

Form <b>14568-G</b> (March 2020)	Department of the Treasury - Internal Revenue Service <b>Model VCP Compliance Statement -          Schedule 7 Failure to Distribute Elective Deferrals in          Excess of the 402(g) Limit</b>	OMB Number 1545-1673
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Include the plan name, applicant's employer identification number (EIN) and plan number on each page of the compliance statement.

Plan name

EIN	Plan number
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**Section I - Identification of Failure**

The plan identified above did not comply with the requirements of Internal Revenue Code (IRC) Section 402(g) when participants made deferrals to the plan that exceeded specified dollar limits and the excess deferrals were not timely returned by the plan or were less than required. When completing this table, affected plan participants should be counted separately under each year that a return of excess deferrals were not made and not just in the first year of the failure.

Calendar Year ( <i>Year of Deferral</i> )	Number of Participants Affected	Amount of Excess Deferrals Distributed ( <i>Excluding Earnings</i> )

**Section II - Description of the Proposed Method of Correction**

The plan will distribute the excess deferral to any affected plan participants and report the amount as taxable in the year of deferral and in the year distributed. If the plan is an IRC Section 403(b) plan, the plan sponsor will ensure that the appropriate insurance company or financial institution distributes the excess deferrals to any affected plan participants from their 403(b) annuity contracts or custodial accounts and report the amount as taxable in the year of deferral and in the year distributed.

In accordance with Income Tax Regulations Section 1.402(g)-1(e)(1)(ii), a distribution to a highly compensated employee is included in the average deferral percentage (ADP) test; however, a distribution to a nonhighly compensated employee is not included in the ADP test. This does not apply to IRC Section 403(b) plans.

All distributions of designated Roth contributions will be reported as taxable in the year distributed. Designated Roth contributions were already included in income in the year of deferral.

The excess deferral to be distributed will also be adjusted for earnings. Earnings will be determined from the end of the year in which the failure occurred through the year of correction. Earnings will be included in the distribution amount that is to be reported as taxable in the year of distribution. Earnings are determined as follows: (*Attach additional pages as needed. Label the attachment "Section II of Form 14568-G, Description of the Proposed Method of Correction-Earnings" and include the plan name, applicant's EIN and plan number at the top of each page*)

**Section III - Change in Administrative Procedures**

Include an explanation of how and why the failures arose and a description of the measures that have been (*or will be*) implemented to ensure that the same failures will not recur. (*Attach additional pages as needed. Label the attachment "Section III of Form 14568-G, Change in Administrative Procedures" and include the plan name, applicant's EIN and plan number at the top of each page*)

**Section IV - Enclosures**

The plan sponsor encloses with this submission specific calculations for each affected employee or a representative sample of affected employees. (*The sample calculations must demonstrate each aspect of the correction method proposed.*)