



SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES ("SIMPLE PLAN") SUMMARY DESCRIPTION

I. PLAN INFORMATION

Employer name and address: _____

Telephone number: _____ Employer tax identification number: _____

Name of Plan Administrator: _____

Name and address of IRA trustee/custodian: _____

II. ELIGIBILITY REQUIREMENTS

Each employee will be eligible to participate in this savings incentive match plan for employees ("SIMPLE IRA Plan") ☐ and if checked, if he or she received at least \$5,000 or \$_____ in compensation (as defined under the terms of the Plan) from the employer during any prior two (2) year period and such Employee is reasonably expected to receive at least \$5,000 in compensation (or such lesser amount as completed above) during the current year. The employer may elect to exclude certain employees from participation in the Plan if they are classified as one of the following types of employees:

- ☐ **Collectively Bargained Employees:** If checked, employees who are part of a collective bargaining unit will be excluded from participation in this Plan if retirement benefits have been the subject of good faith bargaining between the collective bargaining unit and the employer.
- ☐ **Nonresident Aliens:** If checked, employees who are nonresident aliens who receive no taxable income from sources within the United States will be excluded from participation in this Plan.
- ☐ **Acquired Employees:** If checked, employees employed by another employer involved in an acquisition or similar transaction with the employer will be excluded from participation. This selection will only apply to those employees in the calendar year of the transaction and the following calendar year.

III. CONTRIBUTIONS

Contributions shall be made to each eligible employee's SIMPLE Retirement Account ("SRA"). Contributions under the Plan may take the form of employee pre-tax deferrals, matching contributions and/or non-elective contributions, as described below. No other contributions may be made to any employee's SRA. All contributions under the Plan, and the earnings, are fully vested and nonforfeitable.

- A. **Employee Pre-Tax Deferrals:** If you are eligible to participate in the Plan, you may direct the employer to contribute a percentage of your Compensation on a pre-tax basis to your SRA. A salary savings agreement is a written agreement between you and the employer through which you direct the employer to reduce your compensation by a specified amount and to contribute that amount to an SRA on your behalf. The maximum amount of deferrals that may be contributed on your behalf is limited by law to \$11,500 (in 2010, and may be adjusted annually for cost-of-living). If you attain age fifty (50) before the end of a year, you may elect to increase your deferral percentage by an additional \$2,500 (in 2010, and may be adjusted annually). This is called a "catch-up contribution".
- B. **Employer Contributions:** The employer must also make contributions to your SRA. The employer has two options: matching or non-elective contributions. Matching contributions are contributed in proportion to the amount that you defer to the Plan. Non-elective contributions are contributed in proportion to your compensation under the Plan. The employer has chosen to make the following contribution on your behalf:
 - ☐ **Matching Contributions:** The employer will match pre-tax deferrals on a dollar-for-dollar basis up to 3% of compensation. However, if checked here ☐, the employer has elected to match a lower percentage of compensation of _____% (not less than 1%) for any year provided that a match of no less than 3% is contributed in not fewer than two (2) out of every five (5) years. If the employer intends to contribute less than a 3% match for any calendar year, the employer must notify you of the election within a reasonable period before the sixtieth day preceding the beginning of that year.



III. CONTRIBUTIONS - CONTINUED

- ☐ **Non-Elective Contributions:** In lieu of matching contributions, the employer has elected to contribute 2% of compensation to each eligible employee's SRA for the current year. For Plan purposes, compensation is limited by law to \$245,000 (in 2010). This limit may be adjusted for inflation in future years. The employer must notify each employee of this election within a reasonable period before the sixtieth day preceding the beginning of such year.

C. Automatic Enrollment

- ☐ If checked, your employer has elected to provide an automatic contribution arrangement. This plan feature is made available only for employees who are first eligible under the SIMPLE IRA on or after the date that the employer adds an automatic contribution arrangement, and who did not make an affirmative election (including an affirmative election of zero). This feature may also provide that the percentage of compensation at which default salary deferral contributions are made increase based on the number of years of contributions for the employee. Your employer is required to give you a notice, which must explain the following:
- The percentage of compensation at which default salary deferral contributions will be made on your behalf if you do not make an affirmative election;
 - Your right to elect not to have any default salary deferral contributions made to the SIMPLE IRA or to have elective deferrals made at a different percentage of compensation, or if permitted under the SIMPLE IRA, in a different dollar amount; and
 - How default salary deferral contributions will be invested in the absence of your investment election.

The Notice for a SIMPLE IRA using a Designated Financial Institution also must explain the additional period during which an employee may elect to transfer his or her balance without cost or penalty to another SIMPLE IRA.

In addition to the fee-less transfer requirements, if default salary deferral contributions are made to a Designated Financial Institution, you must be permitted, during the first sixty (60) day period of the first year for which those contributions are made (or, for newly eligible employees, for the remainder of the first year) to elect to transfer, without cost or penalty, your balance attributable to contributions made for that year and subsequent years to a SIMPLE IRA at another financial institution you select. Your contributions may be placed in a default investment by the Plan as explained in the notice.

IV. EMPLOYEE ELECTIONS

The employer must notify you immediately before the sixty (60) day period preceding the start of each calendar year of your opportunity to make an election to participate in the Plan or, in subsequent years, to change your deferral percentage. You may elect to participate in the Plan or, in subsequent years, to change your deferral percentage during the sixty (60) day period before the beginning of each calendar year. You may elect to stop participating in the Plan at any time during the year.

Elective deferrals may be reinstated on a ☐ daily ☐ weekly ☐ bi-weekly ☐ monthly ☐ bi-monthly ☐ quarterly ☐ semi-annually ☐ annually basis.

- ☐ If you terminate participation during a year, you will not be eligible to resume participation until the beginning of the next year.

V. WITHDRAWALS, ROLLOVERS AND TRANSFERS FROM THE PLAN

Contributions made on your behalf to an SRA may be withdrawn, rolled over into another IRA, or transferred to another IRA as provided below.

- A. **Withdrawals:** You may withdraw all contributions made to your SRA, including the earnings thereon, at any time. However, if you make any withdrawals prior to the time you attain age 59½, you will be subject to a penalty. The penalty is contingent on your period of participation in the Plan. If you have been participating in the Plan for two (2) years or less, your withdrawals prior to age 59½ will be subject to a 25% penalty. If you have been participating in the Plan for more than two (2) years, your withdrawals prior to age 59½ will be subject to a 10% penalty. There are certain exceptions to the 25% and 10% early withdrawal penalties. You should consult your tax advisor for more details.
- B. **Rollovers:** You may rollover all contributions made to your SRA, including the earnings thereon, to another SIMPLE IRA at any time. If you are older than age 59½, you may roll your Plan contributions and earnings to either another SIMPLE IRA plan or a traditional IRA at any time. However, if you are younger than age 59½ and you would like to rollover your Plan contributions and earnings to a traditional IRA, you may only do so after a two (2) year period beginning from the time you first participated in this Plan.



V. WITHDRAWALS, ROLLOVERS AND TRANSFERS FROM THE PLAN - CONTINUED

- C. **Transfers:** The employer may require that all contributions under the Plan shall be deposited with a single, designated IRA custodian/trustee. However, if the employer requires the deposit of all contributions with a single, designated IRA custodian/trustee, all contributions under the Plan, including the earnings thereon, may be transferred to another SIMPLE IRA without cost or penalty at any time.

VI. LIMITATIONS OF DESCRIPTION

This Summary Description is intended to provide general information about the Plan. However, the details of the form and features of the Plan are provided in the Plan document. Any discrepancies between this Summary Description and the Plan document shall be determined in favor of the Plan document. You may obtain a copy of the Plan document from the employer. The employer may charge you a reasonable fee for copying the Plan document.