

Form 14568-G (September 2017)	Department of the Treasury - Internal Revenue Service Model VCP Compliance Statement - Schedule 7: Failure to Distribute Elective Deferrals in Excess of the 402(g) Limit	OMB Number 1545-1673
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Include the plan name, Applicant's 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 Section 402(g) of the Internal Revenue Code (IRC) when participants made deferrals to the plan that exceed specified dollar limits and the excess deferrals were not returned by the plan in a timely manner or were less than what was 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 Years (<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 the affected plan participant(s) 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 the affected plan participant(s) from the applicable 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.

For any distributions attributable to elective deferrals designated as Roth contributions, all distributions will be reported as taxable in the year distributed. Designated Roth contributions will have already been 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.

Section IV - Enclosures

In addition to the applicable items listed on the Procedural Requirements Checklist for Form 8950, the plan sponsor encloses the following with this submission:

Specific calculations for each affected employee or a representative sample of affected employees. (The sample calculations must be sufficient to demonstrate each aspect of the correction method proposed).