

# ANNUAL CHECKLIST

## For 403(b) Plan Sponsors Subject to Nondiscrimination Testing

The IRS recommends that plan sponsors review all retirement plans every year for compliance purposes. Review the following key items to ensure proper plan administration:

### GOVERNANCE



#### TASK

#### KEY COMPONENTS

Review eligibility for a church plan, (if applicable).

- Has your organization changed ties with a church, association or denomination? If so, you may no longer be eligible for a church plan. Contact GuideStone® if you think this applies to you.

### OPERATIONAL COMPLIANCE



#### TASK

#### KEY COMPONENTS

Confirm you have written procedures to help your plan administrative personnel administer the plan correctly.

- Have you compared your administrative procedures against the *Adoption Agreement* to ensure they coordinate? If not, do you need to amend your plan or make plan corrections?

Confirm use of the plan's definition of "compensation" when calculating contributions.

- Have you recently read the definition of "compensation" in your *Adoption Agreement*?
- If your definition refers to policies, do you have a written definition in your policies?
- Are you including or excluding any part of an employee's wages that is not in line with the definition of "compensation"?
- Are you limiting compensation, as defined by the plan, to \$350,000 (for 2025, indexed) for the purpose of calculating all contributions? See the [IRS.gov](https://www.irs.gov) for annual changes.

Provide *Effective Opportunity Notices* to all employees eligible to make elective deferrals.

- Are all employees eligible to make their own contributions to the plan receiving an annual notice reminding them of their right to contribute?
- Do you maintain records of when the notices were provided, who received the notices and the method used to deliver the notices?
- See the [Sample Annual Effective Opportunity Notice](#).

Confirm eligibility for contributions.

- Have you recently reviewed the requirements for eligibility, such as service, age or classification?
- Are all employees in the plan eligible? Are any employees active in the plan who are not eligible?
- Are participants enrolled for employer contributions as of the plan entry date?



#### DID YOU KNOW

administering compensation incorrectly is the #1 problem found in IRS audits?



#### DID YOU KNOW

eligibility and plan entry are the #2 and #3 problems found in IRS audits?

## OPERATIONAL COMPLIANCE (CONTINUED)



TASK	KEY COMPONENTS
<b>Confirm employee contributions</b> are remitted timely and in correct amounts.	<ul style="list-style-type: none"><li><input type="checkbox"/> Are you remitting employees contributions within 15 business days after the end of the month in which employees they were withheld from their paycheck?</li><li><input type="checkbox"/> Do you recalculate contribution amounts when an employee's compensation changes?</li><li><input type="checkbox"/> Do you run the "Contribution History by Payroll End Date" in the GuideStone Employer Access® Program (EAP) to reconcile contributions actually credited to participant accounts with your payroll records?</li></ul>
<b>Provide automatic enrollment notices</b> , if applicable.	<ul style="list-style-type: none"><li><input type="checkbox"/> Have you reviewed the <a href="#">Annual Checklist for Plans with Automatic Enrollment</a> to monitor compliance?</li></ul>
<b>Complete nondiscrimination testing (NDT)</b> annually.	<ul style="list-style-type: none"><li><input type="checkbox"/> At the beginning of each plan year, do you identify all highly compensated employees (HCEs) for the new plan year?</li><li><input type="checkbox"/> Does plan compensation exclude minister's housing allowance for HCEs? Adjust payroll as needed.</li><li><input type="checkbox"/> Does your plan exclude HCEs from employer contributions or after-tax contributions?</li><li><input type="checkbox"/> Does your testing data include all employees who are not excludable for statutory reasons?</li><li><input type="checkbox"/> Do you provide the data to your tester fast enough to avoid an excise tax if you fail testing?</li><li><input type="checkbox"/> Do you maintain documentation of the testing results in case of audit?</li></ul>

## EMPLOYEE EDUCATION AND COMMUNICATION



TASK	KEY COMPONENTS
<b>Review new employee orientation process</b> for retirement plan education.	<ul style="list-style-type: none"><li><input type="checkbox"/> Do you emphasize plan participation during onboarding to encourage greater savings for your employees?</li><li><input type="checkbox"/> Do you provide new employees with a Plan Summary, Plan Highlight (if available) and appropriate forms in their hire packet? These are available in EAP.</li><li><input type="checkbox"/> If your plan is a safe harbor plan or has automatic enrollment, do you provide the required notices with the retirement material to new employees?</li><li><input type="checkbox"/> Do you follow up with new employees who do not enroll to encourage retirement savings?</li></ul>
<b>Develop an annual education strategy</b> for your employees to increase savings and participation.	<ul style="list-style-type: none"><li><input type="checkbox"/> Do you provide required applicable annual notices, such as safe harbor or automatic enrollment notices?</li><li><input type="checkbox"/> Do you emphasize retirement savings to increase overall participation?</li><li><input type="checkbox"/> Have you reviewed <a href="#">member educational material</a> and informed members of appropriate resources?</li><li><input type="checkbox"/> Have you assessed the effectiveness of prior educational campaigns?</li><li><input type="checkbox"/> Have you documented your educational efforts in case of audit?</li></ul>

# OTHER



## TASK

**Maintain records** of key forms and documents.

**Correct any errors** found in your review.

**Review plan provisions** to see if they meet your organization's goals for the retirement plan.

**Review information sharing requirements** if you have investments through provider(s) in addition to GuideStone.

## KEY COMPONENTS

- Do you retain original signed plan documents and service agreements, including any board resolutions authorizing the provisions?
  - Have you kept all policies and provisions that govern the plan (e.g., employee handbook or employer policies records)?
  - Do you keep enrollment forms and *Retirement Contribution Agreements* for participants?
  - Have you maintained hardship and loan documentation, especially if you have other providers or plans?
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- Use the IRS Employee Plans Compliance Resolution System (EPCRS): [IRS.gov/Retirement-Plans/Correcting-Plan-Errors](https://www.irs.gov/Retirement-Plans/Correcting-Plan-Errors).
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- Have you documented your goals and objectives for your retirement benefits program?
  - Would you allow GuideStone's experts to walk you through your retirement plan to determine if changes are needed?
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- Have you reviewed the *IRS requirements* for plans with multiple vendors?
  - Do you have an *Information Sharing Agreement* with your other providers?
  - Have you reviewed the *Vendor Appendix* in EAP to confirm all 403(b) providers?

GuideStone may be able to provide statistical data to help.



**If you have any questions,**  
please contact one of our customer solutions specialists at  
**1-888-98-GUIDE** (1-888-984-8433) Monday through Friday  
between the hours of 7 a.m. and 6 p.m. CT.

This checklist is not intended to be an all-encompassing list of items you must monitor as part of your fiduciary responsibility. For more information, see the Compliance and Fiduciary Corner in the Resources section of EAP. Additional information is available at [GuideStone.org/Resources/Education/Articles/Retirement/Strong-Internal-Controls-for-Audits](https://www.GuideStone.org/Resources/Education/Articles/Retirement/Strong-Internal-Controls-for-Audits).

This information should not be considered tax or legal advice. GuideStone stands ready to assist your organization as you work with your legal and tax advisors by providing resource information that you and your advisor may find beneficial.