



403(b) Plan Operational Guidelines

To help ensure your Plan stays compliant, 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 for you and your Participants.

Transactions

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 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 for approvals. This must occur prior to processing in your payroll system. Please send via:

- **Upload through your employer portal**
- Email: info@afplanserv.com

2026 Maximum Contribution Limits

The maximum amount that may be contributed to the 403(b) Plan is set by the Internal Revenue Code. All deducted contributions must be remitted to the respective Investment Provider as soon as administratively feasible, generally no later than the 15th calendar day of the month following the date the contribution was deducted from payroll. For the 2026 tax year, the maximum contribution limits are:

- Employee salary deferrals: \$24,500
- Combined employee and employer contributions: \$72,000
- Catch-up contributions for employees over the age of 50: \$8,000*
- Catch-up contributions for employees aged 60 to 63: \$11,250 (instead of \$8,000)*
- **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. **Please refer to Section 9 of IRS Publication 571.**

Plan Eligibility Notice

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 for new eligible employees at the time of employment to inform them of their eligibility to participate. AFPlanServ will provide a sample Eligibility Notice during the first quarter of each calendar year 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.

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

**Effective in 2026, high earners (HEs) who make over \$150,000 in FICA wages for the previous year must make catch-up contributions on a post-tax Roth basis in the current year.*

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



457(b) Plan Operational Guidelines

To help ensure your Plan stays compliant, please be aware of and adhere to the following guidelines. Failure to follow the guidelines and requirements of a 457(b) Plan can result in a compliance error, leading to disqualification of your Plan and possible adverse tax consequences for you and your Participants.

Transactions

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 457(b) contribution is 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 for approvals. This must occur prior to processing in your payroll system. Please send via:

- Upload through your employer portal
- Email: info@afplanserv.com

2026 Maximum Contribution Limits

The maximum amount that may be contributed to the 457(b) Plan is set by the Internal Revenue Code. For the 2026 tax year, the maximum contribution limits are:

- Combined employee and employer contributions: \$24,500
- Catch-up contributions for employees over the age of 50: \$8,000*
- Catch-up contributions for employees aged 60 to 63: \$11,250 (instead of \$8,000)*
- If the Plan permits the last 3 years before retirement, an additional amount may be contributed if certain conditions are met. This will require a completed Maximum Allowable Contribution worksheet. [Please refer to Section 9 of IRS Publication 571.](#)

All deducted contributions must be remitted to the respective Investment Provider as soon as administratively feasible, and in no event later than the 15th 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 help ensure all aspects of Plan administration are handled properly. Please contact us at 866-560-6415 if you need more information about your role as the Plan Sponsor /Plan Administrator and/or if you have any questions.

**Effective in 2026, high earners (HEs) who make over \$150,000 in FICA wages for the previous year must make catch-up contributions on a post-tax Roth basis in the current year.*

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