

BOSTON COLLEGE

457(b) DEFERRED COMPENSATION PLAN

Introduction ó A *457(b) Plan* is an unfunded plan maintained primarily for the purpose of providing deferred compensation opportunities for a select group of management or highly compensated employees, sqo g'ko gu'tghgttgf "vq"cu'c"övr 'j cvö'i tqwr 0

Eligibility ó Boston College has defined the eligible group for this plan as those whose annual base salary (benefits eligible salary) ku' cv' r'gcu' 97' " qh' vj g' KFU" öcppwri' eqo r gpucv'kp"rko kö"wugf "hqt"f g'vto k'kpi "econtributions to the 401(k) Plan. For calendar year 2024, the IRS annual compensation limit is \$345,000, and 75% of that amount is \$258,750.

Therefore, any benefits-eligible employee whose annual base salary is \$258,750 or more in 2024 is eligible to participate in the *457(b) Deferred Compensation Plan*.

Investment Options ó Participants may invest their contributions with TIAA and/or Fidelity Investments, using most of the options that ctg'cxckrdrg"kp"Dquvq"Eqmgi g'au" 401(k) and 403(b) plans. A list of options is available from the Benefits Office.

Plan Highlights

- Ø **Tax-deferred Contributions** ó Similar to the 401(k) and 403(b) plans, the *457(b) Plan* allows participants to set aside a portion of their salary on a tax-deferred basis. Participants do not pay any federal or state income taxes on the amounts they contribute or on any earnings accumulated until the funds are withdrawn from the plan.
- Ø **Unfunded Status** ó An important distinction between this plan and the 401(k) and 403(b) plans is that, by law, a *457(b) Plan* ku'öwphwpf gf Ö""Vj ku'o gcpu'vj cv'f ghgttgf " amounts cannot be vested for employees in their names. Technically, all assets w'pf gt"vj g'r r'cp"tgo ckp'r ctv'qh'vj g"go r r'q{gt'au'i g'p'g'cn'cu'gw"cpf "ctg"u'wdlgev"vq"vj g" claims of its creditors until distributions begin.
- Ø **Contribution Limits** ó For calendar year 2024, the 457(b) limit is \$23,000. This is in addition to the limits under the 401(k) and 403(b) plans. However, primarily because of the unfunded status of 457(b) assets, **eligible employees should only consider participating in the 457(b) Plan if they are already contributing to the 401(k) (if eligible) and 403(b) plans at a maximum rate.**

[For 2024 the combined maximum contribution to the 401(k) and 403(b) plans is also \$23,000, or \$30,500 if a participant will be age 50 or over as of the end of the calendar year.]

(over)

