

Highly compensated employee (HCE). *Highly compensated employee* or *HCE* has the meaning provided in section 414(q).

Matching contributions. *Matching contribution* is defined in § 1.401(m)–1(a)(2).

Nonelective contributions. *Nonelective contributions* means employer contributions (other than matching contributions) with respect to which the employee may not elect to have the contributions paid to the employee in cash or other benefits instead of being contributed to the plan.

Non-employee stock ownership plan (non-ESOP). *Non-employee stock ownership plan* or *non-ESOP* means the portion of a plan that is not an ESOP within the meaning of § 1.410(b)–7(c)(2).

Non-highly compensated employee (NHCE). *Non-highly compensated*

employee or *NHCE* means an employee who is not an HCE.

Plan. *Plan* means plan as defined in § 1.401(m)–1(b)(4).

Prior year testing method. *Prior year testing method* means the testing method under which the applicable year is the prior plan year, as described in § 1.401(m)–2(a)(2)(ii) or § 1.401(k)–2(a)(2)(ii).

Qualified matching contributions (QMAC). *Qualified matching contributions* or *QMAC* means matching contributions that satisfy the requirements of § 1.401(k)–1(c) and (d) at the time the contribution is made, without regard to whether the contributions are actually taken into account as elective contributions under § 1.401(k)–2(a)(6). See also § 1.401(k)–2(b)(4)(iii) for a rule providing that a matching contribution does not fail to qualify as a QMAC solely because it is

forfeitable under section 411(a)(3)(G) because it is a matching contribution with respect to an excess deferral, excess contribution, or excess aggregate contribution.

Qualified nonelective contributions (QNEC). *Qualified nonelective contributions* or *QNEC* means employer contributions, other than elective contributions or matching contributions, that satisfy the requirements of § 1.401(k)–1(c) and (d) at the time the contribution is made, without regard to whether the contributions are actually taken into account under the ADP test under § 1.401(k)–2(a)(6) or the ADP test under § 1.401(m)–2(a)(6).

Judith B. Tomaso,

Acting Deputy Commissioner for Services and Enforcement.

[FR Doc. 03–17755 Filed 7–16–03; 8:45 am]

BILLING CODE 4830–01–P