The University of Texas System
Retirement Program
Your Future. Your Choice.

corebridge financial

Want to double your tax-deferred retirement savings?

Consider contributing to both: 403(b) plan and 457(b) deferred compensation plan.

Take advantage of this powerful way to save.

Your employer offers you the opportunity to save in a 403(b), a 457(b) deferred compensation plan or both. Because you can choose to contribute to one or both, you can select the plan with features that best suit your situation.

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What is the most you can contribute?

If you are eligible for certain catch-up contributions, you can save as much as $79,500 in 2024. Check the table below to see how much you can save.

In a 403(b) plan		In a 457(b) plan	
$23,000	basic contribution	$23,000	basic contribution
+3,000	eligible employees with 15 or more years of service	+23,000	eligible employees within the last three taxable years ending in the year before normal retirement age under their plan
+7,500	employees who are age 50 or older		
$33,500	**Total** If you are eligible for both catch-up contributions, you must exhaust the 15-year catch-up first.	**$46,000**	**Total**
		or	
		$23,000	basic contribution
		+ 7,500	governmental employees age 50 or older
		$30,500	**Total**

Potential maximum combined contribution — $46,000 + $33,500 = $79,500

How do the plans differ?

There are some significant differences between the plans, especially when it comes to withdrawals. Consider these differences when deciding which plan will suit you best. Bear in mind that income taxes must be paid on all amounts you withdraw from both plans.

403(b)	457(b)
Withdrawals prior to age 59½ may be subject to a 10% federal early withdrawal tax penalty, unless an exception applies.	Unlike the 403(b) plan, the 10% federal early withdrawal tax penalty for withdrawals prior to age 59½ does not apply to distributions from 457(b) plans except on amounts rolled into the plan from non-457(b) plans — including IRAs.
Less stringent hardship withdrawal restrictions while you are employed.	More stringent unforeseeable emergency withdrawal restrictions while you are employed.
Examples of financial hardship include: • Certain unreimbursed medical expenses • Payments to purchase a principal residence • Qualifying expenses for higher education • Payments to prevent eviction from or foreclosure of a mortgage on a principal residence	Examples of unforeseeable emergency include: • You or a dependent suffer an accident or unexpected illness • Loss of property due to casualty • Other similar extraordinary circumstances arising as a result of events beyond your control Sending a child to college or purchasing a home, two common reasons for 403(b) hardship withdrawals, generally are not considered unforeseeable emergencies.

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If this sounds complicated, don't be dismayed.

You don't have to make the decision by yourself! The information in this flyer can help you get started, and then you can talk it over with your local financial professional.

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Important considerations before deciding to move funds either into or out of a Corebridge retirement services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. Read the fund prospectuses carefully before investing. The fund prospectuses and if available, the summary prospectus, contain important information, which can be obtained from your financial professional, at utsystem.corebridgefinancial.com or by calling 1.800.428.2542 and following the prompts. Please read carefully.

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Annuities are issued by **The Variable Annuity Life Insurance Company**, Houston, TX.

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