

# 401(k) plan vs. 457(b) plan

Your employer-sponsored retirement plan may be one of your most important assets during retirement. That's why it's important to make the most of it by saving as much as you can now. So, ask yourself: Am I saving enough for the future I envision?

As a City of Boise employee you have two retirement plan options. The **City of Boise 457(b) plan** has some important differences from the state 401(k) plan, such as no early withdrawal penalty and a Roth option.

	401(k) plan	457(b) plan
<b>Contribution types</b>	Pretax only	Pretax and Roth
<b>Eligible participants</b>	All General and Fire Employees of the City of Boise <b>Please contact Human Resources as you may be eligible for a match.</b>	All General and Fire Employees of the City of Boise <b>General Employees are eligible for a 2% match.</b>
<b>Maximum salary deferral</b>	\$23,000 (in 2024)	\$23,000 (in 2024)
<b>Age 50+ catch-up contribution</b>	\$7,500 (in 2024)	\$7,500 (in 2024)
<b>Three year pre-retirement catch-up contribution</b>	Not allowed.	Allowed. You can contribute up to twice the annual limit for the three years prior to normal retirement age.
<b>Vesting/ownership</b>	All contributions are fully (100%) vested.	All contributions — both pretax and Roth — are fully (100%) vested.
<b>Early withdrawal penalty for participants under 59½</b>	A 10% early withdrawal penalty may apply to participants under 59½ years of age.	No early withdrawal penalty

Source: Internal Revenue Service, irs.gov, November 1, 2023, and Social Security Administration, ssa.gov, October 12, 2023.

## City of Boise employees can fully participate in both plans!

To maximize your retirement savings, you can contribute up to the annual IRS limit in both plans.

- **\$46,000** – the maximum salary deferral limit for employees enrolled in both retirement plans
- **\$61,000** – the combined maximum salary deferral limit for employees who are age 50 or older and enrolled in both retirement plans

Remember, you'll never have more time to save than you do today. Take this opportunity to review your contribution rate and see if you can boost your savings. Visit [LincolnFinancial.com/Retirement](https://LincolnFinancial.com/Retirement) to enroll in the Lincoln Financial 457(b) plan!



### Get personal help.

Meet one-on-one with your retirement consultant, **Rachael Schneider**, to get answers to your questions and receive personal help with retirement planning. Schedule a meeting by visiting [LincolnFinancial.com/BoiseSchedule](https://LincolnFinancial.com/BoiseSchedule), emailing [Rachael.Schneider@LFG.com](mailto:Rachael.Schneider@LFG.com), or calling **360-580-9741**.