



What is Universal Availability?

Universal Availability stipulates that if a Plan Sponsor permits one employee to participate in a 403(b) plan, the Sponsor must offer a “meaningful” opportunity to all employees to participate. These rules are described in Internal Revenue Code (IRC) Section 403(b)(A)(ii).

- Employees who normally work less than 20 hours a week. [For example: as of hire date, employer reasonably expects employee to work less than 1,000 hours in 12 months and for each succeeding year, the employee works less than 1,000 hours of service]. As Plan Sponsor the employer must maintain hourly records as proof of this regulation.
- Non-resident alien
- Students providing services
- Employees eligible to participate by salary reduction in other deferral plans sponsored by the employer
- Employees who do not wish to contribute at least \$200 per year into a 403(b) plan.

Meaningful Notice

In addition, under the terms of the IRS non-discrimination rule and universal availability, employers sponsoring a 403(b) Plan are required to notify all eligible employees of their right to participate in the 403(b).

This formal notification is required to be made a minimum of once a year.

Common methods of distribution Plan Sponsors can use:

- Regular mail,
- Internal mail distribution method (a paycheck insert) or
- Email distribution so long as all eligible employees receive the notice.

The notice should include:

- Eligibility requirements (i.e. who can and cannot participate in the plan)
- Enrollment procedures
- Types of employee contributions (pre-tax, Roth [if available] and catch-up contributions)
- How and when contributions amounts can be changed
- Information on approved product providers in the plan and TPA support.

Special Note: Non-profit organizations operating 403(b) plans under the ERISA safe harbor exemption may not exclude any W-2 employees from participation.

If you have any questions concerning the application of the Universal Availability rules, feel free to contact any member of the ADMIN Partners team at 877-484-4400 or email service@youradminpartners.com