



# SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES ("SIMPLE IRA PLAN") ADOPTION AGREEMENT

The undersigned Employer hereby establishes a Savings Incentive Match Plan ("SIMPLE PLAN") for use with a SIMPLE Individual Retirement Custodial Account ("SIMPLE IRA") for the exclusive benefit of Eligible Employees. The terms of the Plan are set forth in this Adoption Agreement, the accompanying SIMPLE Plan Document, and the SIMPLE IRA Account Agreement, which is adopted and incorporated herein by reference.

## I. EMPLOYER INFORMATION

- A. Name and address: \_\_\_\_\_  
\_\_\_\_\_
- B. Telephone number: \_\_\_\_\_ C. Tax identification number: \_\_\_\_\_

## II. EFFECTIVE DATES

- A. This is a new Plan effective as of \_\_\_\_\_.
- B. This is an amended and/or restated Plan. The effective date of the original Plan was \_\_\_\_\_. The effective date of the amended and/or restated Plan is \_\_\_\_\_.

## III. ELIGIBILITY REQUIREMENTS

- A. All employees are eligible.
- B. Eligibility is limited to:
- 1. Employees who have received at least \$5,000, or \$\_\_\_\_\_, if lesser, in compensation during any 2, or \_\_\_\_\_ (insert 0 or 1), if less, preceding calendar years (need not be consecutive); and
  - 2. Employees who are reasonably expected to receive at least \$5,000, or \$\_\_\_\_\_, if lesser, in compensation during the current year.
- C. Excluded Employees:
- 1. Employees who are covered under a collective bargaining agreement if retirement benefits were the subject of good faith bargaining.
  - 2. Employees who are nonresident aliens and who receive no earned income from the employer that constitutes income from sources within the United States.
  - 3. Employees employed by another employer involved in an acquisition or similar transaction with the employer for the calendar year of the transaction and the following calendar year [the following 2 calendar years, if permitted by Code §408(p)].



#### IV. EMPLOYER CONTRIBUTIONS

A. Matching Contributions

Unless a lesser percentage is indicated below, the employer will make matching contributions to participants who make elective deferrals on a dollar for dollar basis up to 3% on the employee's compensation or the applicable limit. If checked here,  the employer will not contribute 3% but will contribute a lesser amount of \_\_\_\_\_% as a matching contribution (amount must be equal to or greater than 1%, but no more than 3%, of the employee's compensation, or the applicable limit). If elected, the employer cannot reduce the 3% limit for more than two (2) years out of the five (5) year period ending with the plan year the reduction is effective.

B. Non-Elective Contributions

In lieu of employer matching contributions, the employer shall make a contribution of 2% of Compensation for each eligible employee, regardless of whether the eligible employee elects to make elective deferrals to the Plan.

#### V. AUTOMATIC CONTRIBUTION ARRANGEMENT

If checked, the employer hereby adopts an automatic contribution arrangement effective as of \_\_\_\_\_. Subject to the limits on elective deferrals contained in this SIMPLE IRA Plan, default salary deferral contributions will be only made for an eligible employee who:

- A. Does not have an affirmative election regarding elective deferrals in effect on the effective date of the automatic contributions arrangement or on the date the employee first becomes eligible to make elective deferrals, if later.
- B. Becomes eligible to make elective deferrals on or after the effective date of the automatic contribution arrangement and who does not have an affirmative election regarding elective deferrals in effect on the date the employee first becomes eligible to make elective deferrals.

The default percentage under the SIMPLE IRA Plan for an eligible employee is:

- 1. The default percentage is \_\_\_\_\_% or \$ \_\_\_\_\_.
- 2. The initial default percentage is \_\_\_\_\_% or \$ \_\_\_\_\_ for each calendar year. Beginning with the second calendar year that begins after the default percentage first applies to an eligible employee, the default percentage will increase by \_\_\_\_\_% percentage points or \$ \_\_\_\_\_ until the default percentage is \_\_\_\_\_% or \$ \_\_\_\_\_. This increase will be effective beginning with the first pay period that begins in such calendar year. No default salary deferral contributions will be made on behalf of an eligible employee until after the sixty (60) day election period.
- 3. The initial default percentage is \_\_\_\_\_% or \$ \_\_\_\_\_. After \_\_\_\_\_ years of service, the amount specified above shall increase to \_\_\_\_\_% or \$ \_\_\_\_\_ [may be no more than the Code Section 402(g) limit and code section 414(v) limit, if applicable].

#### VI. DEFERRAL ELECTIONS

In addition to the sixty (60) day period preceding the first day of the plan year, an employee may make or amend his or her salary deferral agreement  daily  weekly  bi-weekly  monthly  bi-monthly  quarterly  semi-annually  annually. An Employee who terminates his or her Salary Deferral Agreement during the year  may  may not enter into a new salary deferral agreement as provided at Section V above.



**VII. DESIGNATED FINANCIAL INSTITUTION**

- A. The employer will designate the financial institution at which SIMPLE IRAs will be established to receive contributions for eligible employees. A Designated Financial Institution is a trustee, custodian or insurance company that receives all contributions made pursuant to this SIMPLE IRA Plan and deposits those contributions to the SIMPLE IRAs of each eligible employee.
- B. Each employee may select their own financial institution at which their SIMPLE IRA will be established.

**VIII. SIGNATURES**

**A. Employer:**

This SIMPLE IRA Plan was adopted by the employer this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

**B. Custodian/Trustee:**

This Adoption Agreement was accepted by the custodian/trustee this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name of trustee/custodian: \_\_\_\_\_

Signed for the trustee/custodian by: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_