

Every year it's important that you review the requirements for operating your 403(b) retirement plan.

**403(b) PLAN CHECKLIST**

This Checklist isn't a complete description of all plan requirements, and shouldn't be used as a substitute for a complete plan review.

Every year it's important that you review the requirements for operating your 403(b) retirement plan. Use this checklist to help you keep your plan in compliance with many of the important rules. For additional information (including examples on how to find, fix and avoid such mistakes, click on "More.") See [www.irs.gov/retirement](http://www.irs.gov/retirement) and click on "Types of Retirement Plans" for 401(k) Guides and other resources for 403(b) and other plan types.

**For Business Owner's Use**  
**DO NOT SEND FOR MAILING TO THE IRS**

<p><b>1. Is your organization eligible to sponsor a 403(b) plan?</b>                  A 403(b) plan may only be established by public educational institutions and 501(c)(3) nonprofit organizations.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>2. Has your organization adopted a written 403(b) plan?</b>                  Written plan operations were required to have adopted a written plan by December 31, 2006.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>3. Are the plan operations based on the plan document terms?</b>                  Failure to strictly follow the operation of the plan may lead to a failure to follow the terms of the written plan.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>4. Have all the organization's employees been given the opportunity to make a salary deferral to the 403(b) plan?</b>                  Universal availability requires all employees to have the opportunity to make salary deferrals unless the plan specifically excludes a permitted category of employees that their employees aren't a permitted category that may be excluded, but employees who normally work fewer than 20 hours per week are.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>5. Are total contributions limited to comply with tax law?</b>                  Total employer and employee contribution credit to one plan participant can't exceed the lesser of \$16,500 (the limit) or 10% of includible compensation.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p><b>6. If an employee makes "10 years of service credit" contributions, does the employee have 10 years of full-time service with the same employer?</b>                  Even if the requirement is met, a calculation must still be made to determine the level of available catch-up.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>7. Are elective deferrals, including any catch-up and ROTH contributions, within the limits of the tax law?</b>                  Failure to limit deferrals to the limit may result in additional taxes and penalties to the employee and employer.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>8. If your 403(b) plan offers a 5-year post-annuity provision, are amounts contributed through a non-annuity method?</b>                  Amounts contributed to a 403(b) plan that an employee had an option of receiving in cash are considered elective deferrals and aren't eligible for the 5-year provision.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>9. Are you and your 403(b) members withholding participant loan repayments and handling rollovers from annuities?</b>                  If not, the loan may be deemed a taxable distribution and reported as income to the participant.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p><b>10. Are you and your 403(b) members withholding participant loan repayments and handling rollovers from annuities?</b>                  Handling distributions must meet the requirements of the income tax regulations, the terms of the individual annuity contractual account, and starting in 2008, the written plan document terms.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
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**If you answered "No" to any of the above questions, you may have a violation in the operation of your 403(b) plan. This list is only a guide to a more complete plan, so answering "No" on each question may not mean your plan is 100% compliant. Many mistakes can be corrected easily, unless penalties and actions involving the IRS.**

• [www.irs.gov/retirement](http://www.irs.gov/retirement) • [www.irs.gov/retirement](http://www.irs.gov/retirement) • call 800-829-5500

Publication 403(b) (Rev. 11/2014) Catalog Number 403(b) Department of the Treasury Internal Revenue Service www.irs.gov

Use this checklist to help you keep your plan in compliance with many of the important rules. Get your free copy of this checklist now on the [IRS website](http://www.irs.gov) to help reduce any challenges you may face in your 403(b) plan.