

403(b)/457(b) Administration & Compliance Service (ACS)

403(b)/457(b) Plan Transaction Processing Kit

This Kit is for Representatives of Investment Providers and/or Employees
that are self-directing their 403(b) investments

ACS PLUS Service Option Updated April 2, 2016



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Procedures for Exchanges, Transfers, and Rollovers

There are Three Ways You can Move 403(b) Funds

Type	Universal Vendor Agreement (Equivalent of ISA)	Procedure Representative is defined as the investment provider's local representative or the employee if the employee is self administering his/her 403(b) Plan.
<p align="center"><u>Transfer</u></p> <p>Move funds from one plan into another.</p> <p>Example</p> <ul style="list-style-type: none"> • Transfer funds from previous employer's plan to current employer's plan • Transfer funds from inactive vendor to active/approved vendor 	<p>YES</p>	<ol style="list-style-type: none"> 1. Representative shall complete forms, provided by investment company, to move the funds. 2. Representative shall complete the "Transaction Processing Form" along with forms from the investment company, and submit to EBC for signature. 3. EBC shall provide Representative with copy of UVA signed by the company that is receiving the funds.
<p align="center"><u>Exchange</u></p> <p>Move funds within the same plan</p> <p>Example: Move funds between product providers on employer's approved vendor list</p>	<p>YES</p>	<ol style="list-style-type: none"> 4. EBC shall return signed copy of form to Representative via mail or fax. 5. Representative shall submit paperwork to appropriate investment provider. 6. EBC shall enter transaction into the ACS for tracking purposes.
<p align="center"><u>Rollover</u> <u>(e.g., moving funds from 403(b) to IRA)</u></p> <p>A rollover shall only occur as a result of a qualifying event. A qualifying event includes any one of the following:</p> <ul style="list-style-type: none"> ➤ Termination of Employment/Separation from Service ➤ Death ➤ Disability ➤ Age 59 ½ 	<p align="center">NO</p> <p><i>However, some vendors still insist an ISA be signed.</i></p>	<ol style="list-style-type: none"> 1. Representative shall complete appropriate forms, provided by investment company, to roll funds. 2. Representative shall complete the "Transaction Processing Form" along with forms from the investment company, and submit to EBC for signature. 3. EBC shall sign forms and return to Representative. 4. If required, EBC shall provide Representative with copy of UVA signed by the investment company that is receiving the funds. 5. Representative shall submit paperwork to appropriate investment provider.

		6. EBC shall enter transaction into the ACS for tracking purposes.
<p><u>In-Service Distribution</u></p> <p>Must have a qualifying event</p> <ul style="list-style-type: none"> ➤ Age 59 ½ ➤ Disabled ➤ Death 	<p style="text-align: center;">NO</p> <p><i>However, some vendors still insist an ISA be signed</i></p>	<ol style="list-style-type: none"> 1. Representative shall complete appropriate forms for withdrawal provided by investment company. 2. Representative shall complete the “Transaction Processing Form” along with forms from the investment company, and submit to EBC for signature. 3. EBC shall sign and return to Representative. 4. Representative shall submit paperwork to appropriate investment provider. 5. EBC shall enter distribution into the ACS for historical purposes.

Procedures for Loans and Hardship Withdrawals

Type	Procedure
<u>Loan</u>	<p>Representative is defined as the investment provider’s local representative or the employee if the employee is self administering his/her 403(b) Plan.</p> <ol style="list-style-type: none"> 1. Representative completes loan application provided by the investment provider. 2. Representative shall complete the “Transaction Processing Form” along with forms from the investment company ALONG WITH AN ACCOUNT STATEMENT SHOWING FUND BALANCE and submit to EBC for Signature. 3. If no outstanding loans, EBC shall sign and return to Representative. 4. Representative shall submit loan application to investment provider. 5. EBC shall enter loan information into the ACS software system.
<p>Loans are optional. The District will establish through the District’s Written Plan and Adoption Agreement whether Loans are allowed or disallowed in the District’s Plan.</p> <p>If allowed</p> <p>The District does not determine whether an employee qualifies for a loan or not. That decision is made by the Product Provider and EBC.</p> <p><u>Loan Rules:</u> If an employee has defaulted on a loan from any retirement plan or deferred compensation arrangement sponsored by the Employer and has not repaid the loan, in full, the employee shall not be permitted to take a loan from his/her Account.</p>	

<p>Maximum Loan Amount \$50,000 reduced by any outstanding balance on any loan; <i>OR</i>, one half of the value of the participant’s vested account balance</p>	
<p style="text-align: center;"><u>Hardship Withdrawal</u></p> <p>Hardship Withdrawals are optional. The District will establish through the District’s Written Plan and Adoption Agreement whether Hardship Withdrawals are allowed or disallowed in the District’s Plan.</p> <p>If allowed.....</p> <p>The District does not make a determination whether an employee qualifies for a Hardship Withdrawal or not. That decision is made by the Product Provider and EBC.</p>	<ol style="list-style-type: none"> 1. Representative completes a Hardship Withdrawal Application provided by investment provider. 2. Representative must complete EBC’s “Hardship Withdrawal Processing Form” and complete the “Transaction Processing Form” (both are provided in this kit) along with forms from the investment company and submit to EBC for signature. 3. If hardship is approved, EBC shall sign and return to Representative. 4. Representative shall submit Hardship Withdrawal Application to provider. 5. EBC informs District Administrator that employee and employer contributions into the 403(b) Plan are suspended for 6 months. 6. EBC shall enter Hardship Status into the ACS software system.

Educators Benefit Consultants
403(b)/457(b) Administration and Compliance Service

TRANSACTION PROCESSING FORM

Name of Representative	OR	Attach Business Card
Address		
Phone Number		
Name of Plan Sponsor (School District)		

Please check box that indicates nature of transaction

- Exchange
- Transfer
- Rollover
- Hardship Withdrawal
- Loan
- In-Service Distribution
- Distribution due to termination/retirement

Client Name / SSN
Releasing Carrier
Accepting Carrier
Amount of Exchange/Transfer/Rollover/Hardship/Loan/Withdrawal

Please complete this form and send along with necessary transactions documents to Educators Benefit Consultants for signature.

Educators Benefit Consultants
ACS Division
3125 Airport Parkway, N.E.
Cambridge, MN 55008

EBC will sign and attach copy of UVA and return to you so you may send to appropriate investment provider.

<i>For EBC Use Only</i>	
Copy of Universal Vendor Agreement (UVA) is only required for an exchange, transfer, and in some cases a rollover transaction. Attach copy of UVA signed by the investment provider that is receiving the funds.	
Attached: ___Yes ___No	Initials: _____ Date: _____

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HARDSHIP WITHDRAWAL PROCESSING FORM

Before you apply for a hardship withdrawal you must first determine whether you are eligible for a hardship distribution or not.

Please read the “Rules Applicable to Hardship Distributions” on the back of this form.

If you determine that you are eligible for a hardship withdrawal, please check appropriate boxes and sign this form. Make sure you attach documentation that proves and/or supports your financial need. You will also need to complete the hardship distribution form provided by your investment provider.¹

I have reviewed the attached “Rules Applicable to Hardship Distributions” and attest that I have an immediate and heavy financial need.

The immediate and heavy financial need falls into the following category (you may check more than one if it applies):

- | | |
|--|---|
| <input type="checkbox"/> Medical Care | <input type="checkbox"/> Funeral or Burial Expenses |
| <input type="checkbox"/> Purchase of Principal Residence | <input type="checkbox"/> Repair of Damage to Principal Residence |
| <input type="checkbox"/> Tuition or Educational Related | <input type="checkbox"/> Tax Cost Associated with this Withdrawal |
| <input type="checkbox"/> Prevent Eviction or Foreclosure | |

I have reviewed the list of “Other Financial Resources” demonstrated in the Treasury Rules, and disclosed to me on the back of this form; none of those resources are available to me.

I have read, and I understand the meaning of the information provided to me in this “Hardship Withdrawal Processing Form”, and I attest that my answers on this form are true and correct, and I have attached supporting documentation to prove my claim of a heavy and immediate financial burden (e.g., medical bills, eviction or foreclosure notice, tuition bill, purchase agreement, burial or funeral bill, etc.).

I hereby request a hardship withdrawal this ___ day of _____ 20__.

Participant’s Signature

Spouse’s Signature

¹ This paperwork should be obtained from your investment company or registered investment advisor. This paperwork will need to be completed and submitted to EBC for signature.

Rules Applicable to Hardship Distributions

A hardship distribution shall only be approved based on participant's ability to prove that the request for the hardship distribution is on account of an immediate and heavy financial need and that the withdrawal is necessary to satisfy the financial need.

Other Financial Resources

A hardship withdrawal **can not be approved** if the need may be relieved from other resources reasonably available to the employee. Other resources listed in the Treasury rules are:

- Assets of the employee's spouse and minor children that are reasonably available to the employee (for example a vacation home owned by the employee and the employee's spouse, whether as community property, joint tenants, tenants by the entirety, or tenants in common).
- Through insurance payment
- By liquidation of employee's assets
- By cessation of elective contributions to the employee's 403(b) Plan
- By borrowing from commercial sources on reasonable terms
- By taking a loan from the 403(b) or any other available plan maintained by the employer (e.g., 457 Plan)

Expenses That Could Qualify Under The Treasury Rules Are As Follow:

- Medical care
- Costs related to the purchase of a principal residence for the employee—not mortgage payments
- Tuition, related educational expenses, and room and board for up to the next 12 months of post-secondary education for the employee, the employee's spouse, children or legal dependents.
- Payments necessary to prevent the eviction of employee from principal residence or foreclosure on the mortgage of principal residence
- Funeral or burial expenses for the employee's deceased parents, spouse, children or dependents
- Repair of damage to the employee's principal residence that would qualify for the casualty deduction under section 165
- The hardship distribution must not exceed the amount of the financial need. The amount may include the federal, state, or local income tax or penalties that are a result of the distribution.

It is the burden of the employee to **prove** that he/she is in a hardship status according to the Treasury Department's rules.

Salary Reduction Agreement for 403(b)/403(b) Roth/457 TSA with Match

Independent School District

Part 1. Employee Information (please print)

Name _____ Social Security # _____ Birth Date _____

Pay periods per year _____ Requested Start Date _____ Bargaining Group _____

Part 2. Contribution Information (fill in all that apply.)

Salary Reduction				Service Provider (See list of allowed TSA companies)	Employee	Contribution	Employer Match	
Type	New	Change	Stop		Salary Reduction Amount/Percent Per Pay Period	Annualized Salary Reduction Amount	Employer Match/Percent per Pay Period	Annualized Employer Match
403(b)								
403(b)								
403(b) Roth								
403(b) Totals								
457								
457								
Grand Totals								

Part 3. Catch Up Provisions

If you are contributing more than the basic limit to a 403(b), 403(b) Roth and/or 457, you must be using one (or both) of the following:

- I am contributing \$ _____ using the 15-years service election. (Attach documentation).
- I am contributing \$ _____ using the Age 50 and older catch up election.

Part 4. Agreement

By signing this Agreement, Employee agrees to modify his/her salary as indicated above and Employer agrees to contribute this amount on Employee's behalf into the 403(b)/403 Roth/457 annuity(ies) or custodial account(s) selected by the Employee. It is intended that the requirements of all applicable state and federal tax rules and regulations (Applicable Law) will be met. The Employee understands and agrees that this Agreement:

1. Is legally binding and irrevocable with respect to amounts paid or available while it is in effect;
2. May be terminated at any time for amounts not yet paid or available, and that a termination request is permanent and remains in effect until a new salary reduction agreement is submitted;
3. Is effective only for amounts not yet earned or made available in accordance with the Employer's administrative procedures.

Employee further agrees that:

He/she is responsible for determining that his/her salary reduction amount does not exceed the limits of the Applicable Law;

He/she is responsible for the accuracy of the information provided by Employee, which is used in determining Employee's Maximum Annual Contribution limit; and Employer has no liability for any losses suffered by Employee that resulted from his/her participation in the 403(b)/403(b) Roth/457 program.

Employee acknowledges that Employer has made no representation to Employee regarding advisability, appropriateness or tax consequences of the purchase of the 403(b) program. Nothing herein shall affect the terms of employment between Employer and Employee.

This agreement supersedes all prior salary reduction agreements and shall automatically terminate if your employment with the Employer is terminated.

Note: Your employer's administrative policies will determine when 403(b)/403(b) Roth/457 salary reduction instructions are implemented

Important Information

1. Employer does not choose the annuity contract(s) or custodial account(s) in which contributions are invested.
2. Employees are responsible for setting up and signing the legal documents to establish the annuity contract or custodial account. However, in certain group annuity contracts, Employer may be required to establish the contract.
3. In order to receive the expected tax results, Employees are responsible for investing in annuity contracts or custodial accounts that meet the requirements of Section 403(b)/403(b)/457 in the Internal Revenue Code.
4. Employees are responsible for naming a death benefit under the 403(b)/403(b) Roth/457 program. This is normally done at the time the annuity contract or custodial account is established. Beneficiary designations should be reviewed periodically.
5. Employees are responsible for all distributions and any other transactions with their service provider. All rights under the annuity contracts or custodial accounts are enforceable solely by the Employee, Employee Beneficiary or Employee's Authorized Representative. Employee must work directly with the service provider to transfer contract(s) or custodial accounts(s) to another service provider, begin distributions, make loans, or otherwise access 403(b)/403(b) Roth/457 program assets.
6. Employees are responsible for determining that salary reductions do not exceed the allowable contribution limits under Applicable Law. Limits should be checked each year for the scheduled increases through 2011.

Read Before You Sign:

By signing this Agreement, you are declaring that the amount you have elected to withhold does not exceed the allowable contribution limits under Applicable Law. If selected in Part 2 above, you are declaring that you are eligible for one or both of the catch up elections as indicated. And you are accepting full responsibility for the amount you have elected to have withheld from your salary and contributed to the 403(b)/403(b) Roth/457 arrangement.

Disclaimer – Other Fees:

If an investment company does not agree to pay the third party administrator's fee associated with this employer's 403(b) Plan the fee, upon consent of the employer, shall be passed along to the 403(b) participant. This fee equates to .60 cents per participant per month.

Part 5. Employee Signature

I certify that I have read this complete Agreement and that my salary reductions do not exceed contribution limits as determined by Applicable Law. I also certify that I am eligible for the catch up election(s), if selected, under Part 2 above. I understand my responsibilities as an Employee under the 403(b)/403(b) Roth/457 programs, and I request Employer to take the action specified in this Agreement. I understand that all rights under annuity(ies) or custodial account(s) established by me under the 403(b)/403(b) Roth/457 program are enforceable only by me, my beneficiary or my authorized representative.

Employee Signature

Date

Part 6. Acknowledgement and Representative of Sales Agent/Representative

I hereby acknowledge my responsibility to comply with Employer's written directives regarding solicitation of Employees. I also acknowledge my responsibility to assist the Employee in determining the maximum contribution limits.

Sales Agent/Representative (please print clearly)

Phone

Address

Signature

Date

Part 7. Employer Signature

Employer hereby agrees to this Salary Reduction Agreement.

Signature of Employer Representative

Date

Date Received in HR

Date Received in Payroll