457(b) deferred compensation plan for Chapman University

The 457(b) plan offers an exclusive opportunity to increase your tax-deferred savings.

The 457(b) deferred compensation plan offers a select group of senior management and highly compensated employees an exclusive opportunity to double the tax-deferred contributions they set aside annually for their retirement.

To view investment options for the plan, go to **TIAA.org/chapman**.

In 2022, you can contribute up to $20,500 to your employer's 457(b) plan with TIAA, in addition to a maximum of $20,500 you may already be contributing to another employer-sponsored or supplemental plan such as a 403(b) or 401(k) plan.

How does the 457(b) plan work?

A 457(b) plan provides a select group of senior management and highly compensated employees the opportunity to contribute to an additional tax-deferred account offering a variety of investment options. Unlike with a 403(b) plan, however, the assets in a 457(b) plan are owned by your employer and are subject to creditor claims in the event of bankruptcy until distributed.

Your plan contributions are automatically made pretax through payroll deductions, reducing your current taxable income and taxes owed for the year.

Federal income taxes (and in most cases, state and local income taxes) on contributions and earnings are typically deferred in a 457(b) plan until paid or made available to you.

In order to avoid a default distribution from the plan and immediate taxation of benefits, you will be required to choose a distribution date and option within a specific period of time following your separation from service, as outlined in the plan document. Generally, to be entitled to receive a distribution from your 457(b) plan before age 70½ (if your plan allows), you must terminate employment. (Some plans also provide in-service distributions for events such as an unforeseeable emergency or small-sum distributions.)

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403(b) and 457(b) plans at a glance

	Section 403(b) plans	Section 457(b) plans
Eligibility and participation	Benefits-eligible employees generally able to participate Consult plan document for rules on eligibility and enrollment	Limited to a select group of senior management and highly compensated employees Consult plan document for rules on eligibility and enrollment
Taxability	Taxable in the year distributed	Taxable in the year paid or otherwise made available
Contribution limits	In 2022, limited to the lesser of 100% of compensation or $20,500 Governed by IRC Sections 415 and 402(g)	In 2022, limited to the lesser of 100% of compensation or $20,500 Governed by IRC Section 457(e)(15)
Contribution coordination	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans	Employees may be eligible to contribute the maximum to both 403(b) and 457(b) plans
Age 50 catch-up amounts	An additional $6,500 elective salary deferral may be permitted in 2022	Not available
Triggering events	Severance from employment, disability or death Hardship distributions may be available subject to certain restrictions relating to employer contributions Consult plan document for specific rules	Severance from employment, age 70½ (if your plan allows) or death Distributions may be available for an unforeseeable emergency Distribution elections must be made within a specific period of time following separation from employment to avoid a default distribution from the plan and immediate taxation of benefits received Consult plan document for specific rules
Early withdrawal penalty	10% on withdrawals generally before age 59½ Exceptions include death and disability	No early withdrawal penalties
Rollovers	Permitted to IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans Rollovers are NOT permitted to 457(b) plans of a tax-exempt employer	NOT permitted to an IRA, 401(a), 401(k), 403(b) or 457(b) governmental plans Direct transfers to another 457(b) plan of a tax-exempt employer may be permitted only if both plans allow for the transaction Consult plan document for specific rules
Loans	Availability subject to plan rules	Not available

Contact your HR/Benefits office to learn more about your 457(b) deferred compensation plan options, or call 800-842-2252 to schedule a one-on-one education session with a TIAA financial consultant.

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