

## Internal Revenue Service

## Department of the Treasury

Date:

Employer Identification Number:

Employer Name:

Person to Contact/ID Number:

Contact Telephone Number:

Contact Fax Number:

E-mail Address:

Refer Reply to:

Dear Sir or Madam:

This letter is being sent to you because your organization maintains an Internal Revenue Code (the Code) section 403(b) plan. This contact constitutes a compliance check designed to educate and encourage voluntary compliance. A compliance check is not an investigation under section 7605(b) of the Code or an audit under section 530 of the Revenue Act of 1978.

Among requirements imposed by the Code on employers that offer section 403(b) plans to their employees are the nondiscrimination rules under section 403(b)(12)(A)(ii) of the Code. To meet these rules, all employees of the organization must be permitted an effective opportunity to elect section 403(b) salary deferrals, if any employee of the organization has the right to such an election. This is commonly referred to as the "universal availability" rule. A violation of the universal availability rule puts a section 403(b) plan at risk of losing the tax benefit provided to employees.

To assist us in assessing your compliance with this rule, please provide the information described in the attached Form 886-A, *Explanation of Items, Section 403(b) for Higher Education* within 25 days from the date of this letter. Failure to provide this information could result in further action or examination of your plan. You may also furnish any other documents or clarifying materials that you believe will be helpful for us to review.

If you would like someone else to represent the plan during the compliance check, you must submit a written power of attorney. Form 2848, *Power of Attorney and Declaration of Representative*, may be used for this purpose. This form may be obtained at [www.irs.gov](http://www.irs.gov).

It is important to us that your employees are able to continue to enjoy the benefits of maintaining and participating in a section 403(b) plan. You may obtain more information about the Employee Plans Compliance Unit (EPCU), compliance checks, our current compliance projects, and a list of frequently asked questions by visiting our website at [www.irs.gov/ep](http://www.irs.gov/ep). If you have any questions, please contact me at the telephone, fax, or e-mail address shown above.

Thank you for your cooperation.

Sincerely,

Enclosure:  
Form 886-A