

Internal Revenue Service

Department of the Treasury

Date:

District Identification Number:

Name of District:

Person to Contact/ID Number:

Contact Telephone Number:

Fax Number:

E-mail Address: epcu.403b@irs.gov

Return Reply to: IRS/EPCU

Dear Sir or Madam:

This letter is being sent to you because your school district maintains a section 403(b) plan. This letter constitutes a compliance check. A compliance check is not an audit or investigation under section 7605(b) of the Internal Revenue Code or an audit under section 530 of the Revenue Act of 1978.

Among the requirements imposed by the Internal Revenue Code (IRC) on employers that offer section 403(b) plans to their employees are the nondiscrimination provisions of IRC section 403(b)(12)(A)(ii). To meet these provisions, in general all employees must be provided the opportunity to defer a portion of their compensation pursuant to a salary reduction agreement. This is commonly referred to as the "universal availability" requirement. To assist us in assessing your compliance with this requirement, please provide the information on the enclosed Section 403(b) Questionnaire.

You may also furnish any other documents or clarifying material that you believe will be helpful for us to review. Failure to provide this information could result in further action or examination of your plan.

If you would like someone else to represent the plan during this compliance check, you must submit a written power of attorney. Form 2848, *Power of Attorney and Declaration of Representative*, may be used for this purpose.

Please fax, send or e-mail your reply within 15 days from the date of this letter using the contact information referenced above. If you have questions, please contact me at the above telephone number or visit the Employee Plans Compliance Unit (EPCU) webpage at www.irs.gov/ep.

Thank you for your cooperation.

Sincerely,

Enclosure:

Section 403(b) Questionnaire

Letter 1562-F
Catalog Number:

District Identification Number:	Employer Identification Number (EIN):
Name of District:	

Section 403(b) Questionnaire

Please provide the following information (including the EIN in the space above):

- 1) Specify the requirements for any employee to participate in your §403(b) plan, including whether participation is contingent upon the deferral of a mandatory minimum amount (on an annual basis).

- 2) Which if any employee or group of employees, are excluded from participating in your §403(b) plan:

Substitute or part-time teachers
 Bus drivers
 Cafeteria workers
 Janitors
 Others (specify) _____
 No exclusions

Reason for exclusion(s) _____

- 3) Indicate whether the following groups of people are employed by the school district and if so, whether they are permitted to make deferrals to your §403(b) plan.

a) Employees regularly scheduled to work less than 20 hours per week.
 Permitted Not Permitted

b) Employees regularly scheduled to work at least 20 hours per week
 Permitted Not Permitted

c) Employees covered by a collectively bargained agreement (union)
 Permitted Not Permitted

- 4) Does your school district maintain any other plans with salary deferrals, such as:

§401(k) - Date established _____ §457
 Other (specify) _____

- 5) Describe how the opportunity to make deferrals is communicated to employees to ensure that they are aware of their right to participate in the §403(b) plan. If the method differs by groups of employees or if there are different hiring packages, explain that as well.
