

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.

For Business Owner's Use

(DO NOT SEND THIS WORKSHEET TO THE IRS)

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 each mistake, click on "(More)." See www.irs.gov/retirement and click on "Types of Retirement Plans" for Fix-It Guides and other resources for 403(b) and other plan types.

1. Is your organization eligible to sponsor a 403(b) plan? Yes No

A 403(b) plan may only be established by public educational institutions and IRC Section 501(c)(3) organizations.

[\(More\)](#)

2. Has your organization adopted a written 403(b) plan? Yes No

403(b) plan sponsors were required to have adopted a written plan by December 31, 2009.

[\(More\)](#)

3. Are the plan operations based on the plan document terms? Yes No

Failure to monitor the operation of the plan may lead to a failure to follow the terms of the written plan.

[\(More\)](#)

4. Have all the organization's employees been given the opportunity to make a salary deferral to the 403(b) plan? Yes No

Universal availability requires all employees be given the opportunity to make salary deferrals unless the plan specifically excludes a permitted category of employees. "Part-time" employees aren't a permitted category that may be excluded, but employees who normally work fewer than 20 hours per week are.

[\(More\)](#)

5. Are total contributions limited to comply with tax law? Yes No

Total employee and employer contribution made to any plan participant can't exceed the lesser of \$53,000 (for 2015) or 100% of includible compensation.

[\(More\)](#)

6. If an employee makes "15 years of service catch-up" contributions, does the employee have 15 years of full-time service with the same employer? Yes No

Even if this requirement is met, a calculation must still be made to determine the level of available catch-up.

[\(More\)](#)

7. Are elective deferrals, including any catch-up and Roth contributions, within the limits of the tax law? Yes No

Failure to limit deferrals to the legal limit may result in additional taxes and penalties to the employee and employer.

[\(More\)](#)

8. If your 403(b) plan offers a 5-year post severance provision, are amounts contributed through a non-elective method? Yes No

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.

[\(More\)](#)

9. Are you and your 403(b) vendors enforcing participant loan repayments and limiting aggregate loan amounts? Yes No

If not, the loan may be deemed a taxable distribution and reported as income to the participant.

[\(More\)](#)

10. Are you and your 403(b) vendors requiring evidence that hardship distributions meet the plan hardship definitions and requirements? Yes No

Hardship distributions must meet the requirements of the income tax regulations, the terms of the individual annuity contract/custodial account, and starting in 2009, the written plan document terms.

[\(More\)](#)

If you answered "No" to any of the above questions, you may have a mistake in the operation of your 403(b) plan. This list is only a guide to a more compliant plan, so answering "Yes" to each question may not mean your plan is 100% compliant. Many mistakes can be corrected easily, without penalty and without notifying the IRS.

■ [contact your tax advisor](#)

■ www.irs.gov/retirement

■ [call the IRS at \(877\) 829-5500](tel:8778295500)