

403(b) SOLUTIONS

SunGard's solutions for 403(b) administration can help you draft the required 403(b) written plan document, administer the plan, educate those involved and prepare the correct government forms. SunGard's recordkeeping solutions handle the retirement plans of tax-exempt and governmental entities, such as 403(b) and 457 plans. The systems track participant balances by employer, plan, employee provider and contracts, and include: educate those involved, and prepare the correct government forms.

New requirements include:

- Handling of 403(b) catch-up contributions and reporting
- Multi-vendor arrangement aggregation
- Robust compliance processing
- Participant, plan sponsor and advisor access via the Web
- Classifying approved vendors
- Participant-entered contract information in calculations
- Loans, hardship amounts and in-service distributions (including buy backs)
- Flexible vendor data importing tool

The systems also contain a variety of customizable reports to help meet your particular needs.

DOCUMENTS

Written plans are now a requirement. According to some Internal Revenue Service (IRS) officials, the plan could be a simple collection of written items. It is unlikely, however, that an informal, written approach will be sufficient for compliance because of the need to provide the language necessary to help coordinate plan implementation or administration.

To comply with the written plan requirement best, each employer needs to adopt a single plan document, identifying annuity contracts and custodial agreements in the document. SunGard's nationally known pension industry experts created a formatted plan document specifically designed to help you create your 403(b) plan.

The prototype offers two separate adoption agreements: one with elective deferrals and employer contributions, and one with elective deferrals only. Adaptable and customizable to your organization's ongoing needs, SunGard's prototype plan document helps facilitate full administration, compliance planning and execution.

TRAINING AND EDUCATION WITH WEALTH MANAGEMENT UNIVERSITY

SunGard offers the Pension Educator Series® that includes a section focused on 403(b) plans. As part of SunGard's environmental "green" efforts, many educational classes are Web-based. Additionally, SunGard's nationally known industry experts can provide live seminars.

SunGard's Pension technical updates, designed for pension professionals, frequently feature articles on regulatory and legislative issues and are authored by SunGard's team of ERISA attorneys. The updates help you stay abreast of upcoming information and resources on 403(b) plans.

An intuitive reference tool that is updated regularly to keep pace with change, the Relius Government Forms' 5500 Filing Guide is available with a 403(b) chapter, helping you save hours of research time.

Plans impacted and how:

- ALL 403(b) plans
- ERISA and Non-ERISA
- Governmental
- Higher education
- Healthcare
- Churches (retirement income accounts)
- Tax-exempt association plans

Plan sponsors and administrators must now:

- Use only approved vendors
- Require information sharing agreements (ISAs) with non-plan-identified vendors
- Comply with hardship withdrawals
- Monitor loan limits
- Monitor age 50- and 15-year catch-up provisions
- Have a written plan document
- File a full Form 5500 (unless ERISA exempt)
- Deliver combined contract reporting
- Provide for plan termination

SunGard also offers live and archived Web seminars, some of which contain valuable, downloadable information on 403(b), including *403(b) Plans for 401(k) Practitioners; A First Look at Approved 403(b) Prototypes; 403(b) Terminations, Transfers and Exchanges; and The Relius 403(b) Prototype: Making It Work for You.*

RELIUS GOVERNMENT FORMS

SunGard's Relius Government Forms offering is a suite of software solutions for completing and filing government forms for employee compensation/benefit plans. Relius Government Forms offerings include 5500, 5500 Enterprise Edition, 5500 Web Client, 5500 Filing Guide, Summary Annual Report (SAR), 1099/W-2, 1099/W-2 Outsourcing and 5300. SunGard's EFAST2 approved forms help ensure compliant filings, while helping to save you time and resources.

ABOUT THE 403(B) REGULATIONS

The latest 403(b) regulations issued by the IRS reflect changes that have occurred over the past several decades, including important changes to IRS positions. All 403(b) plans — including deferral-only and other non-ERISA plans (minor exception for certain church plans) — that have not filed a written plan document or have been amended since the issuance of the regulations, now need to comply with:

- Plan documentation requirements
- Controlled group rules
- Changes to coverage and non-discrimination testing rules
- Plan termination rules
- Deferral deposit timing rules (on plans subject to Title I)
- Identification of investment options
- Transfer and exchange limitations

In addition, the Department of Labor (DOL) revised its rules for Form 5500. Beginning in 2009, a 403(b) plan subject to ERISA has the same Form 5500 filing requirements as a 401(k) plan. 403(b) plans are required to provide financial information, participant counts and applicable schedules. Large plans need to attach audit information as well.

Tax-exempt employers sponsoring deferral-only plans that satisfy the ERISA safe-harbor exemption requirements still can avoid the Form 5500 and other DOL requirements. However, the dividing line between ERISA and non-ERISA has become more difficult to navigate. Subsequent to issuing the latest IRS regulations, the DOL issued FAB 2007-02, providing guidance on how to comply with the 403(b) written plan requirement without compromising the ERISA exemption.

Simply being aware of the regulations does not fulfill your every compliance need. With every regulatory or guidance change, processes need revisiting, and tools that can help you work more efficiently and faster in your compliance efforts need to be put in place. SunGard's 403(b) solutions are designed to help ease the pain of compliance.

The 403(b) requirements currently include:

- Required combined reporting of 403(b) contracts
- Information sharing agreements (ISAs) with vendors
- "Exchanges" are permitted with approved vendors only differently from 401(k) provisions
- Hardship withdrawals subject to 401(k) rules — employer/TPA
- Loan limits monitoring is now the employer/TPAs responsibility
- Age 50- and 15-year, catch-up provisions must be monitored
- All plans must have a plan document must approve and monitor
- All plans subject to Title I must file a full Form 5500

For more information about SunGard's 403(b) solutions, call 1-800-326-7235, option 5, or visit the 403b pages online.