

Feature	403(b)	401(k)
Eligible Employer	Educational organizations and nonprofit organizations under 501(c)(3) of the IRC	Any employer
Eligible Employees	<p>All employees but may exclude:</p> <ul style="list-style-type: none"> • Employees who work less than 20 hours per week • Professors on sabbaticals • Certain students • Union employees covered under collective bargaining agreements • Non-resident aliens with no U.S. income 	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> • Age 21 • One year of service • 1000 hours of service per year <p>May exclude:</p> <ul style="list-style-type: none"> • Union employees covered under collective bargaining agreements • Non-resident aliens with no U.S. income
Contribution Limits (Employer)	Employer's discretion up to 25% of eligible payroll. Can be made as a matching or an employer discretionary contribution.	Employer's discretion up to 25% of eligible payroll. Can be made as a matching or a profit sharing contribution.
Contributions Limits (employee)	Employees can defer up to \$20,500 per year, 2022 limit. Employee and employer contributions per employee cannot exceed \$61,000 unless employee is age 50 or older, then they may defer up to an additional \$6,500. An employee of a "qualified organization" with 15 years of service may be eligible to contribute an additional \$3,000.	Employees can defer up to \$20,500 per year, 2022 limit. Employee and employer contributions per employee cannot exceed \$61,000 unless employee is age 50 or older, then they may defer up to an additional \$6,500.
Deductions and Deferrals	Employer contributions are tax deferred for employee. Employee contributions are pre-tax and tax deferred.	Employer contributions deductible to employer and tax deferred for employee. Employee contributions are pre-tax and tax deferred.
Investment Options	Mutual funds and annuities only	Any acceptable investment under the plan
Vesting	Several permissible vesting schedules. All employee elective deferrals are 100% vested immediately.	Several permissible vesting schedules. All employee elective deferrals are 100% vested immediately.

* This general information piece is distributed with the understanding that EGPS is not rendering any legal advice.

** Plan Sponsors should consult with their legal representatives about the application of any law pertaining to retirement plans.