

SECURE 2.0 Election Form

Plan Provisions of the SECURE 2.0 Act SIMPLE IRAs Employers

The Setting Every Community Up for Retirement Enhancement Act of 2022 ("SECURE 2.0") Act was signed into law on December 29, 2022. While we await technical guidance to implement many of the enacted provisions, this operational checklist provides evidence of Plan Sponsor intent and best practices. Once the necessary guidance becomes available, along with the new IRS Plan Documents and SIMPLE IRA Forms, we will send the formal amendments for adoption for both employers and employees. Generally, SIMPLE IRA plan amendments will be required by 12/31/26 or such later date as the IRS may indicate.

Until IRS amends the SIMPLE IRA forms, implementation of the Roth feature is permitted via use of all current documents, whether IRS model (e.g. 5304-SIMPLE or 5305-SIMPLE) or prototype documents.

From the following list, please select the options to be adopted in practice beginning with the 2025 Calendar Year. Please note that if the employer is planning to add the items below, such information must be added to their Summary Description to employees for the 2025 Calendar Year, due by November 2, 2024. In addition, an election to utilize such provisions must be made by the eligible employee within the 60-day period beginning on November 2 through December 31, 2024.

ROTH ELECTIVE DEFERRALS

Roth Elective Deferrals will; or will not be available beginning in 2025 for my Employees.

Note: If "will" is selected, the Salary Reduction Agreement should be updated to permit the Employee to elect either "pre-tax" or "Roth" deferrals. The employer will then report these deferrals on the employee's Form W-2.

OPTIONAL PROVISIONS

Add the following provisions* to our Plan (select all that apply; a non-selection will indicate that the provision is not permitted):

<input type="checkbox"/>	For individuals who are age 60, 61, 62, and 63, the SIMPLE IRA catch-up limit (\$3,500 for 2024) is increased to the greater of \$5,000 or 50% more than the regular catch-up amount. In addition, this amount will be indexed for inflation after 2025. This is effective for taxable years beginning after December 31, 2024.
<input type="checkbox"/>	Employers may make matching contributions under a SIMPLE IRA plan based on "qualified student loan payments". The student loan payments must be attributable to expenses incurred for the sole purpose of qualified higher education expenses of the employee.
<input type="checkbox"/>	A SIMPLE plan employer may make additional contributions to each employee of the plan in a uniform manner, provided that the contribution does not exceed the lesser of 10% of an employee's compensation or \$5,000 (indexed). Compensation is capped at the 401(a)(17) amount for the year.
<input type="checkbox"/>	For employers with 26-100 employees, the employer may elect to increase the annual deferral and age 50 catch-up limits to 110% of the 2024 limits, if they increase their <input type="checkbox"/> match to 4% or the <input type="checkbox"/> nonelective to 3%. <i>Note: The above provision to increase the annual deferral amounts is automatic for Employers that have less than 26 employees. For those employers, there is no requirement to increase the employer contribution.</i> The employer must notify the employees of the increased deferral limits (whether voluntary or mandatory) and the increase in employer contributions, if applicable, in the Summary Description.
<input type="checkbox"/>	Employees may elect to have Employer Contributions (Nonelective and Matching) Treated as Roth Contributions. If this provision is selected, your SIMPLE IRA Custodian will report the "Roth" employer contribution on Form 1099-R. The form's instructions state it is "reported for the year in which the contributions are made to the employee's Roth IRA, with the total reported in boxes 1 and 2a, using code 2 or 7 in box 7 and the IRA/SEP/SIMPLE checkbox in box 7 checked. This reflects the taxation to the individual employee. As noted earlier, a separate election form (such as the Salary Reduction Agreement) must be provided to the employee to allow for them to elect this treatment.

*Notwithstanding the selections made above, the Custodian of your SIMPLE IRA will inform you as to when implementation of the provision can be made to the Plan.

AUTHORIZED SIGNATURE

Important: Please keep a copy of this form in your files so you will know how to amend your plan in the future based on these choices.

Plan Name	
Name of Authorized Signer	Title
Signature	Date

ANNUAL SUMMARY DESCRIPTION for Existing SIMPLE IRA Plans

EMPLOYER INSTRUCTIONS:

We are required to provide you with an Annual Summary Description for your SIMPLE Plan. You, the employer, must complete the information in items 1 through 12 below, prior to providing this Summary Description to your employees. A completed Annual Summary Description must be given to each eligible employee within a reasonable time prior to November 2nd of each year. Therefore, this description provides information on your SIMPLE Plan with respect to the *following* calendar year. If you are not the employer, please provide this to your employer for completion.

Note: There are new contribution options applicable to SIMPLE IRAs as enacted by the Setting Every Community Up for Retirement Enhancement Act of 2022 ("SECURE 2.0"). The employer must elect to include these provisions in the Plan and the employer/TPA must indicate that the new options are available to elect in the Summary Description.

PLAN INFORMATION

1. Name of Employer: _____
Address of Employer: _____

2. Name of Trustee/Custodian: Janney Trust Company
Address of Trustee/Custodian: 1717 Arch St Philadelphia PA 19103

The Trustee/Custodian named above is a non-DFI; DFI
(If the "DFI" (Designated Financial Institution) box is checked, the Trustee/Custodian must provide information regarding procedures for, and effects of, withdrawals (including rollovers) from the SIMPLE IRA.)

ELIGIBILITY REQUIREMENTS

3. All employees of the employer shall be eligible to participate under the Plan except:
- a. Employees included in a unit of employees covered under a collective bargaining agreement.
 - b. Non-resident alien employees who did not receive US source income.
 - c. Employees who are not reasonably expected to earn \$ _____ (not to exceed \$5,000) during the Plan Year for which the contribution is being made.
 - d. There are no eligibility requirements. All Employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.
4. Each Eligible Employee will be eligible to become a Participant after having worked for the employer during any _____ prior years (not to exceed 2) and received at least \$ _____ in compensation (not to exceed \$5,000), during each of such prior years.

WRITTEN ALLOCATION FORMULA

Standard Contributions

5. The employer has agreed to provide contributions for the **2025** plan year as follows (complete only one choice):
- a. Matching Contribution: The amount of the participant's elective deferral not in excess of 3% of such Participant's Compensation.
 - b. Matching Contribution: The amount of the participant's elective deferral not in excess of _____% (not less than 1% nor more than 3%) of such participant's compensation.
 - c. Nonelective Employer Contribution: 2% of each eligible employee's compensation, if the eligible employee earns at least \$ _____ in compensation (not to exceed \$5,000) during the calendar year.
6. The Employee may elect to make a catch-up elective deferral contribution that does not exceed \$3,500 (subject to cost-of-living adjustments). This type of contribution may only be made by Eligible Employees who have attained or who will attain the age of 50 on or before December 31, 2025.

SECURE 2.0 Legislative Increases and Additional Contributions. *Note: Certain contribution elections made in items 7 through 9 may replace or supplement the options in item 5 and 6 above.*

7. a. Roth post-tax elective deferrals may be elected by employees in lieu of or in addition to pre-tax elective deferrals.
Note: The total amount of pre-tax and Roth elective deferrals combined may not exceed the maximum deferral limit permitted by law, subject to cost-of-living adjustments (\$16,000 for 2024).

- b. Additional nonelective contributions: The employer hereby elects to make additional contributions to each employee of the plan in a uniform manner, provided that the contribution does not exceed the lesser of 10% of an employee's compensation or \$5,000 (indexed). compensation is capped at the 401(a)(17) (\$345,000 for 2024) amount for the year.
 - c. Participants may elect to have employer contributions treated as Roth contributions: Employees may elect to treat matching and nonelective employer contributions as Roth contributions. See the Salary Reduction Agreement for more information.
 - d. Treatment of Student Loan Payments as Elective Deferrals: Employers may make matching contributions under the SIMPLE IRA, based on "qualified student loan payments". The student loan payments must be attributable to expenses incurred for the sole purpose of qualified higher education expenses of the employee.
8. Individuals who attained age 60, 61, 62, and 63 may make a catch-up elective deferral that is the greater of \$5,000 or 50% more than the regular catch-up amount.
9. Increase to Elective Deferral Contributions and Catch-up Contributions:
- a. **Employers with no more than 25 participants:** The annual elective deferral limit and the age 50 catch-up elective deferral contribution are increased by 10%, compared to the applicable limits for the first year this change is effective. This increase is automatic for employers with less than 26 employees.
 - b. **Employers with 26 to 100 employees:** The annual elective deferral limit and the age 50 catch-up elective deferral contribution is increased by 10%. If hereby elected by the employer, the employer contribution must increase to one of the following:
 - 4% match; OR
 - 3% nonelective
- Note: The contribution allocation selected in 9b above will replace the amounts under item 5.*

TIMING OF ELECTION

10. If a Participant elects to stop deferring during a Plan Year, such Participant:
- a. may not resume elective deferrals until January 1 of the next Plan Year; or
 - b. may resume elective deferrals at the next change date permitted under Item 11 below.
11. An eligible employee will be permitted to make or modify his deferral election: _____
(insert date(s) which will apply to all eligible employees).

ADDITIONAL INFORMATION

12. The employer has designated _____ (insert name and title of individual) to provide additional information to eligible employees about the employer's SIMPLE Plan.

GENERAL INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the SIMPLE Retirement Plan document itself, the completed Adoption Agreement and the accompanying disclosure information.

For a calendar year, you may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60-day period that includes either the date you become eligible or the day before. If indicated on the Adoption Agreement, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

SIMPLE Retirement Plan and SIMPLE IRA Defined: A SIMPLE Retirement Plan is a retirement income arrangement established by your employer. Under this SIMPLE Plan, you may choose to defer compensation to your own SIMPLE Individual Retirement Account or Annuity ("SIMPLE IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to a SIMPLE IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least \$5,000 during the prior calendar year.

A SIMPLE IRA is a separate IRA plan that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE Retirement Plan. Your employer must provide you with a copy of the SIMPLE agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your SIMPLE IRA belong to you, even after you quit working for your employer.

Elective Deferrals - Not Required: You are not required to make elective deferrals under this SIMPLE Retirement Plan. However, if the employer is matching your elective deferrals, no employer contribution will be made on your behalf unless you elect to defer under the plan.

Elective Deferrals - Annual Limitation: The maximum amount that you may defer under this SIMPLE Plan for any calendar year is limited to the lesser of the percentage of your compensation indicated in the Deferral Form or the maximum deferral limit permitted under law, subject to cost-of-living adjustments. For 2024, this amount is \$16,000 (subject to cost-of-living adjustments).

Allowance of Catch-Up Contributions: All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions for 2024 up to \$3,500, (subject to cost of living adjustments.)

Tax Treatment of Elective Deferrals: The amount that you may elect to contribute to your SIMPLE IRA is excludible from

gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA and FUTA taxes.

If you work for other employers (unrelated to this employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year.

This limitation is referred to as the §402(g) limit. The section 402(g) limit on elective deferrals is currently \$23,000, subject to cost-of-living adjustments.

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the SIMPLE IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. The trustee or custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

SIMPLE IRA Distributions: You may withdraw from your SIMPLE IRA at any time. However, any distributions will be includible in your gross income and may also be subject to a 25% additional income tax or a 10% additional income tax depending upon how long you have participated in the SIMPLE Plan. For more information, refer to the SIMPLE IRA disclosure statement which was provided to you when you established your SIMPLE IRA.

Rollover or Transfer to another IRA: You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA) until the 2 years following the date you first participated in the SIMPLE plan. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

If the Adoption Agreement indicates that all initial SIMPLE contributions will be made to a Designated Financial Institution, you may be able to transfer your SIMPLE IRA without cost or penalty to another SIMPLE IRA (if within the 2-year period) or thereafter to any other IRA. The DFI may impose a deadline for electing no cost or penalty free transfers and if the employee so elects, may also limit your choice of investments.

After the restriction described above no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA. This is called a "rollover" and may not be done more

frequently than at 12-month intervals. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the trustees so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts generally may be reduced only by a distribution to you.

Effective December 19, 2015, this SIMPLE Plan will accept rollover contributions from qualified plans under section 401(a); qualified annuities under 403(a); tax-sheltered annuities and custodial accounts under 403(b); governmental plans under section 457(b); and from traditional IRAs. Such rollovers are permitted after the SIMPLE IRA has been in existence for 2 years measured from the date of the initial contribution to the account. Check with your Custodian to see if this change was made to your SIMPLE Plan document.

Conversions to a Roth IRA: After the 2-year restriction described above no longer applies, you may convert your SIMPLE IRA to a Roth IRA. Such conversion is taxable to you but is not subject to the 10% additional income tax if you are under age 59½.

Cost of Living Adjustments (COLAS): COLAs are announced by the IRS during the last calendar quarter of a calendar year relating to the following calendar year.

The Setting Every Community Up for Retirement Enhancement Act of 2022 ("SECURE 2.0"): The Secure 2.0 Act of 2022 permits certain additional employer nonelective contributions, matching contributions, and employee elective deferral and catch-up contribution options. Refer questions regarding these contributions to your employer. Consult with your tax advisor prior to making any elections related to your SIMPLE IRA plan account.

NOTIFICATION TO ELIGIBLE EMPLOYEES

NOTIFICATION TO ELIGIBLE EMPLOYEES OF

(Name of Employer)

I. Opportunity to Participate in the SIMPLE IRA Plan

You are eligible to make salary reduction contributions to your employer's SIMPLE IRA plan. This notice and the attached summary description provide you with information that you should consider before you decide whether to start, continue, or change your salary reduction agreement.

II. Employer Contribution Election

(A) For the _____ calendar year, the employer elects to contribute to your SIMPLE IRA. *(Employer must select either (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; or
- (3) A nonelective contribution equal to 2% of your compensation for the year (limited to \$345,000 for 2024, plus Cost-of-Living Adjustments) 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.

(B) SECURE 2.0 Legislative Increases and Additional Contributions.

The employer elects to adopt the following contribution options made available by the Setting Every Community Up for Retirement Enhancement Act of 2022 ("SECURE 2.0"). Contribution options are listed below and may replace or supplement items selected in II (A) above.

III. 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)*.

SIMPLE IRA SALARY REDUCTION AGREEMENT and ROTH TREATMENT OF EMPLOYER CONTRIBUTIONS

SECTION I - GENERAL PLAN INFORMATION

Participant's Name: _____

Participant's Address: _____ SSN: _____

Name of Employer: _____

Trustee/Custodian: _____

SECTION II - SALARY REDUCTION DEFERRAL ELECTION

1. Subject to the requirements of the SIMPLE Retirement Plan of the above-named employer, I authorize the following amount or percentage of my compensation to be withheld from each of my paychecks and contributed to my SIMPLE IRA as a "Pre-Tax" salary reduction contribution.
- a. _____ percent of my salary (not in excess of 100%); OR
 - b. \$ _____ per pay period; OR
 - c. \$ _____ as of _____ [insert amount and date of single-sum deferral payment]
2. Subject to the requirements of the SIMPLE Retirement Plan of the above-named employer, I authorize the following amount or percentage of my compensation to be withheld from each of my paychecks and contributed to my SIMPLE IRA as a Roth post-tax salary reduction contribution.
- a. _____ percent of my salary (not in excess of 100%); OR
 - b. \$ _____ per pay period; OR
 - c. \$ _____ as of _____ [insert amount and date of single-sum deferral payment]

In understand that the total amount of pre-tax (1) and Roth (2) elective deferrals combined may not exceed the maximum deferral limit permitted by law, subject to cost-of-living adjustments.

3. I elect to terminate my salary reduction contributions. (Proceed to Section VIII below.)
4. I elect not to participate in my employer's SIMPLE Plan with respect to Salary reduction contributions.

I understand that this salary reduction authorization shall remain in effect until I give a written modification or termination of its terms to my employer.

SECTION III – ELECTION OF ROTH TREATMENT OF EMPLOYER CONTRIBUTIONS

1. I elect to treat my employer's contribution to this SIMPLE IRA as a Roth Contribution.
2. I elect to stop treating my employer contributions to this SIMPLE IRA as Roth Contributions.

I understand that the above election will apply as soon as administratively feasible or if later: _____ (enter the date that will apply to above election).

SECTION IV - AMOUNT OF DEFERRAL

1. If I will be under age 50 by the end of the relevant year, I understand that the total amount of my salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
2. If I will be age 50 or over by the end of the relevant year, I understand that the total amount of my age 50 catch-up salary reduction contributions cannot exceed a specified dollar amount explained in the Summary Description.
3. I understand that the total amount I defer in any calendar year to this SIMPLE may not exceed the lesser of: _____% of my compensation; or the dollar limitation indicated in (a) or (b) above.

SECTION V - COMMENCEMENT OF DEFERRAL

The deferral election specified in Section II above shall not become effective before _____ (Specify a date no earlier than the first day of the first pay period beginning after you sign this agreement.)

SECTION V I- DISTRIBUTIONS FROM SIMPLE IRA

I understand that any amounts withdrawn from my SIMPLE IRA are includible in my gross income and may be subject to a 25% additional income tax if withdrawn within 2 years of the day I first participated in this SIMPLE Plan.

SECTION VII - EMPLOYEE SELECTION OF SIMPLE IRA TRUSTEE OR CUSTODIAN

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

Name of Financial Institution: _____

Address: _____

SIMPLE IRA Account Name/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.

Date: _____ Signature of Participant: _____

SECTION VIII - TERMINATION OF ELECTIVE DEFERRALS

I understand that my employer may restrict me from resuming elective deferrals until the January 1st of the next Plan Year, if so indicated on the Adoption Agreement.

I wish to stop my elective deferrals as of _____. (Fill in the date you want your salary reduction contributions to end. The date must be after you sign this agreement).

Employee Initials: _____ (Proceed to Section IX below.)

SECTION IX - PARTICIPANT AUTHORIZATION

I hereby authorize the implementation of the above elections. 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 E\employer with a new salary reduction agreement as permitted under this SIMPLE IRA Plan.

Signature of Employee: _____ Date: _____