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**Article III—Contributions** *(Complete the blank, if applicable.)*

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- 1 Salary Reduction Contributions.** The amount by which the employee agrees to reduce his or her compensation will be contributed by the Employer to the employee's SIMPLE IRA.
- 2 Other Contributions**
  - a Matching Contributions**
    - (i) For each calendar year, the Employer will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year.
    - (ii) The Employer may reduce the 3% limit for the calendar year in (i) only if:
      - (1) The limit is not reduced below 1%; (2) The limit is not reduced for more than 2 calendar years during the 5-year period ending with the calendar year the reduction is effective; and (3) Each employee is notified of the reduced limit within a reasonable period of time before the employees' 60-day election period for the calendar year *(described in Article II, item 2a)*.
  - b Non-elective Contributions**
    - (i) For any calendar year, instead of making matching contributions, the Employer may make non-elective contributions equal to 2% of compensation for the calendar year to the SIMPLE IRA of each eligible employee who has at least     \$5,000     (not more than \$5,000) in compensation for the calendar year. No more than \$330,000\*\* in compensation can be taken into account in determining the non-elective contribution for each eligible employee.
    - (ii) For any calendar year, the Employer may make 2% non-elective contributions instead of matching contributions only if:
      - (1) Each eligible employee is notified that a 2% non-elective contribution will be made instead of a matching contribution; and
      - (2) This notification is provided within a reasonable period of time before the employees' 60-day election period for the calendar year *(described in Article II, item 2a)*.
- 3 Time and Manner of Contributions**
  - a The Employer will make the salary reduction contributions *(described in 1 above)* for each eligible employee to the SIMPLE IRA established at the financial institution selected by that employee no later than 30 days after the end of the month in which the money is withheld from the employee's pay.
  - b The Employer will make the matching or non-elective contributions *(described previously in 2a and 2b above)* for each eligible employee to the SIMPLE IRA established at the financial institution selected by that employee no later than the due date for filing the Employer's tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made.

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**Article IV—Other Requirements and Provisions**

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- 1 Contributions in General.** The Employer will make no contributions to the SIMPLE IRAs other than salary reduction contributions *(described in Article III, item 1)* and matching or non-elective contributions *(described in Article III, items 2a and 2b)*.
- 2 Vesting Requirements.** All contributions made under this SIMPLE IRA plan are fully vested and non-forfeitable.
- 3 No Withdrawal Restrictions.** The Employer may not require the employee to retain any portion of the contributions in his or her SIMPLE IRA or otherwise impose any withdrawal restrictions.
- 4 Selection of IRA Trustee.** The Employer must permit each eligible employee to select the financial institution that will serve as the trustee, custodian or issuer of the SIMPLE IRA to which the Employer will make all contributions on behalf of that employee.
- 5 Amendments to This SIMPLE Plan.** This SIMPLE IRA plan may not be amended except to modify the entries inserted in the blanks or boxes provided in **Articles I, II, III**.
- 6 Effects of Withdrawals and Rollovers**
  - a An amount withdrawn from the SIMPLE IRA is generally includible in gross income. However, a SIMPLE IRA balance may be rolled over or transferred on a tax-free basis to another IRA designed solely to hold funds under a SIMPLE plan. In addition, an individual may roll over or transfer his or her SIMPLE IRA balance to any IRA on a tax-free basis after a 2-year period has expired since the individual first participated in a SIMPLE IRA plan. Any rollover or transfer must comply with the requirements under section 408.
  - b If an individual withdraws an amount from a SIMPLE IRA during the 2-year period beginning when the individual first participated in a SIMPLE IRA plan and the amount is subject to the additional tax on early distributions under section 72(t), this additional tax is increased from 10% to 25%.

\*\*This is the amount for 2023. For later years, the limit 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's internet website at IRS.gov.



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**Article V—Definitions**

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**1 Compensation**

- a **General Definition of Compensation.** Compensation means the sum of the wages, tips and other compensation from the Employer subject to federal income tax withholding [as described in section 6051(a)(3)] and the employee's salary reduction contributions made under this plan, and, if applicable, elective deferrals under a section 401(k) plan, a SARSEP or a section 403(b) annuity contract and compensation deferred under a section 457 plan required to be reported by the Employer on Form W-2 [as described in section 6051(a)(8)].
  - b **Compensation for Self-Employed Individuals.** For self-employed individuals, compensation means the net earnings from self-employment determined under section 1402(a), without regard to section 1402(c)(6), prior to subtracting any contributions made pursuant to this plan on behalf of the individual.
- 2 **Employee.** Employee means a common-law employee of the Employer. The term employee also includes a self-employed individual and a leased employee described in section 414(n) but does not include a nonresident alien who received no earned income from the Employer that constitutes income from sources within the United States.
  - 3 **Eligible Employee.** An eligible employee means an employee who satisfies the conditions in **Article I, item 1** and is not excluded under **Article I, item 2**.
  - 4 **SIMPLE IRA.** A SIMPLE IRA is an individual retirement account described in section 408(a), or an individual retirement annuity described in section 408(b), to which the only contributions that can be made are contributions under a SIMPLE plan and rollovers or transfers from another SIMPLE IRA.

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**Article VI—Procedures for Withdrawal**

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The employer will provide each employee with the procedures for withdrawals of contributions received by the financial institution selected by the employee, and that financial institution's name and address (by attaching that information or inserting it in the space below) unless: (1) that financial institution's procedures are unavailable, or (2) that financial institution provides the procedures directly to the employee.

Employees interested in withdrawing funds from their SIMPLE IRA should contact Franklin Templeton Retirement Services at (800) 527-2020, Monday through Friday, 8:30 a.m. to 8:00 p.m. ET.

**Name & Address of SIMPLE IRA Custodian (Financial Institution):**

**Fiduciary Trust International of the South  
c/o Franklin Templeton Investor Services, LLC  
P.O. Box 997153  
Sacramento, CA 95899-7153**

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