

## 403(b) Plan Operational Guidelines

To help ensure your Plan operates in a compliant manner, please be aware of and adhere to the following guidelines. Failure to follow the guidelines and requirements of a 403(b) Plan, can result in a compliance error, leading to disqualification of your Plan and possible adverse tax consequences to you and your Participants.

- All transaction requests must be forwarded to AFPlanServ for approval. This includes requests from retired or terminated employees. The school does not sign off on these.
- You must have a properly executed and signed Election Form (Salary Reduction Agreement) for each employee for whom a 403(b) contribution is being deducted. Deductions can only be remitted to an approved Investment Provider of your Plan. (Please refer to the Adoption Agreement for a list of approved Providers.)
- All Salary Reduction Agreements for new deductions, changes to existing deductions, and discontinuation of deductions must be sent to AFPlanServ via, mail (address in footer of this letter), secure email (wg-annuity-af-planserv@americanfidelity.com), or fax (866-560-6415) to be approved. This must occur prior to processing in your payroll system.
- The maximum amount that may be contributed to the 403(b) Plan is set by federal tax law. For the 2024 tax year, the maximum contribution limit for salary deferrals for all employees is \$23,000. Employees over the age of 50 can make a catch-up contribution of up to \$7,500. *If* the Plan permits the additional 402(g) catch-up for employees with 15 years of service, an additional amount of up to **\$10,000** may be contributed if certain conditions are met. This will require a completed Maximum Allowable Contribution worksheet. All deducted contributions must be remitted to the respective Investment Provider as soon as administratively feasible, generally no later than the 15<sup>th</sup> calendar day of the month following the date the contribution was deducted from payroll.
- A Plan Eligibility Notice should be distributed annually to all eligible employees of the school district, including substitutes, unless your Plan excludes certain employees from participation as elected in your 403(b) Plan document. A Notice should also be provided to new eligible employees at the time of employment to let them know they are eligible to participate. AFPlanServ will provide a sample Eligibility Notice during the first quarter of each calendaryear to be distributed to eligible employees.
- If your Plan chooses to exclude all employees who are expected to work 20 hours or less on average per week, and in no event equal to or greater than 1,000 hours per 12-month period, you are encouraged to complete annual audits to ensure no one has been excluded in error.

A compliant Plan requires that both your school district and AFPlanServ work together to ensure all aspects of Plan administration are handled properly.

Please contact AFPlanServ at 1-866-560-6415, if you need more information about your role as the Plan Sponsor /Plan Administrator and/or if you have any questions.

*AFPlanServ does not provide legal or tax advice. Please contact your tax or legal advisor about your specific situation.*  
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## 457(b) Plan Operational Guidelines

To help ensure your 457(b) Plan operates in a compliant manner, please be aware of the following guidelines and make sure you adhere to these at all times. Failure to follow these, and all requirements of a 457(b) Plan, can result in a compliance error, which can lead to a disqualification of your Plan and possible adverse tax consequences to you and your Participants.

- All 457(b) transaction requests must be forwarded to AFPlanServ for approval. This includes requests from retired or terminated employees.
- You must have a properly executed and signed 457(b) Election Form (Salary Reduction Agreement) for **each** employee for whom a 457(b) contribution is being deducted. Deductions can only be remitted to an approved Investment Provider of your Plan. (Please refer to the Adoption Agreement for a list of approved Providers.)
- All Election Forms (Salary Reduction Agreements) for new deductions, changes to existing deductions, and discontinuation of deductions must be sent to AFPlanServ via mail (address in footer of this letter), or secure email (wg-annuity-af-planserv@americanfidelity.com) or fax (866-560-6415) to be approved. This must occur **prior** to processing in your payroll system.
- Election Forms (Salary Reduction Agreements) cannot pre-date the effective date the deductions are to begin from payroll.
- The maximum amount that may be contributed to the 457(b) Plan is set by federal tax law. For the 2024 tax year, the maximum contribution limit for salary deferrals and employer contributions combined is \$23,000. Employees over the age of 50 can make a catch-up contribution of up to \$7,500. *If the Plan permits the last 3 years before retirement, an additional amount may be contributed if certain conditions are met. A calculation worksheet must be completed to determine eligibility and amount.*
- All deducted contributions must be remitted to the respective Investment Provider as soon as administratively reasonable, generally no later than the 15<sup>th</sup> calendar day of the month following the date the contribution was deducted from payroll.

A compliant Plan requires that both your school district and AFPlanServ work together to ensure all aspects of Plan administration are handled properly.

Please contact AFPlanServ at 1-866-560-6415, if you need more information about your role as the Plan Sponsor /Plan Administrator and/or if you have any questions.

*AFPlanServ does not provide legal or tax advice. Please contact your tax or legal advisor about your specific situation.*