

# SIMPLE IRA

## EMPLOYEE NOTIFICATION & SALARY REDUCTION

### 1 Account Registration

#### Employer Information

COMPLETE THIS SECTION AS NAME APPEARS ON PAYROLL DEDUCTION / EMPLOYEE PARTICIPATION AGREEMENT.

This form to be used with IRS Form 5304-SIMPLE or Form 5305 SIMPLE.

NAME OF EMPLOYER \_\_\_\_\_

NAME OF PLAN \_\_\_\_\_

NAME OF CONTACT PERSON (First, Initial, Last) \_\_\_\_\_

BUSINESS PHONE NUMBER \_\_\_\_\_

### 2 Model Notification to Eligible Employees

#### Opportunity to Participate in the SIMPLE IRA Plan

You are eligible to make salary reduction contributions to the above mentioned SIMPLE IRA plan.

This notice and the attached summary description provide you with information that you should consider before you decide whether to start, or change your salary reduction agreement.

#### Employer Contribution Election

\*The maximum contribution amount may vary each year and may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at [www.irs.gov](http://www.irs.gov).

For the \_\_\_\_\_ calendar year, we elect to contribute to your SIMPLE IRA (employer must select 1, 2, or 3):

- 1. A matching contribution equal to your salary reduction contributions up to a limit of 3% of your compensation for the year.
- 2. A matching contribution equal to your salary reduction contributions up to a limit of \_\_\_\_\_% (employer must insert a number from 1 to 3 and is subject to certain restrictions) of your compensation for the year.
- 3. A nonelective contribution equal to 2% of your compensation for the year\* if you are an employee who makes at least \$\_\_\_\_\_ (employer must insert an amount that is \$5,000 or less) in compensation for the year.

#### Administrative Procedures

To start or change your salary reduction contributions, you must complete the salary reduction agreement and return it to \_\_\_\_\_ (employer should designate a place or individual) by \_\_\_\_\_ (employer should insert a date that is not less than 60 days after notice is given).

#### Employee Selection of Financial Institution

COMPLETE THIS SECTION ONLY IF A 5304 SIMPLE PLAN.

You must select the financial institution in Section 3 that will serve as the trustee, custodian, or issuer of your SIMPLE IRA and notify us of your selection.

### 3 Model Salary Reduction Agreement

#### Salary Reduction Election

Subject to the requirements of the SIMPLE IRA plan of my employer named in Section 1, I authorize \_\_\_\_\_% or \$\_\_\_\_\_ (which equals \_\_\_\_\_% of my current rate of pay) to be withheld from my pay for each pay period and contributed to my SIMPLE IRA as a salary reduction contribution.

#### Maximum Salary Reduction

I understand that the total amount of my salary reduction contributions in any calendar year cannot exceed the applicable amount for that year. See instructions found in the appropriate IRS Form 5304-SIMPLE or Form 5305-SIMPLE.

#### Date Salary Reduction Begins

I understand that my salary reduction contributions will start as soon as permitted under the SIMPLE IRA plan and as soon as administratively feasible or, if later, \_\_\_\_\_. (Fill in the date you want the salary reduction contributions to begin. The date must be after you sign this agreement.)



# SIMPLE IRA

EMPLOYEE NOTIFICATION & SALARY REDUCTION

## Employee Selection of Financial Institution

COMPLETE THIS SECTION ONLY IF A 5304 SIMPLE PLAN.

I select the following financial institution to serve as the trustee, custodian, or issuer of my SIMPLE IRA.

NAME OF FINANCIAL INSTITUTION

ADDRESS

CITY

STATE

ZIP

DAYTIME PHONE NUMBER

SIMPLE IRA ACCOUNT NAME

SIMPLE IRA ACCOUNT NUMBER

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA plan. If the information regarding my SIMPLE IRA is incomplete when I first submit my salary reduction agreement, I realize that it must be completed by the date contributions must be made under the SIMPLE IRA plan. If I fail to update my agreement to provide this information by that date, I understand that my Employer may select a financial institution for my SIMPLE IRA.

## Duration of Election

This salary reduction agreement replaces any earlier agreement and will remain in effect as long as I remain an eligible employee under the SIMPLE IRA plan or until I provide my Employer with a request to end my salary reduction contributions or provide a new salary reduction agreement as permitted under this SIMPLE IRA plan.

4

## Acknowledgment

SIGNATURE OF EMPLOYEE

DATE