

SIMPLE IRA PLAN NOTICE TO ELIGIBLE EMPLOYEES

If you decide to start or change your salary reduction contributions to a SIMPLE IRA Plan, you must complete the Salary Deferral Election Form and return it to your employer not less than 60 days after the date this notice is given.

Your Employer should complete sections 1 and 2 on this page, and you are responsible for selecting a financial institution as explained in section 3.

1. NOTICE OF ELIGIBILITY REQUIREMENTS

You are eligible to make salary reduction contributions to the SIMPLE IRA Plan identified below. This notice, which includes IRS Form 5304-SIMPLE and a description of procedures for, and effects of, withdrawals (including rollovers) from the SIMPLE IRA, provides you with information that you should consider before you decide whether to start, continue or change your salary reduction agreement.

Return to Employer by: _____

Name of Plan _____

Employer Contact Name _____ Employer Contact # _____

2. EMPLOYER CONTRIBUTION *(Please choose one.)*

- A matching contribution equal to 100% of your elective deferrals, up to a limit of 3% of your compensation for the calendar year.
- A matching contribution equal to 100% of your elective deferrals, up to _____% (between 1% and 3%) of your compensation for the calendar year.
- A nonelective contribution equal to 2% of your compensation for the calendar year (limited to compensation of \$285,000 for 2020) if you are an employee who makes at least \$_____ (employer must insert an amount that is \$5,000 or less) in compensation for the calendar year.

3. EMPLOYEE SELECTION OF FINANCIAL INSTITUTION

You must select the financial institution that will serve as the trustee, custodian, or issuer of your SIMPLE IRA and notify your Employer of your selection. Please use the Salary Deferral form provided by your Employer or Plan.

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

WITHDRAWALS, ROLLOVERS AND TRANSFERS FROM THE PLAN

Contributions made on your behalf to a SIMPLE IRA may be withdrawn, rolled over into another IRA or transferred to another IRA as provided below. To initiate a withdrawal, rollover or transfer, please call Customer Service at 888-854-5950 to request the appropriate form.

A. Withdrawals

You may withdraw the Employee and employer contributions made to your SIMPLE IRA, including the earnings thereon, at any time. However, if you take a distribution prior to the time that you attain age 59 1/2, you may be subject to a penalty of either 25% or 10%, depending on how long you have been a participant in the Plan. There are certain exceptions to the 25% and 10% early withdrawal penalties. In addition, withdrawals from your SIMPLE IRA are taxed as ordinary income. For more information on withdrawals, you may obtain IRA Publication 590-B by calling (800) TAX-FORM or by accessing the IRA website as www.irs.gov.

B. Rollovers

Pursuant to Treasury regulations, you can move certain distributions from one SIMPLE IRA to another SIMPLE IRA if you do so within 60 days of receiving the distribution. This is called a rollover contribution. Once you have participated in your employer's SIMPLE Plan for two years, you may also rollover assets from a Traditional or SEP IRA or employer plan without tax consequences by means of a 60-day rollover. SIMPLE IRAs may not accept rollovers from Roth IRAs or designated Roth accounts of employer-sponsored plans.

C. Transfers

When the Company is the designated financial institution of your employer's SIMPLE IRA Plan, you may transfer your contributions (both your salary deferrals and your employer's contributions) to another SIMPLE IRA by means of a direct trustee-to-trustee transfer. Once you have participated in your employer's SIMPLE Plan for two years, you may also transfer assets from a Traditional or SEP IRA or an employer plan without tax consequences by means of a direct trustee-to-trustee transfer. SIMPLE IRAs may not accept transfers from Roth IRAs or designated Roth accounts of employer-sponsored plans.

CUSTODIAN INFORMATION

Voya Institutional Trust Company, Custodian
Recordkeeping provided by Voya Retirement Insurance and Annuity Company
(the "Company")

Members of the Voya® family of companies

Mail: PO Box 990063, Hartford, CT 06199-0063

Overnight Mail: One Orange Way, Windsor, CT 06095

Fax: 800-643-8143

Phone: 800-584-6001

www.voyaretirementplans.com

Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)—Not for Use With a Designated Financial Institution

_____ establishes the following SIMPLE

Name of Employer _____

IRA plan under section 408(p) of the Internal Revenue Code and pursuant to the instructions contained in this form.

Article I—Employee Eligibility Requirements *(complete applicable box(es) and blanks—see instructions)*

- 1 General Eligibility Requirements.** The Employer agrees to permit salary reduction contributions to be made in each calendar year to the SIMPLE IRA established by each employee who meets the following requirements (select either 1a or 1b):
- a** **Full Eligibility.** All employees are eligible.
- b** **Limited Eligibility.** Eligibility is limited to employees who are described in both (i) and (ii) below:
- (i) Current compensation.** Employees who are reasonably expected to receive at least \$ _____ in compensation (not to exceed \$5,000) for the calendar year.
- (ii) Prior compensation.** Employees who have received at least \$ _____ in compensation (not to exceed \$5,000) during any _____ calendar year(s) (insert 0, 1, or 2) preceding the calendar year.
- 2 Excludable Employees.**
- The Employer elects to exclude employees covered under a collective bargaining agreement for which retirement benefits were the subject of good faith bargaining. **Note:** *This box is deemed checked if the Employer maintains a qualified plan covering only such employees.*

Article II—Salary Reduction Agreements *(complete the box and blank, if applicable—see instructions)*

- 1 Salary Reduction Election.** An eligible employee may make an election to have his or her compensation for each pay period reduced. The total amount of the reduction in the employee's compensation for a calendar year cannot exceed the applicable amount for that year.
- 2 Timing of Salary Reduction Elections**
- a** For a calendar year, an eligible employee 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 the employee becomes eligible to make salary reduction contributions, the period during which the employee may make or modify the election is a 60-day period that includes either the date the employee becomes eligible or the day before.
- b** In addition to the election periods in 2a, eligible employees may make salary reduction elections or modify prior elections _____, _____. If the Employer chooses this option, insert a period or periods (for example, semi-annually, quarterly, monthly, or daily) that will apply uniformly to all eligible employees.
- c** No salary reduction election may apply to compensation that an employee received, or had a right to immediately receive, before execution of the salary reduction election.
- d** An employee may terminate a salary reduction election at any time during the calendar year. If this box is checked, an employee who terminates a salary reduction election not in accordance with 2b may not resume salary reduction contributions during the calendar year.

Article III—Contributions *(complete the blank, if applicable—see instructions)*

- 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.
- 2a 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 Nonelective Contributions**
- (i)** For any calendar year, instead of making matching contributions, the Employer may make nonelective contributions equal to 2% of compensation for the calendar year to the SIMPLE IRA of each eligible employee who has at least \$ _____, (not more than \$5,000) in compensation for the calendar year. No more than \$250,000* in compensation can be taken into account in determining the nonelective contribution for each eligible employee.
- (ii)** For any calendar year, the Employer may make 2% nonelective contributions instead of matching contributions only if:
- (1)** Each eligible employee is notified that a 2% nonelective 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. See instructions.
- b** The Employer will make the matching or nonelective contributions (described 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.

* This is the amount for 2012. 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.

Article IV—Other Requirements and Provisions

- 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 nonelective contributions (described in Article III, items 2a and 2b).
- 2 Vesting Requirements.** All contributions made under this SIMPLE IRA plan are fully vested and nonforfeitable.
- 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 IRA 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, VI, and VII.
- 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 IRA plan. In addition, an individual may roll over or transfer his or her SIMPLE IRA balance to any IRA or eligible retirement plan after a 2-year period has expired since the individual first participated in any SIMPLE IRA plan of the Employer. 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 any SIMPLE IRA plan of the Employer 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%.

Article V—Definitions

- 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)), the amounts paid for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, 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 IRA plan and rollovers or transfers from another SIMPLE IRA.

Article VI—Procedures for Withdrawals *(The Employer will provide each employee with the procedures for withdrawals of contributions received by the financial institution selected by that 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. See **Employee Notification** in the instructions.)*

Article VII—Effective Date

This SIMPLE IRA plan is effective _____ . See instructions.

* * * * *

Name of Employer

By: Signature Date

Address of Employer

Name and title