

BOSTON COLLEGE

457(b) DEFERRED COMPENSATION PLAN

Introduction – A *457(b) Plan* is an unfunded plan maintained primarily for the purpose of providing deferred compensation opportunities for a select group of management or highly compensated employees, sometimes referred to as a “top hat” group.

Eligibility – Boston College has defined the eligible group for this plan as those whose annual base salary (benefits eligible salary) is at least 75% of the IRS “annual compensation limit” used for determining contributions to the 401(k) Plan. For calendar year 2026, the IRS annual compensation limit is \$360,000, and 75% of that amount is \$270,000.

Therefore, any benefits-eligible employee whose annual base salary is \$270,000 or more in 2026 is eligible to participate in the *457(b) Deferred Compensation Plan*.

Investment Options – Participants may invest their contributions with either TIAA or Fidelity Investments, using most of the options that are available in Boston College’s 401(k) and 403(b) plans. A list of options is available from the Benefits Office.

Plan Highlights

- **Tax-deferred Contributions** – Similar to the 401(k) and 403(b) plans, the *457(b) Plan* allows participants to set aside a portion of their salary on a tax-deferred basis. Participants do not pay any federal or state income taxes on the amounts they contribute or on any earnings accumulated until the funds are withdrawn from the plan.
- **Unfunded Status** – An important distinction between this plan and the 401(k) and 403(b) plans is that, by law, a *457(b) Plan* is “unfunded.” This means that deferred amounts cannot be vested for employees in their names. Technically, all assets under the plan remain part of the employer’s general assets and are subject to the claims of its creditors until distributions begin.
- **Contribution Limits** – For calendar year 2026, the 457(b) limit is \$24,500. This is in addition to the limits under the 401(k) and 403(b) plans. However, primarily because of the unfunded status of 457(b) assets, **eligible employees should only consider participating in the *457(b) Plan* if they are already contributing to the 401(k) (if eligible) and 403(b) plans at a maximum rate.**

[For 2026 the combined maximum contribution to the 401(k) and 403(b) plans is \$24,500; \$32,500 if the employee will be age 50 or over at the end of the calendar year; or \$35,750 if the employee will be age 60-63 at the end of the calendar year.]

(over)

- **Distributions** – Upon termination of employment from Boston College, a participant will have 90 days to elect a distribution date and option. If no timely election is made, a lump sum distribution will be made at the 120 day “default” date. Distributions may be deferred up to the participant’s Required Minimum Distribution (RMD) date (currently age 73). A second, one-time change may be made to the initial selected option and to the date, but a date change must be to a later date (and not beyond the RMD date). Distributions will be made under one of three options: (a) a single lump sum, (b) payments for a fixed period of not less than five years and not more than thirty years (limited by IRS tables), or (c) RMD payments in accordance with IRS rules.
- **Beneficiary Designation** – At the time of enrollment, a participant will designate the beneficiary(ies) who shall receive any benefits due under the plan upon the participant’s death.
- **Amendment or Termination of Plan** – Boston College reserves the right to amend or terminate the 457(b) Plan at any time. However, such action will not deprive any participants or beneficiaries of any right or benefit to which they were entitled under the plan immediately prior to the effective date of the amendment or termination.

Enrollment – An eligible employee may participate in the 457(b) Plan by completing a “Deferred Compensation Agreement” and the applicable TIAA or Fidelity enrollment form, which are available from the Benefits Office. Enrollment will be effective on the first day of the month following receipt and acceptance of the completed forms by the Benefits Office.

Once enrolled, if a participant’s future annual base salary does not at least equal 75% of the IRS “annual compensation limit,” contributions to the plan may not continue.

Note: The salary deferral amount under this plan will be designated as a flat dollar amount per pay period, which will produce a total calendar year deferral that does not exceed the limitations of Internal Revenue Code 457(b). The monthly deferral amount will continue from year to year until a new “Deferred Compensation Agreement” is received or the current Agreement is terminated via written instructions to the Benefits Office.

For More Information

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