



Summary Description for the SIMPLE IRA

WEB

1. Plan Information

Employer's Name

Employer's Tax ID

Plan Administrator

Trustee/Custodian

2. Eligibility Requirements

Each Employee will be eligible to participate in this Savings Incentive Match Plan for Employees ("SIMPLE") IRA (the "Plan") if he or she received at least \$5,000 in compensation as defined under the terms of the Plan ("Compensation") from the Employer during any 2 prior years and such Employee is reasonably expected to receive at least \$5,000 in Compensation 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:

A. Collectively Bargained Employees

Employees who are part of a collective bargaining unit may 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.

B. Nonresident Aliens

Employees who are nonresident aliens who receive no taxable income from sources within the United States.

3. 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 an Employee is eligible to participate in the Plan, he or she may direct the Employer to contribute a percentage of the Employee's Compensation on a pre-tax basis to his or her SRA. A Salary Deferral Agreement is a written agreement between an Employee and the Employer through which the Employee directs the Employer to reduce his or her Compensation by a specified amount and to contribute that amount to an SRA on the Employee's behalf. The maximum amount of deferrals that may be contributed on behalf of any Employee is limited by law to \$12,000 in 2003.

B. Employer Contributions

The Employer must also make contributions to each Employee's SRA. The Employer has two options: Matching or Non-Elective Contributions. Matching Contributions are contributed in proportion to the amount that each Employee defers under the Plan. Non-Elective Contributions are contributed in proportion to each Employee's Compensation under the Plan. The level of required contributions is as follows:

- 1. Matching Contributions** If the Employer chooses to provide Matching Contributions, the Employer must match pre-tax deferrals on a dollar-for-dollar basis up to 3% of Compensation. However, the Employer has the option to match a lower percentage of Compensation (not less than 1%) for any year provided that a match of no less than 3% is contributed in not fewer than 3 out of every 5 years. If the Employer intends to contribute less than a 3% match (not less than 1%) for any calendar year, the Employer must notify each Employee of the election within a reasonable period before the 60th day preceding the beginning of that year.

Example: The following is an example of a valid election to provide a reduced match in no more than 2 out of every previous 5 years. Please note that in every grouping of 5 years, the 3% match was provided to Employees at least 3 times.



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3. Contributions (continued)

2002	3% of Compensation
2003	1% of Compensation
2004	2% of Compensation
2005	3% of Compensation
2006	3% of Compensation
2007	3% of Compensation
2008	1% of Compensation

2. **Non-Elective Contributions** In lieu of Matching Contributions, the Employer may elect to contribute 2% of Compensation to each eligible Employee's SRA for the current year. For purposes of the Non-Elective Contribution, the maximum amount of Compensation which may be considered is limited by law to \$200,000 in 2003. The \$200,000 limit will be adjusted for inflation in future years. If the Employer intends to make this election for any calendar year, the Employer must notify each Employee of the election within a reasonable period before the 60th day preceding the beginning of such year.

4. Employee Elections

The Employer must notify each Employee immediately before the 60-day period preceding the start of each calendar year of the Employee's opportunity to make an election to participate in the Plan or, in subsequent years, to change his or her deferral percentage. The Employee may elect to participate in the Plan or, in subsequent years, to change his or her deferral percentage during the 60-day period before the beginning of each calendar year. An Employee may elect to stop participating in the Plan at any time during the year. The Plan may contain language providing that if an Employee terminates participation during a year, he or she will not be eligible to resume participation until the beginning of the next year.

5. Withdrawals, Rollovers and Transfers from the Plan

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

- A. **Withdrawals** An Employee may withdraw the Employee and Employer contributions made to such Employee's SRA, including the earnings thereon, at any time. However, if the Employee makes any withdrawals prior to the time that he or she attains age 59-1/2, the Employee will be subject to a penalty. The penalty is contingent on the Employee's period of participation in the Plan. If the Employee has been participating in the Plan for 2 years or less, his or her withdrawals prior to age 59-1/2 will be subject to a 25% penalty. If the Employee has been participating in the Plan for more than 2 years, his or her withdrawals prior to age 59-1/2 will be subject to a 10% penalty. There are certain exceptions to the 25% and 10% early withdrawal penalties. The Employee should consult his or her tax advisor for more details.
- B. **Rollovers** An Employee may rollover the Employee and Employer contributions made to such Employee's SRA, including the earnings thereon, to another SIMPLE IRA at any time. If the Employee is over age 59-1/2, he or she can roll his or her Plan contributions and earnings to either another traditional SIMPLE IRA plan or a traditional IRA at any time. However, if the Employee is under age 59-1/2 and such Employee would like to rollover his or her Plan contributions and earnings to a traditional IRA, the Employee may only do so after a 2-year period beginning from the time he or she first participated in this Plan.
- 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.

6. 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.