

403(b)/457(b) Administration & Compliance Service (ACS)

403(b)/457(b) Plan Transaction Processing Kit

This Kit is for Representatives of Investment Providers and/or Employees
self-directing their 403(b) investments



1995 E., Rum River Dr. S.,
Cambridge, MN 55008

www.aviben.com

763-689-0111

1-855-369-5518

Fax: 763-689-6685

Aviben
403(b)/457(b) Administration and Compliance Service



1995 E. Rum River Dr. S., Cambridge, MN 55008
Metro: 763-689-0111 | Toll Free: 855-369-5518
Fax: 763-689-6685 | www.aviben.com
A Division of Educators Benefit Consultants, LLC ("EBC")

Aviben reviews and authorizes all 403(b) transaction paperwork on behalf of the district. In order to have your paperwork reviewed and processed, you may mail, fax or use EBC's secure ShareFile to get your forms to Aviben. Please note that you should only fax the forms if the paperwork does not need to remain in original form. Aviben does not accept forms via email.

- **Aviben has the ability to accept documents electronically as well. Please refer to the Transaction Processing Form for more information.**

Fax Number: 763-689-6685

Mailing Address:

Aviben
Attn: 403(b) ACS Division
1995 E., Rum River Dr. S.,
Cambridge, MN 55008

When sending forms to Aviben, please indicate forwarding instructions for the forms on a cover-note, otherwise they will be sent directly to the vendor after being approved. If you have any questions, you may contact the ACS department at the following numbers:

Metro Area: 763-689-0111

Toll Free: 855-369-5518

When calling, press "1" for the 403(b) Department.

Please allow 3-5 business days for Aviben to review and authorize the documents. The review can be delayed if any information is missing on the form, so please include contact information for any questions. Please make sure that the employer sponsoring the plan is indicated either on the form or on a cover-sheet.



TRANSACTION PROCESSING FORM

Contact Information	Client Name / SSN
Former or Current Employer	New Employer if Applicable
Current Carrier	Accepting Carrier if Changing
Current Plan Type	New Plan Type if Applicable

Complete this form and submit to Aviben along with all completed transaction documents via the link below

<p>Upload your Document to Aviben Click Here to Upload Your Document</p> <p>For ease of processing, please be sure to name your uploaded file with your first and last name.</p>
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Aviben will sign and return documents to the Vendor, unless otherwise specified.

<p>Please let us know if you have special instructions.</p>

Salary Reduction Agreement for 403(b)/403(b) Roth/457 TSA

Independent School District

Part 1. Employee Information

Name Social Security # Birth Date

Pay periods per year Requested Start Date Bargaining Group

Part 2. Contribution Information (fill in all that apply)

Salary Reduction				Service Provider	Employee	Contribution	Employer Match	
Type	New	Change	Stop		Salary Reduction Amount/Percent Per Pay Period	Annualized Salary Reduction Amount	Employer Match/Percent per Pay Period	Annualized Employer Match
403(b)								
403(b)								
403(b) Roth								
403(b) Totals								

Part 4. Agreement

<p>By signing this Agreement, Employee agrees to modify his/her salary as indicated above and Employer agrees to contribute this amount on Employee's behalf into the 403(b)/403 Roth/457 annuity(ies) or custodial account(s) selected by the Employee. It is intended that the requirements of all applicable state and federal tax rules and regulations (Applicable Law) will be met. The Employee understands and agrees that this Agreement:</p> <ol style="list-style-type: none"> 1. Is legally binding and irrevocable with respect to amounts paid or available while it is in effect; 2. May be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new salary reduction agreement is submitted; 3. Is effective only for amounts not yet earned or made available in accordance with the Employer's administrative procedures. 	<p>Employee further agrees that:</p> <p>He/she is responsible for determining that his/her salary reduction amount does not exceed the limits of the Applicable Law;</p> <p>He/she is responsible for the accuracy of the information provided by Employee, which is used in determining Employee's Maximum Annual Contribution limit; and Employer has no liability for any losses suffered by Employee that resulted from his/her participation in the 403(b)/403(b) Roth/457 program.</p> <p>Employee acknowledges that Employer has made no representation to Employee regarding advisability, appropriateness or tax consequences of the purchase of the 403(b) program. Nothing herein shall affect the terms of employment between Employer and Employee.</p> <p>This agreement supersedes all prior salary reduction agreements and shall automatically terminate if your employment with the Employer is terminated.</p>
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<p>Important Information</p> <ol style="list-style-type: none"> 1. Employer does not choose the annuity contract(s) or custodial account(s) in which contributions are invested. 2. Employees are responsible for setting up and signing the legal documents to establish the annuity contract or custodial account. However, in certain group annuity contracts, Employer may be required to establish the contract. 3. In order to receive the expected tax results, Employees are responsible for investing in annuity contracts or custodial accounts that meet the requirements of Section 403(b)/403(b)/457 in the Internal Revenue Code. 4. Employees are responsible for naming a death benefit under the 403(b)/403(b) Roth/457 program. This is normally done at the time the annuity contract or custodial account is established. Beneficiary designations should be reviewed periodically. 5. Employees are responsible for all distributions and any other transactions with their service provider. All rights under the annuity contracts or custodial accounts are enforceable solely by the Employee, Employee Beneficiary or Employee's Authorized Representative. Employee must work directly with the service provider to transfer contract(s) or custodial accounts(s) to another service provider, begin distributions, and make loans, or otherwise access 403(b) /403(b) Roth/457 program assets. 6. Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law. Limits should be checked each year for scheduled increases. <p>Read Before You Sign:</p> <p>By signing this Agreement, you are declaring that the amount you have elected to withhold does not exceed the allowable contribution limits under Applicable Law. If selected in Part 2 above, you are declaring that you are eligible for one or both of the catch up elections as indicated. And you are accepting full responsibility for the amount you have elected to have withheld from your salary and contributed to the 403(b)/403(b) Roth/457 arrangement.</p> <p>Disclaimer – Other Fees: If an investment company does not agree to pay the third party administrator's fee associated with this employer's 403(b) Plan the fee, upon consent of the employer, shall be passed along to the 403(b) participant.</p>	<p>Part 5. Employee Signature</p> <p>I certify that I have read this complete Agreement and that my salary reductions do not exceed contribution limits as determined by Applicable Law. I also certify that I am eligible for the catch up election(s), if selected, under Part 2 above. I understand my responsibilities as an Employee under the 403(b)/403(b) Roth/457 programs, and I request that my Employer takes the action specified in this Agreement. I understand that all rights under annuity(ies) or custodial account(s) established by me under the 403(b)/403(b) Roth/457 program are enforceable only by me, my beneficiary or my authorized representative.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Employee Signature</td> <td>Date</td> </tr> </table> <p>Part 6. Acknowledgement and Representative of Sales Agent/Representative</p> <p>I hereby acknowledge my responsibility to comply with the Employer's written directives regarding solicitation of Employees. I also acknowledge my responsibility to assist the Employee in determining the maximum contribution limits.</p> <p>Sales Agent/Representative (please print clearly)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Phone</td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Address</td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Signature</td> <td>Date</td> </tr> </table> <p>Part 7. Employer Signature</p> <p>Employer hereby agrees to this Salary Reduction Agreement.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%; height: 20px;"></td> </tr> <tr> <td>Signature of Employer Representative</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Date</td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Date Received in HR</td> <td></td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%; height: 20px;"></td> </tr> <tr> <td>Date Received in Payroll</td> <td></td> </tr> </table>			Employee Signature	Date			Phone						Address				Signature	Date		Signature of Employer Representative			Date				Date Received in HR				Date Received in Payroll	
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403(b) HARDSHIP WITHDRAWAL PROCESSING FORM

Before you apply for a hardship withdrawal you must first determine whether you are eligible for a hardship distribution or not.

Please read the "Rules Applicable to Hardship Distributions" (next page).

If you determine that you are eligible for a hardship withdrawal, please check appropriate boxes and sign this form. Make sure you attach documentation that proves and/or supports your financial need. You will also need to complete the hardship distribution form provided by your investment provider.

I have reviewed the attached "Rules Applicable to Hardship Distributions" and attest that I have an immediate and heavy financial need.

The immediate and heavy financial need falls into the following category (you may check more than one if it applies):

- | | |
|--|---|
| <input type="checkbox"/> Medical Care | <input type="checkbox"/> Funeral or Burial Expenses |
| <input type="checkbox"/> Purchase of Principal Residence | <input type="checkbox"/> Repair of Damage to Principal Residence |
| <input type="checkbox"/> Tuition or Educational Related | <input type="checkbox"/> Tax Cost Associated with this Withdrawal |
| <input type="checkbox"/> Prevent Eviction or Foreclosure | |

I have read, and I understand the meaning of the information provided to me in his "Hardship Withdrawal Processing Form", and I attest that my answers on this form are true and correct, and I have attached supporting documentation to prove my claim of a heavy and immediate financial burden (e.g., medical bills, eviction or foreclosure notice, tuition bill, purchase agreement, burial or funeral bill, etc.).

I hereby request a hardship withdrawal this day of 20.

Participant's Signature

Spouse's Signature

This paperwork should be obtained from your investment company or registered investment advisor. This paperwork will need to be completed and submitted to Aviben for signature.

Procedures

Rules Applicable to Hardship Distributions

A hardship distribution shall only be approved based on the participant's ability to prove that the request for the hardship distribution is on account of an immediate and heavy financial need, and that the withdrawal is necessary to satisfy the financial need.

- The amount of the distribution cannot exceed the immediate and heavy financial need.
- Hardship distributions are taxable and additional taxes could apply.
- Hardship distributions cannot be made from earnings on elective contributions or from Qualified Non-Elective Contributions (QNEC) or Qualified Matching Contributions (QMAC) accounts.

Expenses That Could Qualify Under the Treasury Rules Are As Follow:

- Medical care
- Costs related to the purchase of a principal residence for the employee—not mortgage payments
- Tuition, related educational expenses, and room and board for up to the next 12 months of post-secondary education for the employee, the employee's spouse, children or legal dependents.
- Payments necessary to prevent the eviction of employee from principal residence or foreclosure on the mortgage of principal residence
- Funeral or burial expenses for the employee's deceased parents, spouse, children or dependents
- Repair of damage to the employee's principal residence that would qualify for the casualty deduction under section 165
- The hardship distribution must not exceed the amount of the financial need. The amount may include the federal, state, or local income tax or penalties that are a result of the distribution.

It is the burden of the employee to **prove** that he/she is in a hardship status according to the Treasury Department's rules.

Types of transactions to move 403(b) funds

Transfer

Move funds from one plan into another.

Example:

- Transfer funds from previous employer's plan to current employer's plan
- Transfer funds from inactive vendor to active/approved vendor

Information Sharing Agreement (Universal Vendor Agreement) Required

Exchange

Move funds within the same plan

Example:

- Move funds between product providers on employer's approved vendor list

Information Sharing Agreement (Universal Vendor Agreement) Required

Rollover (e.g., moving funds from 403(b) to IRA)

A rollover shall only occur as a result of a qualifying event. A qualifying event includes any one of the following:

- Termination of Employment/Separation from Service
- Death
- Disability
- Age 59 ½

Examples:

Rollover IN	Rollover OUT
401(k) to 403(b)	403(b) to IRA
457(b) to 403(b)	403(b) to 457
IRA to 403(b)	403(b) to 401K

In-Service Distribution

Must have a qualifying event

- Age 59 ½

Procedures for Loans

	Procedure
<p style="text-align: center;"><u>Loan</u></p> <p>Loans are optional. The District will establish through the District’s Written Plan and Adoption Agreement whether Loans are allowed or disallowed in the District’s Plan.</p> <p>If allowed</p> <p>The District does not determine whether an employee qualifies for a loan or not. That decision is made by the Product Provider and Aviben.</p> <p><u>Loan Rules:</u> If an employee has defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and has not repaid the loan, in full, the employee shall not be permitted to take a loan from his/her Account.</p> <p><u>Maximum Loan Amount</u> \$50,000 reduced by any outstanding balance on any loan; <i>OR</i>, one half of the value of the participant’s vested account balance</p>	<p>Representative is defined as the investment provider’s local representative or the employee if the employee is self-administering his/her 403(b) Plan.</p> <ol style="list-style-type: none"> 1. Representative completes loan application provided by the investment provider. 2. Representative shall complete the “Transaction Processing Form” along with forms from the investment company ALONG WITH AN ACCOUNT STATEMENT SHOWING FUND BALANCE and submit to Aviben for Signature. 3. If no outstanding loans, Aviben shall sign and return to Representative. 4. Representative shall submit loan application to investment provider. 5. Aviben shall enter loan information into the ACS software system.

Aviben’s Process for Authorization and Calculation of Loans.

1. **Review the Plan in question to confirm that Loans are included**
2. **Acquire employee’s account information from school/Aviben**
3. **If there are no Defaulted loans indicated, then proceed to Step 4.** If there is a defaulted loan indicated, the Plan Document indicates that *“An Employee who has previously defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and who has not repaid the loan, in full, shall not be permitted to take a loan from his Account under the Plan.”* Therefore, in the case of a default, the loan must be declined unless the investment provider provides in writing, proof that the *“employee who defaulted, has repaid the loan in full.”*
4. **Acquire employee’s account information from investment providers.**
 - a. **Total Account Balance** _____
 - b. **Outstanding Loan Amounts as of today:** _____
 - c. **Highest Outstanding Loan Balance in the last 12 months:** _____
 - d. **Adjusted Total Account Balance** - if not already included, add “Outstanding Loan Amounts as of Today” to the “Total Account Balance” amount, otherwise enter line a: _____

5. To Determine Available Loan amount, enter the following information:

	Investment Provider Name/Account Number	Adjusted Total Account Balance	Current Outstanding Loan Amount	Highest Outstanding Loan Amount in last 12 Months
Account/Loan #1				
Account/Loan #2				
Account/Loan #3				
Account/Loan #4				
Account/Loan #5				
Grand Totals:				

Note: If more than five (5) loans, add extra rows by placing the cursor in the row for Account/Loan #5, Right-click, Select “Insert” → Insert Rows Below”

6. Enter the grand-total of the “Total Account Balance”: _____
7. Enter the grand-total of the “Current Outstanding Loan Amount”: _____
8. Enter the grand-total of the “Highest Outstanding Loan Amount in last 12 Months”: _____
9. Subtract the total in Line 7 from the total in Line 8: _____
10. Subtract the total in Line 9 from \$50,000.00: _____
11. Take the total in line 6 and multiply by %50: _____
12. Enter in the lesser of Lines 10 and 11: _____
13. Subtract the total from Line 7 from Line 12: _____: ←This is the Approved Loan Amount

Appendix 1: The Actual Plan Document Language

- 4.1 **Loans.** If authorized in the Adoption Agreement, loans shall be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. An Employee who has previously defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and who has not repaid the loan, in full, shall not be permitted to take a loan from his Account under the Plan.
- 4.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Sections 4.1 and 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.
- 4.3 **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of (a) or (b) below:
- (a) \$50,000, reduced by the greater of:
 - (1) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or
 - (2) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period).
 - (b) one half of the value of the Participant's vested Account Balance (as of the valuation date immediately preceding the date on which such loan is approved by the Administrator).
- For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.
- 4.4 **Loan Repayments For Employees in Military Service.** Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel maybe suspended as permitted under section 414(u)(4) of the Code and the terms of any loan shall be modified to conform therewith

Loans in IRC 72(p)(2)*

For example, IRC Section 72(p)(2) applies to:

1. A loan that, by its terms, is to be repaid over not more than five years.
There is an exception to this limitation for certain mortgages.

2. A loan that, by its terms, is to be paid in substantially level installments that include principle and interest.

3. A loan that does not exceed the lesser of:

a. \$ 50,000, reduced to the extent that the participant's or beneficiary's highest balance for plan loans outstanding during the preceding 12 months exceeds the current balance for plan loans, or

b. 50 percent of the participant's or beneficiary's non-forfeitable benefit (or \$10,000 if greater).

These limits apply by treating the loans from all plans of the employer's controlled group as one loan.

*The law sets the minimum requirements regarding loans, but individual Plans can set more restrictive rules in regards to loan availability.