



Commonwealth Tax-Deferred Savings Plan and the SMART Plan

Comparison of Key Features

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The Commonwealth offers employees of education-related departments two distinct plans to which voluntary, tax-deferred contributions may be made:

Tax-Deferred Savings Plan, also known as the 403b Plan and the **SMART Plan**, a 457 Plan.

Both plans provide a tax-efficient method of saving to supplement your state retirement plan income.

In this respect, the plans are similar. However, the features of each plan vary. Employees must determine which plan better suits their needs. To help with your decision about which plan may be best for you, we have provided a brief comparison of plan provisions in the chart below.

Generally the 403b Tax-Deferred Savings Plan is most common among all educational institutions, public and private. Therefore, if you plan to remain in academia, you will find this plan to be more portable among educational and non-profit employers.

The SMART Plan is available to all departments of the Commonwealth. If you anticipate moving to a department that is not education-related, then you would find this plan portable within state government.

Choosing a Plan

You can learn about each plan's provisions and Providers through several venues:

Internet

403b Plan: OSC website; www.state.ma.us/OSC: Business Functions/Payroll and Labor Cost Management/General Payroll Information/403b Tax Shelter Annuities

Smart Plan: Treasury website; www.mass.gov.treasury Select Deferred Compensation under Departments or the Smart Plan tab.

Your Department

Your department's Benefits Administrator has descriptions of both plans.

Plan Provider

You can contact each plan's Providers directly. Your Benefits Administrator has contact information for all Providers.

Comparison of Key Features

Feature	403b Savings Plan	SMART Plan
Eligibility	Employees of education-related departments: colleges, EEC, DOE	Employees of the Commonwealth and participating governmental entities (i.e. cities, towns, etc.)
Governing Internal Revenue Code Section	Section 403(b)	Section 457(b)
Plan Entry	Immediately upon employment or any time thereafter	Immediately upon employment or any time thereafter
Providers	AXA-Equitable, Fidelity, ING, Lincoln Financial Group, MetLife MFSP, TIAA-CREF, VALIC	Great-West Retirement Services
Investment Decisions	Participants direct their own investments among funds offered by their Provider	Contributions will be invested, per participant instructions, in the investment options offered under the SMART Plan
Maximum Contributions for 2012	Younger than age 50: \$17,000; Age 50 and older: \$22,500	Younger than age 50: \$17,000; Age 50 and older: \$22,000; Special "Catch-Up" provision may be available three years prior to retirement
Loan Provision	Allows loans from contract providers when approved by Plan Administrator	Loans not permitted
Emergency Access to Your Funds	Hardship Withdrawals from contract providers when approved by Plan Administrator	Emergency access available in "Unforeseen Emergencies" as defined by the Internal Revenue Service
Trigger Events for Distributions from the Plan	Funds may be paid from the Plan upon: Termination of employment; attaining age 59 ½; becoming disabled; upon death of the participant	Funds may be paid from the Plan upon: Separation from service; Death; Unforeseen Emergencies; \$5000 In-service Distribution available in limited circumstances
Early Withdrawal Penalty of 10% Before Age 59 ½	Yes	No