

403(b) Plan Distributions

Worksheet 15 – Determination of 403(b) Status

Instructions – All items must be completed. A “Yes” answer generally indicates a favorable conclusion is warranted, while a “No” answer indicates a problem exists. Use the space on the worksheet to explain any “No” answer. The technical principles in this worksheet may be changed by future regulations or guidelines.

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Name of plan

I. Permissible distribution events for elective deferrals (including designated Roth contributions)	Plan Reference	Yes	No	N/A
a. Does the plan provide that elective deferrals are maintained in a separate account? If yes, then the only distribution restrictions for the elective deferral account are the ones listed in this section I. If there is no separate elective deferral account, then distributions from the participant’s account may not be made earlier than the later of any date under this section I and any date applicable under sections II and III below				
b. General rule. Except for situations described in section c below, does the plan provide that 403(b) elective deferrals may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included (for example, using age 59, instead of 59 ½).				
i. Death				
ii. Disability				
iii. Severance from employment				
iv. Attainment of age 59½, or				
v. Participant hardship				
A. Does the plan provide whether hardship distributions of elective deferrals are permitted under the plan Note: Although the plan may incorporate by reference specific terms and conditions for hardship distributions set forth in the investment arrangements, the plan document itself must set forth all the Code requirements for hardship distributions.				
B. Does the plan provide that hardship distributions may be made under the safe harbor standard of section 1.401(k)-1(d)(3) and 1.403(b)-6(d)(2); or				
C. Does the plan provide an alternative standard for hardship distributions that is nondiscriminatory and based on objective criteria				
c. Special situations. Except for situations described in section b above, does the plan provide that 403(b) elective deferrals may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included.				
i. Termination of the plan				
ii. Pre-1989 elective deferrals (not earnings thereon)				

I. Permissible distribution events for elective deferrals (including designated Roth contributions)	Plan Reference	Yes	No	N/A
iii. QDRO				
iv. IRS levy				
v. A qualified reservist distribution				
vi. Qualified birth or adoption distribution				
vii. Coronavirus related distribution				
viii. Disaster related distributions				
ix. Lifetime income investment distribution				

Explain any "No" answers in this section

II. From annuity contracts or retirement income accounts, permissible distribution events for employer contributions, which are <ul style="list-style-type: none"> • nonelective employer contributions, • matching contributions, • contributions that are made by employee's one-time irrevocable election at initial eligibility to participate in a plan of the employer, or • employee contributions that are made as a condition of employment. 	Plan Reference	Yes	No	N/A
a. General rule. Except for situations described in section b below, does the plan provide that employer contributions in an annuity contract or retirement income account may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included.				
i. Severance from employment				
ii. Prior occurrence of some event (for example, fixed number of years, attainment of a stated age, disability (Note: Disability is not limited to the 72(m)(7) definition))				
b. Special situations. Except for situations described in section a above, does the plan provide that employer contributions in an annuity contract or retirement income account may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included.				
i. Termination of the plan				
ii. Excess employer contributions. See Worksheet 6A, Plan Limitations on Contributions and Benefits				
iii. QDRO				
iv. IRS levy				

II. From annuity contracts or retirement income accounts, permissible distribution events for employer contributions, which are <ul style="list-style-type: none"> • nonelective employer contributions, • matching contributions, • contributions that are made by employee's one-time irrevocable election at initial eligibility to participate in a plan of the employer, or • employee contributions that are made as a condition of employment. 	Plan Reference	Yes	No	N/A
v. Qualified birth or adoption distribution				
vi. Coronavirus related distribution				
vii. Federally declared disaster				
viii. Lifetime income investment distribution				

Explain any "No" answers in this section

III. From 403(b)(7) custodial accounts, permissible distribution events for employer contributions, which are <ul style="list-style-type: none"> • nonelective employer contributions, • matching contributions, • contributions that are made by employee's one-time irrevocable election at initial eligibility to participate in a plan of the employer, or • employee contributions that are made as a condition of employment. 	Plan Reference	Yes	No	N/A
a. General rule. Except for situations described in section b below, does the plan provide that employer contributions from 403(b)(7) custodial accounts may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included (for example, using age 59, instead of 59 ½).				
i. Death				
ii. Disability				
iii. Severance from employment				
iv. Attainment of age 59½				
b. Special situations. Except for situations described in section a above, does the plan provide employer contributions from 403(b)(7) custodial accounts may not be distributed earlier than one of the following events Note to Reviewer: Not all the events below need to be included in the plan. Use N/A if not included, and use No, if it is not properly included.				
i. Termination of the plan				
ii. Excess employer contributions. See Worksheet 6A, Plan Limitations on Contributions and Benefits				
iii. QDRO				

III. From 403(b)(7) custodial accounts, permissible distribution events for employer contributions, which are	Plan Reference	Yes	No	N/A
<ul style="list-style-type: none"> • nonelective employer contributions, • matching contributions, • contributions that are made by employee's one-time irrevocable election at initial eligibility to participate in a plan of the employer, or • employee contributions that are made as a condition of employment. 				
v. Qualified birth or adoption distribution				
vi. Coronavirus related distribution				
vii. Federally declared disaster				
viii. Lifetime income investment distribution				

Explain any "No" answers in this section

IV. Permissible distribution events for after-tax employee contributions	Plan Reference	Yes	No	N/A
a. If the plan permits after-tax employee contributions, does it provide when they may be distributed? The plan may provide that, to the extent permitted by the terms governing the applicable investment arrangement, after-tax employee contributions may be distributed at any time				

Explain any "No" answers in this section

V. Permissible distribution events for rollover contributions	Plan Reference	Yes	No	N/A
a. If the plan has a separate account attributable to rollover contributions to the plan, then to the extent permitted by the terms governing the applicable investment arrangement, may the participant at any time elect to receive a distribution of all or any portion of the amount held in the rollover account				

Explain any "No" answers in this section

VI. Loans	Plan Reference	Yes	No	N/A
a. Does the plan allow, to the extent permitted under the terms of the applicable investment arrangement, loans to participants Note to Reviewer: Use N/A for this section VI if the plan does not permit participant loans.				
b. If the plan permits participant loans, does the plan set forth all the required terms governing the plan's loan provisions				
i. Does the plan provide a fixed repayment schedule				

VI. Loans	Plan Reference	Yes	No	N/A
ii. Does the plan provide that the loan will bear a reasonable rate of interest				
iii. Does the plan provide that the loan must be subject to repayment safeguards to which a prudent lender will adhere				
c. If the plan allocates responsibility for performing administrative functions of the loan, does the allocation identify the party responsible for compliance with the requirements of the Internal Revenue Code				
d. Does the plan provide that the loan will be subject to 72(p) (limiting the amount and repayment period)				

Explain any "No" answers in this section

VII. Rollovers and Cash Outs	Plan Reference	Yes	No	N/A
a. Does the plan allow distributees to elect to have eligible rollover distributions that are at least equal to \$500 transferred directly to an eligible retirement plan				
i. Does the plan define an eligible rollover distribution				
ii. Does the plan define an eligible retirement plan				
iii. Does the plan define a distributee				
b. (Complete only if the plan provides for mandatory distributions) Does the plan provide that, in the event of a mandatory distribution greater than \$1,000 where the participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, that the plan administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the plan administrator				
c. Does the plan allow a nonspouse designated beneficiary to directly roll over any portion of a plan distribution only to an individual retirement account or annuity described in 408(a) or 408(b) that is established on behalf of the beneficiary and that will be treated as an inherited IRA defined in 408(d)(3)(C)				
d. Does the plan provide that the payor shall provide a written explanation that satisfies the requirements of 402(f) within a reasonable period before making an eligible rollover distribution				

Explain any "No" answers in this section

VIII. Miscellaneous	Plan Reference	Yes	No	N/A
a. Does the plan appropriately define severance from employment				

Explain any "No" answers in this section