

Form 5623 (March-2010)	Employee Benefit Plan Minimum Vesting Standards Defined Contribution Plans (Worksheet Number 2 – Determination of Qualification)	Date			
INSTRUCTIONS – All items must be completed. A “Yes” answer generally indicates a favorable conclusion is warranted, while a “No” answer indicates a problem exists. Please use the space on the worksheet to explain any “No” answer. See Publication 6389, Explanation Number 2, for guidance in completing this form.		The technical principles in this worksheet may be changed by future regulations or guidelines			
		Name of Plan			
I.	Years of Service and Break in Service	Plan Reference	Yes	No	N/A
Note-Questions g. - k. do not apply to plans that use hours of service as a basis for determining service for vesting purposes. Questions a. - f. do not apply to plans that use the elapsed time method of determining service. Questions l. - p. must be considered for all plans.					
a. Does the plan designate a "vesting computation period"? [0202]					
b. Is an employee required to complete no more than H hours of service during the "vesting computation period" to be credited with a year of service? [0203]					
c. Does the plan credit hours of service in accordance with Department of Labor (DOL) Regulations? [0204]					
d. If the plan credits hours of service for periods when no duties are performed, does the plan incorporate, in its own words or by reference, the rules for determining and crediting those hours? [0205]					
e. Is a "break in service" defined as a vesting computation period when the employee is not credited with more than B hours? [0206]					
f. Does the plan credit service to the appropriate computation period in order to avoid a break in service for employees on maternity or paternity leave? [0207]					
g. Does the plan credit an employee with a period of service; beginning no later than the employment commencement date and ending no sooner than the severance from service date? [0208]					
h. Does the plan determine an employee's total period of service by aggregating all individual periods, unless the periods of service may be disregarded under the rule of parity? [0209]					
i. In determining an employee's period of service, does the plan also take into account the service spanning rules? [0210]					
j. Is a 1-year period of severance defined as a 12-consecutive-month period beginning on the severance from service date and during which the employee does not perform an hour of service for the employer? [0211]					
k. Is the first period of severance ignored to the extent that such period is attributable to maternity or paternity leave? [0219]					
l. Are all years of service counted for vesting purposes, except as provided in Internal Revenue Code section 411(a)(4)? [0213]					
m. Are years of service with the employer before the participant entered the plan, including years of service with the employer in noncovered employment, counted for vesting purposes? [0214]					

CYCLE E

I.	Years of Service and Breaks in Service - continued	Plan Reference	Yes	No	N/A
	n. Are years of service with other members of a controlled group of corporations, or with trades or businesses under common control or with other organizations that comprise an affiliated service group counted for vesting purposes? [0215]				
	o. When the employer maintains the plan of a predecessor employer, does the plan provide that service with the predecessor employer is counted as service with the employer? [0216]				
	p. Is service of individuals who are leased employees of any controlled group or affiliated service group counted? [0217]				
II.	Vesting on Separation from Service-Return to Service Without Break in Service	Plan Reference	Yes	No	N/A
	Note-in a plan that uses the elapsed time method of determining service for vesting purposes, a break in service is a 1-year period of severance.				
	a. Does an employee continue to vest, starting at the point in the vesting schedule where the employee left employment, in both the pre-separation and post-separation account balances? [0221]				
	b. If any part of the employee's account balance may be forfeited before the participant incurs five consecutive one year breaks in service, does the forfeiture occur as the result of a distribution on termination with opportunity for restoration as required by regulations? [0290]				
III.	Vesting on Return to Service After a Break in Service	Plan Reference	Yes	No	N/A
	If a participant separates from service, has a 1-year in service and returns to service, does the plan provide after such participant has one year of service after returning to service the following				
	a. If such participant does not have five consecutive breaks in service, both the pre-break and post-break service will count in vesting both the pre-break and post-break account balances? [0231]				
	b. If such participant has five or more consecutive breaks in service, both the pre-break and post-break service will count in vesting the post-break account balances if either (1) such participant has any nonforfeitable interest in the accrued benefit attributable to employer contributions at the time of such separation from service or (2) upon returning to service the number of consecutive breaks in service is less than the number of years of service. [0232 and 0233]				
IV.	Contributory Plans-Complete Only if Plan Permits Employee Contributions (Voluntary or Mandatory)	Plan Reference	Yes	No	N/A
	a. Does the plan identify what part of an account balance is attributable to employer and employee contributions under Code section 411(c)(2)? [0241]				
	b. Are all account balances resulting from employee contributions fully vested? [0242]				
	c. Does vesting in accordance with statutory minimums apply separately to benefits that resulted from employer contributions? [0243]				

CYCLE E

IV.	Contributory Plans-Complete Only if Plan Permits Employee Contributions (Voluntary or Mandatory) – Continued	Plan Reference	Yes	No	N/A
	d. Is a forfeiture because of withdrawal of employee contributions precluded when the employee is at least 50 percent vested in the account balances that resulted from employer contributions? [0244]				
	e. If a plan permits a forfeiture on withdrawal of mandatory employee contributions when an employee is less than 50 percent vested in employer contributions, does the plan provide for restoration of forfeited amounts on repayment of withdrawn employee contributions? [0245]				
V.	Cash-Outs and Other Distributions of Benefits That Result From Employer Contributions	Plan Reference	Yes	No	N/A
	a. Distributions that cash-out an accrued benefit:				
	(i) In an involuntary cash-out, must the employee receive a distribution of the present value of the entire nonforfeitable benefit that resulted from employer contributions? [0252]				
	(ii) Are such distributions made because of the termination of the employee's participation in the plan? [0253]				
	(iii) Is the value of the employee's account balance restored when the employee repays the full amount of the distribution as provided by regulations? [0254]				
	(iv) Does the plan disregard service only for which an employee receives payment? [0255]				
	b. Distributions that do not cash-out an accrued benefit:				
	(i) If the plan allows a distribution of a participant's vested interest on separation from service (but before a break in service), are separate accounts or an equivalent method established for the undistributed part of the pre-break account balance and any post-break account balance? [0261]				
	(ii) Is the participant's vested interest in the account containing the undistributed part of the pre-separation account balance (described in b(i)) determined under one of the formulas prescribed by regulations? [0261]				
	c. Immediate distributions				
	Are immediate distributions, where the vested account balance exceeds \$5,000, precluded unless the participant (and spouse, if the qualified joint and survivor rules apply) consents? [0264]				
	d. Normal retirement age in a pension plan				
	If the plan is a pension plan and the plan's NRA is less than age 62, ask sponsor to demonstrate that NRA satisfies ITR section 1.401(a)-1(b)(2). [0270]				

CYCLE E

	e. If the plan is a pension plan and permits "in-service" distributions, are distributions permitted only to participants who have attained age 62? [0271]				
VI.	Vesting Schedule	Plan Reference	Yes	No	N/A
	a. At all times does the plan's vesting schedule satisfy the requirements of a particular one of the two minimum vesting schedules described in Code section 411(a)(2)? [0272]				
	b. If a plan's vesting schedule is changed by a plan amendment, does the new vesting schedule satisfy any particular one of the vesting schedules described in Code section 411(a)(2)(B) for all years of service? [0272]				
VII.	Amendments Affecting Accrued Benefits and Vesting	Plan Reference	Yes	No	N/A
	a. If the vesting schedule is being amended, is the nonforfeitable percentage of every participant not less than the percentage figured under the plan before amendment? [0281]				
	b. If the vesting schedule is being amended, does the plan provide for election of the former schedule by certain participants? [0282]				
	c. If the plan is being amended, is each participant's accrued benefit after the amendment not less than the accrued benefit before the amendment? [0283]				
	d. If the early retirement benefits or other optional retirement benefits are changed by an amendment, are the benefits with respect to the benefits accrued to the date of the amendment not reduced for any employee who at any time on or after the amendment satisfied the pre-amendment conditions for the benefit except as provided under the regulations? [0283]				
	e. If "section 411(d)(6) protected benefits" are eliminated by a plan amendment, are such protected benefits preserved with respect to benefits accrued as of the later of the adoption or effective date of the amendment except as provided under the regulations? [0283]				
	f. No restrictions have been added to previously unrestricted benefits amendment except as provided under the regulations? [0283]				
	g. If a plan amendment eliminates a preretirement age 70½ distribution option, is it eliminated only for benefits with respect to employees who attain age 70½ in or after the later of (1) the calendar year specified in the amendment, (2) the calendar year that begins after December 31, 1998, or (3) the calendar year that begins after the adoption date of the amendment? [0285]				
VIII.	Miscellaneous	Plan Reference	Yes	No	N/A
	a. Does the plan satisfy the requirement that allocations of employer contributions and forfeitures may not be discontinued or decreased because of the attainment of any age? [0287]				
	b. Are "section 411(d)(6) protected benefits" available to employees without regard to employer consent or discretion? [0289]				