

457 Plans in Governments and Tax-Exempt Organizations

Governmental 457(b) plans are very popular with governmental employees, and function as the governmental equivalent of the 401(k) plan. Yet they still have a number of differences from the 401(k) plan, are not subject to the Employee Retirement Income Security Act (ERISA), and are very different from tax exempt employer 457(b) plans as well. When nonqualified deferred compensation by a governmental employer does not meet 457(b), significant adverse tax consequences can arise. Examples of our relevant experience include:

- Drafting governmental 457(b) plan documents, including specimen documents for providers.
- Drafting tax-exempt employer 457(b) plan documents and advising on compliance with ERISA's top hat plan requirements.
- Advising tax-exempts on compliance with both 457(b) and 409A.
- Advising on the application of 457(f) and exceptions for vacation pay, severance pay and death benefit plans.
- Correcting 457(b) and 457(f) plan errors.
- Obtaining private letter rulings on 457 plan documents.