



403(b) PLAN CHECKLIST

Every year it's important that you review the requirements for operating your 403(b) plan. Use this checklist to help you keep your plan in compliance with many of the important rules. Check the box if you can answer "yes" to the question. For additional information (including examples) on how to find, fix and avoid each mistake, click on "More →."

Is your organization eligible to sponsor a 403(b) plan?

A 403(b) plan may only be established by public educational institutions and Section 501(c)(3) organizations. [More →](#)

Has your organization adopted a written 403(b) plan and all required amendments?

403(b) plan sponsors must have adopted a written plan by December 31, 2009. Required amendments effective after 2009 but before 2019 must have been adopted by June 30, 2020. Amendments effective after 2018 must be adopted by December 31, 2021. [More →](#)

Are the plan operations based on the plan document terms?

Failure to monitor the operation of the plan may lead to a failure to follow the terms of the written plan. [More →](#)

Have all the employees been given the opportunity to make salary deferrals to the 403(b) plan?

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" isn't a permitted category for exclusion, but "employees who normally work fewer than 20 hours per week" is. [More →](#)

Are total contributions limited to comply with tax law?

Total employee and employer contributions made to any plan participant can't exceed the lesser of \$58,000 (for 2021) or 100% of includible compensation. [More →](#)

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?

Even if this requirement is met, a calculation must still be made to determine the level of available catch-up. [More →](#)

Are elective deferrals, including any catch-up and Roth contributions, within the limits of the tax law?

Failure to limit deferrals to \$19,500 (in 2021) plus any remaining catch up may result in additional taxes and penalties to the employee and employer. [More →](#)

If your 403(b) plan offers a 5-year post severance provision, are amounts contributed through a nonelective method?

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 →](#)

Are you and your 403(b) vendors enforcing participant loan repayments and limiting aggregate loan amounts?

If not, the loan may be deemed a taxable distribution and reported as income to the participant. [More →](#)

Are you and your 403(b) vendors requiring evidence that hardship distributions meet the plan hardship definitions and requirements?

Hardship distributions must meet the requirements of the income tax regulations, the terms of the individual annuity contract/custodial account, and the written plan document terms. [More →](#)

If you didn't check all boxes, you may have a mistake in the operation of your plan. This list is only a guide to a more compliant plan, so checking all boxes may not mean your plan is 100% compliant. This list doesn't contain all plan requirements and shouldn't be used as a substitute for a complete plan review. Learn how to correct mistakes without penalty and without notifying the IRS at www.irs.gov/fixmyplan. Don't send this checklist to the IRS.

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

■ Contact your tax advisor

■ www.irs.gov/retirement

■ Call the IRS at 877-829-5500