

403(b) vs. State Deferred Compensation (457) Plan		
	403(b) Plan	457 Plan
Variety of offerings	7 insurance companies	1 state-sponsored vendor with approx. 28 mutual funds plus access to more
Variable Annuities offered	yes	no
Fixed Annuities offered	no	No, but has a stable income fund instead
Ease of Obtaining Plan Information	Difficult	Very easy to get up-to-date, accurate information
Commission-Based Selling	Yes	No
Cost Structure	High Fees	Low fees, negotiated by state
Insurance Component attached to investment	Yes	no
Typical cost of insurance component	1% to 1.35%, taken 'off the top' of all dollars each year	none
Tax deferral Advantage	yes	yes
Pre-Tax Advantage of contributions	yes	Yes
Loans	Usually yes, depending on company	No—except in extreme IRS-defined hardship
IRS-Approved	Yes	Yes
Surrender Fees	Yes	No
Withdrawal of Funds' & Termination From Service Fee	IRS penalty—10% depending on age and circumstances	Allowed without penalty

Comparison of Expenses: Mutual Funds (Found in 457 Plan) vs. 3 Actual Variable Annuities in the Boston Plan as of today, January 6, 2009				
	Mutual Fund	Variable Annuity A	Variable Annuity B	Variable Annuity C
Mortality & Expense Charge	0	.8%	.95%	1.1%
Administrative Fee	0	.1%	.35%	.25%
Total	0	.9%	1.3%	1.35%
Fund expenses for trading stocks	Varies	Varies	Varies	Varies

The Negative Effect of Costly, Unnecessary Fees on an Investment of \$100 per month				
	Mutual Fund	Variable Annuity A	Variable Annuity B	Variable Annuity C
Assumed Growth Rate	6%	6% - .9% or 5.1%	6% - 1.3% or 4.7%	6% - 1.35% or 4.65%
Accumulation after 10 years	\$16,388	\$15,612	\$15,282	\$15,241
Accumulation after 20 years	\$46,204	\$41,581	\$39,709	\$39,483
Accumulation after 30 years	\$100,452	\$84,782	\$78,758	\$78,042