

You have options when it comes to saving for retirement

Longer life expectancy and rising healthcare costs make retirement more expensive than in the past. Saving in 403(b) or 457(b) plans can help individuals retire at the usual age with greater financial flexibility to meet future needs.

The attractiveness of a 403(b) or 457(b) plan may vary greatly depending on the circumstances. For more information on comparing 403(b) and 457(b) plans, please review the chart below.

Feature	403(b)	457(b)
IRS annual contribution limits	2025 limits <ul style="list-style-type: none"> • \$23,500 for those under age 50 • \$7,500 catch-up contribution for those over age 50 • \$11,250 catch-up contribution for those between the ages of 60 and 63 	2025 limits <ul style="list-style-type: none"> • \$23,500 for those under age 50 • \$7,500 catch-up contribution for those over age 50 • \$11,250 catch-up contribution for those between the ages of 60 and 63
Loans	Yes, as allowed by the plan	Yes, as allowed by the plan
Distributable events	Termination of employment, death, disability, retirement, age 59 ½ (even if still employed), hardship, loan (if allowed by the plan)	Termination of employment, death, disability, retirement, unforeseen emergency, loan
Penalties for early withdrawals	10% IRS penalty before age 59 ½ and may be subject to income taxes	None
Emergency withdrawals	Financial hardship Examples: prevent eviction or foreclosure, purchase of a principle residence, loss-related repairs on principle residence, out-of-pocket medical expenses, post-secondary education, current funeral or burial expenses	Unforeseen emergency Examples: prevent eviction or foreclosure, unexpected medical expenses not reimbursed by insurance, funeral expenses for a family member
Minimum distribution requirements	Distributions are required at age 73 or retirement, whichever is first	Distributions are required at age 73 or retirement, whichever is first
Taxability	Amounts are taxable when distributed. 1099-R issued by investment provider.	Amounts are taxable when distributed. 1099-R issued by investment provider.

You have options. We can help you find answers. At Horace Mann, we can help you understand the options available so you can make the decision that's best for your individual situation.

See page 2 for important disclosure

IM-MU0159 (1-25)

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Withdrawals from a 403(b) or 457(b) annuity are restricted by the Internal Revenue Code and may be further restricted by your employer's plan. Generally, you may make a withdrawal from a 403(b) annuity only upon reaching age 59½, severance from employment, disability or certain hardships (if allowed by the plan). Generally, you may make a withdrawal from a 457(b) annuity only upon reaching age 59½, severance from employment, or an unforeseeable emergency (if allowed by the plan). If you take money out before age 59½ you could be subject to a federal penalty tax of 10% (except for 457(b) contracts) in addition to income taxes. This is not intended to be tax advice. You should consult with a tax advisor regarding any tax-favored retirement products and your specific situation.