

# Understanding Government Retirement Plans:

## A Side-by-Side Comparison

When it comes to retirement planning for public sector employees, navigating the different plan types can be confusing. Government workers often have access to specialized plans—like 401(a), 403(b), and 457(b)—each with their own rules, benefits, and limitations. Whether you're an HR professional designing benefits or an employee evaluating your options, this chart breaks down the key differences to help you make informed decisions.

Feature	401(a)	403(b)	457(b)
Who It's For	Governmental entities, educational institutions, and non-profit organizations	Non-profit organizations, including schools and churches	State and local government organizations (e.g., teachers, firefighters)
Plan Type	Defined contribution	Tax-deferred retirement savings	Deferred compensation plan
Contributions	Employer determines method (mandatory/voluntary)	Employee elective deferrals; employer may match	Employee elective deferrals; employer may match
Contribution Limits (2025)	Up to \$72,000 (combined employer + employee)	\$24,500 + \$8,000 catch-up (age 50+)	\$24,500 + \$8,000 catch-up (age 50+); up to \$35,750 with special catch-up
Vesting	Immediate for employee contributions; employer sets vesting schedule for employer contributions	Typically immediate for employee contributions, however employers can set a vesting schedule	Immediate vesting on all contributions
Tax Treatment	Tax-deferred	Tax-deferred or Roth	Tax-deferred or Roth
Early Withdrawal Penalty	10% penalty before age 59½ (unless exception applies)	10% penalty before age 59½	No penalty for early withdrawal before age 59½

## Why Fisher\SMB Is the Right Partner for Your Retirement Plan Strategy

Navigating government retirement plans can be complex—but it doesn't have to be. Fisher\SMB specializes in helping public sector organizations design and manage retirement benefits that attract top talent and support long-term financial wellness. From plan setup to employee education, we're here to simplify the process and maximize impact.



### Need help navigating your retirement plan options?

Our retirement specialists are here to guide you through your options and help design a strategy that fits your organization's unique needs.

[Schedule a consultation](#)