

ANNUAL CHECKLIST

For 403(b) Plan Sponsors Subject to ERISA



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*?
- 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 eligibility 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
Confirm employee contributions are remitted timely and in correct amounts.	<ul style="list-style-type: none"><input type="checkbox"/> Are you remitting employees contributions as soon as assets are segregated from your general assets?<input type="checkbox"/> Do you recalculate contribution amounts when an employee's compensation changes?<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?
Provide automatic enrollment notices , if applicable.	<ul style="list-style-type: none"><input type="checkbox"/> Have you reviewed the Annual Checklist for Plans with Automatic Enrollment to monitor compliance?
Complete nondiscrimination testing (NDT) annually.	<ul style="list-style-type: none"><input type="checkbox"/> At the beginning of each plan year, do you identify all highly compensated employees (HCEs)?<input type="checkbox"/> Does your plan exclude HCEs from employer contributions or after-tax contributions?<input type="checkbox"/> Does your testing data include all employees who are not excludable for statutory reasons?<input type="checkbox"/> Do you provide the data to your tester fast enough to avoid an excise tax if you fail testing?<input type="checkbox"/> Do you maintain documentation of the testing results in case of audit?

EMPLOYEE EDUCATION AND COMMUNICATION



TASK	KEY COMPONENTS
Review new employee orientation process for retirement plan education.	<ul style="list-style-type: none"><input type="checkbox"/> Do you emphasize plan participation during onboarding to encourage greater savings for your employees?<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.<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?<input type="checkbox"/> Do you follow up with new employees who do not enroll to encourage retirement savings?
Develop an annual education strategy for your employees to increase savings and participation.	<ul style="list-style-type: none"><input type="checkbox"/> Do you provide required applicable annual notices, such as safe harbor or automatic enrollment notices?<input type="checkbox"/> Do you emphasize retirement savings to increase overall participation?<input type="checkbox"/> Have you reviewed member educational material and informed members of appropriate resources?<input type="checkbox"/> Have you assessed the effectiveness of prior educational campaigns?<input type="checkbox"/> Have you documented your educational efforts in case of audit?

ERISA COMPLIANCE



TASK

KEY COMPONENTS

Comply with Department of Labor (DOL) fidelity bonding requirements.

- Is your fidelity bond sufficient based on plan assets as of the end of the prior plan year?

Comply with DOL reporting requirements.

- Have you filed *Form 5500* with the DOL each plan year and maintained copies of all related records?
- Have you reviewed the annual audit requirements to determine if your plan must have a full audit?



See the [DOL website](#) for more ERISA plan compliance requirements.

Comply with DOL notice requirements.

- Do you provide notices to new hires within 30 days of their hire date?
 - Effective Opportunity Notice
 - *Summary Plan Description (SPD) with Summary of Material Modifications (SMM)*, if applicable
 - Participant fee disclosure with addendums
- Do you provide annual participant notices once every 14 months?
- Do you provide the *Summary Annual Report* to participants by the DOL deadline?

Comply with DOL reporting requirements.

- Does your plan prohibit employees who normally work less than 20 hours per week from making elective deferrals?
- If yes, are you tracking their hours worked in 2023 and 2024 to determine if they must be allowed to make deferrals beginning in January 2025? ([The SECURE 2.0 Act](#) requires plans that exclude part-time employees to allow them to make elective deferrals if the employee works at least 500 hours in two consecutive plan years).

OTHER



TASK

KEY COMPONENTS

Maintain records of key forms and documents.

- 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?

Correct any errors found in your review.

- 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).

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

- 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?

GuideStone may be able to provide statistical data to help.

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

- 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?



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.