



A 403(b) Program

Your Business ... **POWER**ed by CPI

A 403(b) plan is a retirement program adopted in accordance with the Internal Revenue Code to allow employees of 501(c)(3) organizations and public schools to voluntarily save for retirement with pre-tax dollars.

Eligibility Requirements

Employers

Eligible employers includes public schools, nonprofit organizations (those classified under section 501(c)(3) of the Internal Revenue Code), nonprofit hospitals, religious organizations, humane societies, social welfare agencies, charitable institutions, museums, and universities.

Employees

Eligible employees is defined as *all employees* unless excludable by law (i.e. normally work less than 20 hours per week for non-ERISA covered plans or nonresident aliens who do not receive any earned income).

Plan Benefits

Tax-deferred contributions

Employer contributions, if applicable

Tax-deferred earnings until assets are withdrawn

No ADP (Actual Deferral Percentage) testing

Contributions

Participants may contribute up to a maximum of \$16,500, plus the employer can contribute additional amounts up to a combined total of \$49,000 or 100% of includable compensation, whichever is less (as indexed).

▲ Age 50+ and pre-retirement catch-up rules may apply.

Distributions

Retirement

Separation from employment

Death

Disability

Financial hardship

Required minimum distributions for those individuals over 70 ½ or retired

If provided in the plan document, participant loans are allowed

Note. Withdrawals are subject to ordinary income tax. Distributions prior to age 59 ½ may be subject to a 10% penalty.

Portability

Plan participants with a distributable event may roll their 403(b) plan accounts into one of the following:

- ▲ 457(b) governmental plan
- ▲ 401(k) plan
- ▲ 401(a) plan
- ▲ 403(b) plan
- ▲ Individual Retirement Account (IRA)

The document for the receiving plan/account must provide for the acceptance of rollover contributions.

By meeting the transfer requirements, participants can move all or part of their 403(b) account balance to another 403(b) plan.

Call today. 800.491.7859

CPI Qualified Plan Consultants, Inc.
1809 24th Street | P.O. Box 1167 | Great Bend, KS 67530-1167
www.cpiqpc.com®
800.279.9916 ext. 765 or 800.491.7859