

**WOODFORD COUNTY BOARD OF EDUCATION  
AGENDA ITEM**

**ITEM #:**           **DATE:** November 20, 2023

**TOPIC/TITLE:** 403B Match Plan

**PRESENTER:** Shane Smith

**ORIGIN:**

- TOPIC PRESENTED FOR INFORMATION ONLY (No board action required.)
  - ACTION REQUESTED AT THIS MEETING
  - ITEM IS ON THE CONSENT AGENDA FOR APPROVAL
  - ACTION REQUESTED AT FUTURE MEETING:            (DATE)
  - BOARD REVIEW REQUIRED BY
- 
- STATE OR FEDERAL LAW OR REGULATION
  - BOARD OF EDUCATION POLICY
  - OTHER:

**PREVIOUS REVIEW, DISCUSSION OR ACTION:**

- NO PREVIOUS BOARD REVIEW, DISCUSSION OR ACTION
  - PREVIOUS REVIEW OR ACTION
- 
- DATE:
  - ACTION:

**BACKGROUND INFORMATION:**

403B Match Plan

**SUMMARY OF MAJOR ELEMENTS:**

2 Plan options are provided. The 5% match of contribution that was presented previously and a 100% match limited by 1% of compensation. The 100% match limited by 1% of compensation is the plan that is suggested as it will more effectively engage participants at the entry level positions.

**IMPACT ON RESOURCES:**

**TIMETABLE FOR FURTHER REVIEW OR ACTION:**

**SUPERINTENDENT'S RECOMMENDATION:**  Recommended             Not Recommended

  
\_\_\_\_\_

## 403(b) Employer Non-Elective Contribution Questionnaire

Employer Name: Woodford County Schools State: KY

Employer hereby makes available to its employees a 403(b) Plan that provides for employer contributions in accordance with applicable employment agreements and/or collective bargaining agreements, and agrees that the following provisions shall govern all employer contributions and any earnings attributable to the employer contributions made to the Plan. The following Plan rules are applicable to Employer (Non-elective) contributions only.

### Type and Allocation of Employer Contributions

**Employer Non-elective Contribution**

**Discretionary Non-elective Contributions.** Discretionary contribution, to be determined by the Employer in accordance with Section 4.3 of the Plan. Discretionary Non-elective Contributions will be allocated to each Participant in the ratio that such Participant's Compensation bears to the Compensation of all Participants to whom Non-elective Contributions are allocated.

**Fixed Non-elective Contributions.** Fixed contribution equal to \_\_\_\_\_ % of Compensation of each Participant eligible to share in allocations.

**Other** (describe): \_\_\_\_\_

*Note: the formula described must satisfy the definitely determinable requirement under Reg. §1.401-1(b). If the formula is non-uniform, it will not satisfy this requirement.*

**Former Employees.** If elected, Former Employees will share in the Non-elective Contributions made by the Employer for a Plan Year. In any event, no contribution will be made after the end of the Participant's fifth taxable year after the year in which he terminated employment. See Plan Section 4.5.

*If this option is not selected, Participants will not share in Employer Non-elective Contributions after the Plan Year in which their employment terminates, and Non-elective Contributions will be allocated based only on Compensation earned prior to the Severance from Employment.*

**Disabled Employees.** If elected, Employees who are permanently and totally disabled (as defined in Code §22(e)(3)) will continue to share in the Non-elective Contributions made by the Employer for a Plan Year for (See Plan Section 4.5):

A fixed period of \_\_\_\_\_ years, or

A period to be determined by the Employer, which shall be determined on a uniform and non-discriminatory basis for all Participants.

**Matching Contributions**

**Discretionary.** The Employer may make matching contributions equal to a discretionary percentage, to be determined by the Employer, of the Participant's Elective Deferrals.

**Fixed - uniform rate/amount.** The employer will make matching contributions equal to 5.0 % (e.g., 50) of the Participant's Elective Deferrals

**Matching limit on Elective Deferrals.** In determining the Employer matching contribution above, only the following will be matched. (Leave blank if not applicable.)

The percentage or dollar amount specified below (select one or both):

\_\_\_\_\_ % of a Participant's Compensation.

\$\_\_\_\_\_.

A discretionary percentage of a Participant's Compensation or a discretionary dollar amount, the percentage or dollar amount to be determined by the Employer on a uniform basis for all Participants.

**Maximum matching contribution.** The matching contribution made on behalf of any Participant for any Plan Year will not exceed (leave blank if no limit on matching contributions)

\$ \_\_\_\_\_.

\_\_\_\_\_% of a Participant's Compensation.

### Eligibility

All employees shall be eligible to receive 403(b) Employer contributions except as listed below (if no exclusions are listed, all employees will be eligible).

All employees who are actively employed on June 30th of each year to be eligible for the match accrued during the preceding fiscal year, July 1 - June 30. Employer will match 5% of employee's contribution. Employee's with existing retirement plans with KY Def Comp will receive a match into 403b with American Fidelity. Any new plans started after 01/01/2024 will only be match if contributions from the employee are in a 403b with American Fidelity.

Other – If Employer contributions are limited to a small class of employees, then list who is eligible to receive 403(b) Employer contributions (attach any corresponding agreement that defines who is eligible to receive 403(b) Employer contributions).

### Age Requirement

An Employee will be eligible to receive Employer contributions after attaining age \_\_\_\_\_ (May not be more than 21 years of age). *If not checked, there will be no age requirement.*

### Years of Eligibility

Participants are eligible to receive Employer contributions after completing \_\_\_\_\_ Year(s) of Service (the Years of Service required may not be more than \_\_\_\_\_ Years of Service). *If not checked, there will be no Years of Service requirement.*

**Vesting Schedule.** The Vesting schedule selected below will apply only to Employer Matching Contributions and Employer Non-elective Contributions made on behalf of a Participant.

<input type="checkbox"/> Graded Vesting Schedule	Years of Service	Vested Percentage
	1	0%
	2	20%
	3	40%
	4	60%
	5	80%
	6	100%

<input type="checkbox"/> Cliff Vesting Schedule	Years of Service	Vested Percentage
	1	0%
	2	0%
	3	100%

Other — Please attach vesting schedule. *Schedule must be at least as liberal as a 15-year cliff vesting schedule or a 5 to 20 year graded vesting schedule in each year, without switching between the schedules.*

*If no option is selected, all eligible employees will be 100% vested upon becoming eligible to participate in the Plan. Regardless of the option selected above, all Participants will be 100% vested immediately in the portion of their Accounts attributable to Elective Deferrals, Roth Elective Deferrals, and Rollover Contributions.*

### Investment Arrangement

Annuity Contract offered by an approved Vendor identified in Appendix I.

Custodial Account offered by an approved Vendor identified in Appendix I.

**Loans**

Loans will be available under the Plan subject to availability and any additional conditions that may apply under a Participant's 403(b) investment arrangement(s).

*If not checked, Loans ARE NOT permitted from Employer contributions.*

**Distribution Restrictions - (Employer contributions only)**

**Custodial Account.** Employer contributions held in a Custodial Account may be distributed upon the occurrence of any of the following events (select those which apply):

- Retirement or severance from employment.
- Death.
- Disability.
- Attainment of age \_\_\_\_\_. (Must not be earlier than age 59½.)

**Annuity Contract.** Employer contributions held in an Annuity Contract may be distributed upon the occurrence of any of the following events (select those which apply):

- Retirement or severance from employment.
- Disability.
- Death.
- Completion of \_\_\_\_ Years of Service.
- Attainment of age 59.50. (May be earlier than age 59½).

**Forms of Distribution.** Elect one or more of the following options for Custodial Accounts:

- Single lump sum.
- Partial lump sum.
- Installments.
- Other form permitted under the terms of the applicable Custodial Agreement as selected by the Participant.

Completed By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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Cliff Vesting Schedule

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