

## 403(b) Universal Availability Notice

The Employer (the “District”) offers a 403(b) plan for eligible employees of the District. Employees are eligible to participate as described below:

- All employees are eligible to participate in the 403(b) plan
- All employees are eligible to participate in the 403(b) plan except those who normally work fewer than \_\_\_ hours per week (must be 20 or less and generally equivalent to 1,000 hours or less in a normal work year)
- Other (describe) \_\_\_\_\_  
\_\_\_\_\_

A 403(b) plan is a tax-deferred retirement program that permits an employee to reduce his or her compensation on a pre-tax basis (a “deferral”) and have the deferral deposited into a 403(b) account that the employee sets up with a 403(b) vendor. Amounts deferred into a 403(b) account, and any earnings on those deferrals, are generally not taxed until the employee makes a withdrawal from his or her 403(b) account following separation from service with the District.

The District maintains a list of approved 403(b) vendors and appropriate contact information for each vendor. A copy of this list is available from appendix 1 and 2 of the plan adoption agreements. Employees should contact each vendor for information about the 403(b) products and services it offers.

To enroll in the 403(b) plan, an employee must complete necessary paperwork, such as a salary reduction agreement (“SRA”). The SRA will only apply to amounts earned after enrolling in the plan. This contribution will continue unless it is modified or revoked in the future. The District has established policies that enable you to increase or decrease your contribution, stop your contribution or change from one authorized 403(b) vendor to another. Employees may get the necessary enrollment forms from the payroll department. Additional information on District policies and other 403(b) plan rules can be obtained with the enrollment materials.

**Disclosure to employees:** The District has no liability for any employee’s election to participate in the 403(b) plan, choice of 403(b) vendor(s), or expected tax consequences resulting from participating in the 403(b) plan. The District does not provide tax, legal or investment advice and recommends that employees seek advice from professionals who specialize in these areas.

## Checklist for Universal Availability Notice

403(b) plans must satisfy “universal availability” requirements which define eligibility to participate in the plan. There are three components to universal availability that must be satisfied by every 403(b) plan as follows:

### Eligibility to make salary reduction contributions under the plan:

If any employees are permitted to make salary reduction contributions into a 403(b) plan, then all employees, except those described below, must be permitted to make salary reduction contributions into the plan. No employees may be excluded based on classifications such as “part-time employees,” “substitute teachers,” “benefit eligible employees,” or seasonal, per diem, or temporary employees. Only the following employees may be excluded from participation\*:

- a. Employees who contribute less than \$200/year
- b. Employees who participate in another elective deferral plan, such as a 401(k) or 457(b) plan,
- c. Students performing services described in IRC 3121(b)(10), or
- d. Employees who work less than 20 hrs/week. *(Under the final regulations, this rule can be converted into an annual requirement based on a “look back” determination. Employees who are expected to work less than 1,000 hrs/year can be excluded from participating in the plan, but at the end of each 12 month period (measured from first date of hire), the employer (or TPA) must look back and count the hours actually worked by that employee in that 12 month period. If the employee was credited with at least 1,000 hours, he or she must be let into the plan. If the employee was not credited with at least 1,000 hours, then he or she may be kept out for the next 12 months. This interpretation effectively requires an employer to keep track of actual hours worked for all employees if the plan excludes any employees under the 20 hr/week exclusion.)*

\*Please note, that if any Employees are excluded, they absolutely must not receive any sort of notice or communication that they are eligible.

### Delivery of Meaningful Notice

Every employee must receive “meaningful” notice of the plan and their rights to participate in the plan at least annually. The notice must be provided in a manner designed to ensure delivery to employee individually. For example, posting a notice in the employee lounge by itself is not an acceptable delivery method. However, a summary provided at a benefits fair followed up by quarterly payroll staffers would probably suffice. There is no requirement for a written receipt from each employee that they have received the annual notice.

### Opportunity for Enrollment

Every eligible employee must be given the right to enroll in the plan and change their elections at least once per year. It is strongly recommended that enrollments and election changes be available more frequently to accommodate unexpected situations and changes in circumstances.

SCHOOL DISTRICT OF \_\_\_\_\_  
 Universal Availability Notice  
Delivery Log

Employee Group	Date	Mode of Delivery (more than 1 mode of delivery may be listed)
District Administrators		
Principals		
Support Staff		
Building Maintenance		
Bus Drivers		
IT		
Teachers		
Food Service		
Coaches		

Mode of Delivery

1. U.S. Mail
2. E-mail w/receipt of delivery
3. E-mail
4. Inter-office mail
5. Payroll stuffer
6. Open enrollment materials
7. Intranet – District’s website
8. Internet
9. Hand-delivered
10. Benefit Fair (plus another mode of delivery)