

NON PROFIT

NON QUALIFIED

QUALIFIED PLAN

NO

§ 457

ELIGIBLE PLAN

INELIGIBLE PLAN

457 (b)

26 CFR 3-10

NO

457 (f)

26 CFR 1.457-11

YES

• ELIGIBLE PARTICIPANTS

Select Employees,
Executives,
Professionals,
Independent
Contractors

YES

NO

457 (f) exception
457 (e)(11)(a)(1)
Notice 87-13, 88-
68TamraIRCode
§4960 compliant

Chapt 72, Empl Plan
4.72.19 IRC
457 Exam Guidelines

STOP

§4960 applies

Plan Sponsor has no right to policy Tr.Reg31.3121(v)(2) (4)(iv)(a) + (c)(1)

Employee is 1 of 5 highest paid employees-not paid for medical services

Remuneration and parachute payment exceeds \$1MM-5 year average

No lifetime benefit provided by plan § 313121 (v)(2) – 1 (a)(4)(v)(c)(1)+(2)(a)

Is the payment either a salary reduction or employer sourced

YES

NO

Is remuneration a qualified direct cost paid to a welfare benefit

YES

plan? Is payment excluded from §457(f)(3)(B) and 457(f)

YES

NO

Payments will avoid 20% excise tax to nonprofit

NO