No tax averaging available	No tax averaging available	See #3 under Notes
15-year "Catch-up" provision may be available for up to \$3,000 per year, for a lifetime maximum of \$15,000. Participants must prove eligibility by submitting a completed Maximum Contribution Calculation Worksheet. Additional \$5,000 age based catch-up deferral for 2008 available to participants who have reached age 50 by the end of the calendar year and who have hit plan or dollar limit, including 15 year catch-up, if eligible.	Special 457 "Catch-up" provision available. Contact the Savings Plus Program for details. Additional \$5,000 age based catch-up deferral for 2008 available to participants who have reached age 50 by the end of the calendar year and who have hit plan or dollar limit. Participants in this plan cannot utilize both catch-up provisions listed above in the same calendar year.	15-year "Catch-up" provision is not available. Additional \$5,000 age based catch-up deferral for 2008 available to participants who have reached age 50 by the end of the plan year and who have hit plan or dollar limit.
At least age 55 and retired, or 59 1/2 (regardless of employment status) - receive plan payout without tax penalty	Plan payout upon retirement or separation from from State service without tax penalty. (No age requirement)	Distributions prior to age 59 ½ may be subject to an early withdrawal tax penalty

*403(b) plans apply the 100% limit to the employee's taxable income PLUS employee pre-tax contributions to 403(b), 132(f) (pre-tax parking) and 125 plans (Dependent Care Reimbursement Account, Health Care Reimbursement Account, and Tax Advantaged Premium Plan). Employee pre-tax contributions to CalPERS retirement are not included. For 401(k) and 457(b) plans, limits are based on 100% of compensation up to \$15,500, for tax year 2008.

**Please note: The Savings Plus Program 457(b) plan does not accept rollovers from 403(b) plan distributions. 403(b) rollovers into the 401(k) plan can only be accepted if the employee has an existing 401(k) plan with assets and has a distributable event (reaches age 59-1/2 and/or separates from CSU employment).

NOTES:

- Maximum contribution limits for these plans are all interrelated.** If an individual participates in more than one plan in the same calendar year, he/she may be limited by the lowest maximum. Please note: 401(k) and 403(b) deferrals do not count against the 457(b) dollar limit and 457(b) deferrals do not count against the 401(k) and 403(b) dollar limit.
- These statements are general comparisons only.** For specific information refer to your tax advisor. For the Deferred Compensation and Thrift Plans, additional information is available from the Department of Personnel Administration's Savings Plus Program (SPP) Office at (866) 566-4777 or www.sppforu.com.
- Averaging treatment is still available for lump sums paid from a 401(k) plan to grandfathered participants born before January 2, 1936.**