



**CAPITAL** | AMERICAN  
**GROUP**<sup>®</sup> | FUNDS<sup>®</sup>

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# **SIMPLE IRA**

## Plan Sponsor Guide

Everything you  
need to establish  
an American Funds  
**SIMPLE IRA** at  
your company

# Thank you for choosing an American Funds SIMPLE IRA

## To establish your plan

**1. Complete the two required forms in this booklet** – the *Online Group Investments (OGI) Contributions Agreement* and the *Adoption Agreement* – and send them to American Funds.

**2. Notify eligible employees about the plan.**

### Timing

**New plans** – You may choose an effective date between January 1 and October 1 and must notify employees on or before the plan's effective date. The notification date is the start of the plan's enrollment period. Employees must be given at least 60 days to enroll in the plan.

**Existing plans** – Existing plans can only be amended effective January 1 of any given year. You'll need to notify employees before November 2 (the start of the annual enrollment period).

**Note:** If you are moving an existing SIMPLE IRA plan to American Funds, employees will need to re-enroll and provide new elections. The plan will be considered an amended plan.

### Distribute the following materials to all eligible employees

- *Employee Guide*
- *Salary Deferral Election*
- *Notification to Eligible Employees\**
- A copy of the plan's *Summary Description\**

You may want to ask your financial professional for assistance.

\* Complete the information before distributing.

**3. Send a completed *SIMPLE IRA Application* for each eligible employee.** If the company is paying the account setup fees, include a check for \$10 for each new participant establishing an account. (If you wish to establish a plan with Class F-2 shares and your financial professional's firm allows for this share class, employees will need to complete the *F-2 Share Account Application* and *SIMPLE IRA F-2 Share Class Supplement*.)

**4. In preparation for your plan's first contribution, review the contribution information that follows on the next page.**

## Next steps

- Once the *Contributions Agreement* and the *Adoption Agreement* (both required) are completed and received, we will establish your retirement plan and provide you access to our OGI website.
- An email will be sent to each employer contact (and the third-party remitter, if applicable) with the website address, a user ID and instructions for getting started.
- After signing on to the OGI website, the contacts will have access to all of the tools they need to submit contributions.

If mailing, choose the service center for your state. Mail the form to the Indiana Service Center if you live outside the U.S.



**American Funds Service Company**  
P.O. Box 6164  
Indianapolis, IN 46206-6164

**Overnight mail address**  
12711 N. Meridian St.  
Carmel, IN 46032-9181



**American Funds Service Company**  
P.O. Box 2560  
Norfolk, VA 23501-2560

**Overnight mail address**  
5300 Robin Hood Rd.  
Norfolk, VA 23513-2430

**Financial professional upload** [www.capitalgroup.com/upload](http://www.capitalgroup.com/upload)

**Fax** (888) 421-4371

For more information, contact your financial professional, visit [www.capitalgroup.com](http://www.capitalgroup.com) or call us at (800) 421-4225.

## Contribution information

### Employer contributions

Annual employer contributions are required. All employer contributions must be made on a pre-tax basis.

You can choose:

- a) Dollar-for-dollar match made for each eligible employee who is contributing to the plan (limited to 3% of the eligible employee's compensation)

You can even adjust the match contribution to as little as 1% of participating employees' compensation – but for no more than two calendar years in any five-year period.

### OR

- b) Nonelective contribution equal to 2% of each eligible employee's compensation per year. This contribution is made even for those eligible employees who don't make contributions on their own.

You are allowed to switch between the match option and nonelective contribution option annually.

You also have the option to make additional nonelective contributions above required matching or nonelective contributions. This additional contribution must be made to each eligible employee.

### Employee qualifications and contributions

Generally, employees who earned at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year are eligible to participate in the plan. You can use less restrictive requirements, but not more restrictive ones.

#### Smaller employers (no more than 25 employees)

If you have no more than 25 employees (who received compensation of at least \$5,000 in the preceding year), higher employee salary deferral and catch-up contribution limits generally apply.

#### Larger employers (more than 25 employees)

If you have more than 25 employees (who received compensation of at least \$5,000 in the preceding year), higher employee salary deferral and catch-up contribution limits apply if you increase the required matching contribution from 3% to 4% or the nonelective contribution from 2% to 3%. Otherwise, regular limits generally apply.

If you are interested in offering higher limits, use the *Notification to Eligible Employees (4% matching or 3% nonelective employer contributions)*, available at [www.capitalgroup.com/simpledisclosures](http://www.capitalgroup.com/simpledisclosures).

For more information on salary deferral and catch-up contribution limits, refer to Section 4 of the *Notification to Eligible Employees*.

### Employee contribution types

Eligible employees are always allowed to make pre-tax salary deferral contributions. In addition to pre-tax salary deferral contributions, you may optionally offer Roth salary deferral contributions. (See Section 4-A of the *Adoption Agreement*.)

### Remitting contributions online

You are required to remit contributions through the OGI website, which makes your payroll contribution process secure and efficient. Complete the *Contributions Agreement* to establish online access.

### Funding deadlines

The Department of Labor requires employers to remit employee contributions in a timely manner. Employee contributions must be remitted as soon as they can be reasonably segregated from company assets. For most SIMPLE IRA plans, employee contributions deposited no later than the 7th business day following withholding by the employer will be considered timely.

Employer matching or nonelective contributions must be made by the employer's tax filing deadline (including extensions) for the applicable tax year.

All accounts are immediately vested.

# Everything you need

All the forms and documents you need to establish and operate your SIMPLE IRA plan are here.

## Documents required to set up your plan

We need to receive both the *Contributions Agreement* and the *Adoption Agreement* at the same time. Keep a copy of each for your files.

### 5 | **Online Group Investments (OGI) Contributions Agreement**

SIMPLE IRA plan contributions are submitted electronically through the OGI website. Use this form to set up electronic submission via Automated Clearing House (ACH) and to designate the contacts who will have access to the OGI website.

### 7 | **Adoption Agreement**

This form is required to either move an existing SIMPLE IRA plan or establish a new SIMPLE IRA plan with Capital Bank and Trust Company (CB&T) as custodian.

## Ongoing operation – what information do I need to give to my employees?

We will provide copies of the following materials before the start of each annual enrollment period to help meet notice requirements\*. Distribute them to each eligible employee.

### 9 | **Notification to Eligible Employees**

This document informs employees of their eligibility to participate in the plan; specifies the salary deferral contribution type(s) (pre-tax only or pre-tax and Roth) and limits allowed by the plan; and announces the type of employer contribution you will make for the next plan year. Complete this document before distributing it to eligible employees.

### 11 | **Summary Description**

This covers the plan's provisions, including eligibility requirements. Complete this document before distributing it to eligible employees.

- Plan information: Provide the name of the company, address, EIN and employer contact.
- Eligibility requirements: Complete if applicable. Refer to Section 3 of your plan's *Adoption Agreement* if necessary.

### 13 | **Salary Deferral Election**

Employees use this document to indicate whether they wish to start, maintain or change salary deferral elections. You do not need to complete this document before distributing it to eligible employees.

### | **Roth SIMPLE IRA Custodial Agreement and Disclosure Statement**

These documents apply if the plan offers Roth salary deferral contributions. A combined version that includes both documents is available at [www.capitalgroup.com/simpledisclosures](http://www.capitalgroup.com/simpledisclosures).

The enrollment period is generally the 60-day period immediately preceding January 1 of a calendar year (November 2 to December 31). However, the dates would change if the 60-day period falls before the first day an employee becomes eligible to participate in the plan.

## To assist you with operating your plan

### 15 | **Terms and Conditions**

This document defines the provisions of the American Funds SIMPLE IRA plan. It can help employees understand the plan and answer their questions.

\*If the SIMPLE IRA plan is new, or an existing plan moving to American Funds, and we receive the *Adoption Agreement* after September 15, enrollment materials for the upcoming plan year will be emailed to the plan sponsor's email address provided in Section 1 of the *Online Group Investments (OGI) Contributions Agreement*.

- Submit this form together with a completed *Adoption Agreement* and all completed employee applications.
- An email will be sent to each designated contact with instructions for getting started.
- To add or remove contacts after the plan is established, the employer/business owner may call us at **(800) 421-4225, ext. 39**.

## 1 Employer contacts

*Employer contacts will have access to the OGI website, and can use it to update employee investment allocations and fund contributions using a linked bank account. User IDs and passwords should not be shared with others. Employer contacts will continue to have website access until Capital Bank and Trust Company (CB&T) is instructed to remove or replace a contact.*

Name of company \_\_\_\_\_

A. \_\_\_\_\_ ( ) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Name of plan sponsor (the employer/business owner responsible for plan oversight) Daytime phone

\_\_\_\_\_  
 Email address\*— **required**

B. \_\_\_\_\_ ( ) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Name of plan administrator (individual employed with the company who is authorized to act on behalf of the plan) Daytime phone

\_\_\_\_\_  
 Email address\*— **required**

\*We require an email address to send you a user ID and a link to the OGI website so that you can submit contributions online. Upon receiving the email, please log in within seven days to customize your password. We respect your privacy. For more information on our privacy policies, visit [www.capitalgroup.com](http://www.capitalgroup.com).

## 2 Third-party remitter — if applicable

*Complete this section only if you are designating a third party to have access to plan information and make contributions to the plan. A separate user ID will be assigned.*

\_\_\_\_\_ ( ) \_\_\_\_\_ Ext. \_\_\_\_\_  
 Name of third-party remitter (business name) Daytime phone

\_\_\_\_\_ Email address\*— **required**

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 Address

\_\_\_\_\_ Existing OGI user ID (if applicable)  
 Relationship to the company (payroll company, financial professional, CPA, etc.)

\*We require an email address to send you a user ID and a link to the OGI website so that you can submit contributions online. Upon receiving the email, please log in within seven days to customize your password. We respect your privacy. For more information on our privacy policies, visit [www.capitalgroup.com](http://www.capitalgroup.com).

### 3 Bank information

If not attaching a voided check here, you can submit bank information on the OGI website after receiving a user ID. If attaching a check, the unsigned, voided check you attach below **must** be preprinted with the bank name, registration, routing number and account number. **Please do not staple.**

Tape your check here.

Acme Incorporated

DATE \_\_\_\_\_

**Bank account registration**

PAY TO THE  
ORDER OF \_\_\_\_\_

\$   
 \_\_\_\_\_ DOLLARS

Anytown Bank

← **Bank name**

| : 999999999 | :

0000000000 | | :

← **Bank routing number**

**Bank account number** ←

### 4 Employer authorization

By signing below, I agree to submit contributions electronically via ACH through the OGI website.

I understand that **1)** the OGI contacts designated on this form are authorized users of the OGI website and will have access to the website to update employee investment allocations and to instruct CB&T to initiate ACH transactions to fund the contributions; **2)** immediate notification to CB&T is needed if a contact is to be removed and/or replaced; and **3)** unique user IDs will be provided to the contacts via email (as indicated within this form).

CB&T is hereby authorized to access the bank account/information provided on this form or the OGI website to withdraw money in respect of contributions via ACH.

If this document is signed electronically, I consent to be legally bound by this document and subsequent terms governing it. The electronically signed copy of this document should be considered equivalent to a printed form in that it is the true, complete, valid, authentic and enforceable record of the document, admissible in judicial or administrative proceedings. I agree not to contest the admissibility or enforceability of the electronically stored copy of this document. A copy of this document will be made available to me as required.

In consideration of CB&T acting on such instructions and processing such transactions, I agree to hold harmless and indemnify CB&T; any of their affiliates or mutual funds managed by such affiliates; and each of their respective directors; trustees; officers; employees; and agents from any losses, expenses, costs or liability (including attorney fees) that may be incurred as a result of CB&T establishing these privileges or acting on such instructions.

\_\_\_\_\_  
Name (print) \_\_\_\_\_ Title

**X** \_\_\_\_\_  
Authorized signature \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date (mm/dd/yyyy)

This document may not be signed using Adobe Acrobat Reader's "fill and sign" feature.

**For more information about submitting contributions,  
call (800) 421-4225, ext. 39.**



Use this form to adopt or amend a CB&T designated financial institution (DFI) SIMPLE IRA plan.

# 1 Employer and plan information

Existing plan ID (if applicable) \_\_\_\_\_

\_\_\_\_\_  
Name of company

( )  
Daytime phone

Ext. \_\_\_\_\_

-            
EIN

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

( )  
Daytime phone

Ext. \_\_\_\_\_

-            
EIN of related company

**NOTE: Any reference to the company in this agreement as described in Section 1.6 of the attached Terms and Conditions is also a reference to the related company unless otherwise noted.**

# 2 Effective date

Complete A or B.

**Note:** The effective date cannot be prior to the date this agreement is signed.

A.  New plan — This is the first year adopting any SIMPLE IRA plan.

Effective date: \_\_\_\_\_ (Must be a future date between January 1 and October 1)  
(mm/dd/yyyy)

**OR**

B.  Existing plan — This is an amendment of an existing plan or a plan moving to American Funds. The effective date is January 1 of the following calendar year.

# 3 Eligibility requirements

A. All employees receiving at least \$ \_\_\_\_\_\* in compensation, as defined in the plan, during any  0  1  2  
(Not to exceed \$5,000)

prior years<sup>†</sup> and who are reasonably expected to receive at least \$ \_\_\_\_\_\* in compensation during the current year are eligible to participate in the plan pursuant to the terms of the plan, unless any such employees are members of a properly excluded class.

B. The following employees will be excluded from participation in the plan unless you check the box below to include them:

Employees covered by a collective bargaining agreement under which retirement plan benefits have been the subject of good-faith bargaining

**Note:** If this box is checked, the special rule for the one-plan requirement in Section 2.1 of the Terms and Conditions does not apply.

Employees who are nonresident aliens with no U.S. income from the employer

\*If left blank, \$5,000 will apply.

†If left blank, "2" will apply.



## 4 Salary deferral elections

A. Salary deferral types (select one):

- The plan will offer only pre-tax employee elective deferrals.
- The plan will offer both pre-tax and Roth employee elective deferrals.

B. In addition to the 60-day period preceding the first day of the plan year, a participant may make or amend his or her salary deferral election\*:

- Not applicable     Weekly     Biweekly     Semimonthly     Monthly
- Quarterly     Semiannually     Other \_\_\_\_\_

C. A participant who terminates his or her salary deferral election during the year†  may **OR**  may not enter into a new salary deferral election as provided above.

\* If left blank, "Monthly" will apply.

† If left blank, "may" will apply.

## 5 Financial professional

*This section must be filled out completely by the financial professional(s).*

We authorize American Funds Service Company® (AFS) to act as our agent for this account and agree to notify AFS of purchases made under a Statement of Intention or Rights of Accumulation.

\_\_\_\_\_  
 Name(s) of financial professional(s)      Professional/team ID #      Branch number      (      )      Ext.  
 Daytime phone

\_\_\_\_\_  
 Branch address      City      State      ZIP

\_\_\_\_\_  
 Name of broker-dealer firm (as it appears on the Selling Group Agreement)      **X**      Signature of person authorized to sign for the broker-dealer

## 6 Statement of Intention (SOI)

*Investments in the money market fund do not apply toward a Class A share SOI.*

We, the plan sponsors, expect to invest over a 13-month period in one or more American Funds accounts. The aggregate amount will be at least:

- \$25,000     \$50,000     \$100,000     \$250,000     \$500,000     \$750,000     \$1,000,000

## 7 Signatures

**Consult your attorney or tax advisor to review the tax consequences of adopting this plan prior to signing this adoption agreement.**

The undersigned employer hereby establishes or amends a SIMPLE IRA plan for the exclusive benefit of eligible employees and appoints the custodian as the designated financial institution for the plan. The undersigned Employer hereby adopts this *Adoption Agreement* and the accompanying *Savings Incentive Match Plan for Employees for use with a SIMPLE Retirement Account Terms and Conditions*.

**A. By the employer:** The undersigned employer is an eligible employer.

\_\_\_\_\_  
 Name (print)      Title

**X** \_\_\_\_\_  
 Authorized signature      Date (mm/dd/yyyy)

This document may not be signed using Adobe Acrobat Reader's "fill and sign" feature.

**B. By the designated financial institution:** The undersigned agrees to serve as the designated financial institution, receiving all contributions made pursuant to this plan and depositing those contributions to the SIMPLE IRA of each participant.

For the custodian by KS \_\_\_\_\_      6455 Irvine Center Dr., Irvine, CA 92618  
 Kevin Saks, President      Address





# 1 General information

-   -

Date (mm/dd/yyyy)

Name of company

Employer contact

# 2 Notice of eligibility

You are eligible to make:

Select one.

- Pre-tax salary deferral contributions.
- Pre-tax and/or Roth salary deferral contributions.

Review this notice and the Summary Description before deciding to start, continue or change your salary deferral election.

# 3 Employer contribution

Select one:

- A.  A matching contribution equal to 100% of your elective deferrals, up to a limit of 3% of your compensation for the calendar year.
- B.  A matching contribution equal to 100% of your elective deferrals, up to a limit of \_\_\_\_\_% (less than 3%, but no less than 1%) of your compensation for the calendar year. In any two out of five years, matching contributions can be reduced to no less than 1% of compensation.
- C.  A nonelective contribution equal to 2% of your compensation\* for the calendar year.

Optional:

- An **additional** nonelective contribution of \_\_\_\_\_% of your compensation\* for the calendar year.

**Note:** This additional contribution cannot exceed the lesser of 10% of your compensation\* or \$5,000 in 2024.

\* The maximum amount of your compensation used to calculate nonelective contributions is limited to \$345,000 for 2024, as indexed for inflation.

## 4 Elective deferral limits

### Information for the plan sponsor

Select the limits that apply to the plan:

- Plans with **no more** than 25 employees (who received compensation of at least \$5,000 in the preceding year): Higher limits apply unless you offered another retirement plan in the 3-year period before offering the SIMPLE IRA plan.
- Plans with **more** than 25 employees (who received compensation of at least \$5,000 in the preceding year): Regular limits apply.<sup>1</sup>

**The elective deferral limits (including catch-up contributions<sup>2</sup> for employees who will attain age 50 or older before the end of the calendar year) that apply to this plan are:**

Higher limits

**OR**

Regular limits

2024 <sup>3</sup>	Deferral limit	Catch-up limit <sup>2</sup>		
		Ages 50–59	Ages 60–63 <sup>4</sup>	Ages 64+
<b>Higher limits</b>	\$17,500	\$3,500	\$5,000	\$3,500
<b>Regular limits</b>	\$16,000	\$3,500	\$5,000	\$3,500

<sup>1</sup> An employer with 25 or fewer employees (who received compensation of at least \$5,000 in the preceding year) that grows to more than 25 employees in a subsequent year will have a 2-year grace period in which the employer will continue to be treated as having 25 or fewer employees. If this applies to your plan, select “Higher limits” during the 2-year grace period.

<sup>2</sup> The applicable catch-up limit is based on the age the participant will attain by the end of the calendar year.

<sup>3</sup> The 2024 contribution limits are shown because the IRS doesn’t typically announce limits for the following year until late October/early November. For later years, the limits may be increased for cost-of-living adjustments. The SECURE 2.0 Act, which added higher salary deferral and catch-up contribution limits, is unclear as to whether the higher limits are rounded down to the nearest \$500 increment. The limits are being shown as if the rounding rules apply. If the rounding rules do not apply, the limits would be higher.

<sup>4</sup> Increased catch-up limits for participants ages 60-63 are not effective until 2025. The figures shown illustrate what the increased catch-up limits would have been had they been in effect for 2024.

## 5 Administrative procedures

If you decide to start or change your salary deferral election, you must complete and return the form by:

-   -

Date (mm/dd/yyyy)

(within 60 days of the date this notice is provided)

**I. Plan Information**

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\_\_\_\_\_  
Name of company

\_\_\_\_\_  
Address

\_\_\_\_\_  
EIN

\_\_\_\_\_  
Employer contact

**II. Eligibility Requirements**

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You are eligible to participate in this Savings Incentive Match Plan for Employees (“SIMPLE”) IRA Plan (the “Plan”) if

- you received at least \$5,000 (or a lesser amount if noted here \$ \_\_\_\_\_) in compensation as defined under the terms of the Plan (“Compensation”) from your employer during any two (or lesser number if noted here \_\_\_\_\_) prior years and
- you are reasonably expected to receive at least \$5,000 (or a lesser amount if noted here \$ \_\_\_\_\_) in Compensation during the current year.

You are not eligible to participate in this SIMPLE Plan if you fall into one of the categories listed below unless the box next to the description has been checked.

- A.  **Collectively Bargained Employees**  
Employees who are part of a collective bargaining unit may be excluded from participation in this Plan if retirement benefits have been the subject of good faith bargaining between the collective bargaining unit and the employer.
- B.  **Nonresident Aliens**  
Employees who are nonresident aliens who receive no taxable income from sources within the United States.

**III. Contributions**

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Contributions made to your SIMPLE Individual Retirement Account (“SIMPLE IRA”) can be Employee pre-tax deferrals (and/or Roth deferrals, if permitted) and your employer’s Matching Contributions or Nonelective Contributions, as described below. No other contributions may be made to your SIMPLE IRA. All contributions made to the Plan, and the earnings, are fully vested and nonforfeitable.

**A. Employee Deferrals**

**Pre-Tax Deferrals**

Once you are eligible, you may direct your employer to contribute a portion of your Compensation on a pre-tax basis to your SIMPLE IRA by completing a Salary Deferral Election.

**Roth Deferrals**

Once you are eligible, your employer may elect to permit you to direct a portion of your Compensation on a Roth basis to your SIMPLE IRA by completing a Salary Deferral Election.

**Higher Deferral Limits**

Higher deferral limits (110% of the limits that would otherwise apply) apply to employers with no more than 25 employees who earned at least \$5,000 in the prior year. The higher limits also apply to employers with more than 25 employees who earned at least \$5,000 in the prior year, but only if the employer elects to provide a 4% matching or 3% nonelective contribution.

**B. Employer Contributions**

Your employer must also make contributions to each eligible Employee’s SIMPLE IRA. Your employer will notify you each year of the type and amount of contribution.

**Matching Contributions**

If your employer chooses to provide Matching Contributions, your employer will match your deferrals on a dollar-for-dollar basis up to 3% (but not less than 1%) of your Compensation for any year. Your employer may contribute less than a 3% match (but not less than 1%) in no more than two out of every five years.

**Example**

Here is an example of a valid election to provide a reduced match in no more than two out of every previous five years. Please note that in every grouping of five years, the 3% match was provided to Employees at least three times.

Year 1	3% of Compensation
Year 2	1% of Compensation
Year 3	2% of Compensation
Year 4	3% of Compensation
Year 5	3% of Compensation
Year 6	3% of Compensation
Year 7	1% of Compensation

**Nonelective Contributions**

In lieu of Matching Contributions, your employer may elect to contribute 2% of Compensation to your SIMPLE IRA, whether you elect to make contributions or not.

**Additional Nonelective Contributions**

Your employer may make additional nonelective contributions of up to 10% of Compensation, not to exceed \$5,000 in 2024 (indexed for inflation).

**IV. Employee Elections**

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The enrollment period for each Plan Year runs from November 2 through December 31. During this time, once you are eligible, you will have the opportunity to make an election to participate in the Plan or, in subsequent years, to change your deferral election. You may elect to stop participating in the Plan at any time during the year. Your Plan may require you to wait until the beginning of the following year to restart contributions once you stop. Check with the employer contact listed in Section I of this summary for the Plan rules.



## V. Withdrawals, Rollovers and Transfers From the Plan

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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, call **(800) 421-4225** 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 59½, 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.

#### Pre-Tax Deferrals and Employer Contributions

Withdrawals are taxed as ordinary income.

#### Roth Deferrals

Withdrawals of contributions are not taxed, but any associated earnings may be taxable if the withdrawal is not qualified. A withdrawal is qualified if the distribution occurs more than 5 years after you establish your first Roth IRA, and **1)** you have reached age 59½; **2)** the distribution is due to your disability or death; or **3)** the money is used for certain expenses to purchase a first-time home.

For more information on withdrawals, you may obtain IRS Publication 590-B by calling (800) TAX-FORM or by accessing the IRS website at [www.irs.gov](http://www.irs.gov).

### B. Rollovers

You may roll over your SIMPLE IRA held with Capital Bank and Trust Company (CB&T) to another SIMPLE IRA with another custodian at any time. You may roll over pre-tax contributions and associated earnings to a traditional IRA and Roth contributions and associated earnings to a Roth IRA only after the two-year period beginning from the time you first participated in this Plan.

### C. Transfers

CB&T 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 trustee or custodian without cost or penalty by notifying CB&T when you initially establish your SIMPLE IRA account, or at any other time, by using the CB&T SIMPLE Transfer Election form. CB&T will process this request without cost or penalty, provided you meet certain transfer requirements.

Prior to the transfer, the contributions (both your salary deferrals and your employer's contribution) that you want to transfer may only be invested in A or F-2 shares of American Funds U.S. Government Money Market Fund so that the transfer may occur without cost or penalty to you. If you elect not to invest in A or F-2 shares of American Funds U.S. Government Money Market Fund but in another American Funds mutual fund or share class for which a sales charge or a contingent deferred sales charge is applicable, you may also transfer these contributions, but the transfer cannot be made without cost or penalty, since the sales charge will not be refunded.

To initiate such a transfer, contact the new trustee or custodian to obtain the appropriate forms. CB&T will complete a "custodian to custodian," or similar transfer, of all or a portion of your SIMPLE IRA account balance upon receipt of the recipient institution's acceptance of the SIMPLE IRA account. If your contribution was invested in a mutual fund class of shares subject to a sales charge or a contingent deferred sales charge, then the sales charges will not be refunded.

## VI. Limitations of Description

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This Summary Description is intended to provide general information about the Plan. However, the details of the form and features of the Plan are provided in the Plan document. Any discrepancies between this Summary Description and the Plan Document shall be determined in favor of the Plan Document. You may obtain a copy of the Plan Document from your employer, who may charge you a reasonable fee for copying the Plan Document.

## VII. Custodian Information

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Name: Capital Bank and Trust Company

Address: 6455 Irvine Center Drive  
Irvine, CA 92618-4518

If you are participating in the plan for the first time, you must attach a completed application to this form. Your employer will forward the completed application to American Funds Service Company® on your behalf.

**Information for the employer:** If an existing participant is electing Roth deferrals for the first time, submit the *SIMPLE IRA Roth Election for Existing Participants* form to establish a new Roth SIMPLE IRA for that participant.

## 1 General information

Name of employee \_\_\_\_\_

Name of company \_\_\_\_\_

## 2 Payroll election

**Note:** For contribution limits, refer to the *Notification to Eligible Employees*.

Select one.

- A.  **New election for NEW participants** — I am participating in the plan for the first time (the application is attached). I elect to have the following amount withheld from my compensation and contributed to the SIMPLE IRA plan.

Effective date \_\_\_\_\_  
(mm/dd/yyyy)

Pre-tax deferrals — available for all plans.  \_\_\_\_\_% **OR**  \$ \_\_\_\_\_

Roth deferrals — if permitted. Review Section 2 of the *Notification to Eligible Employees* to determine if this option is available for your plan.

\_\_\_\_\_% **OR**  \$ \_\_\_\_\_

- B.  **Change deferrals** — I am currently participating in the SIMPLE IRA plan and wish to change my election.

Effective date \_\_\_\_\_  
(mm/dd/yyyy)

Pre-tax deferrals — available for all plans.  \_\_\_\_\_% **OR**  \$ \_\_\_\_\_

Roth deferrals — if permitted. Review Section 2 of the *Notification to Eligible Employees* to determine if this option is available for your plan.

\_\_\_\_\_% **OR**  \$ \_\_\_\_\_

**Note:** If this is the first time you are electing Roth deferrals, a Roth SIMPLE IRA will be established using the elections (investment instructions, beneficiary designations, etc.) on your existing pre-tax SIMPLE IRA. Be sure to review and read the *Roth SIMPLE IRA Custodial Agreement* and *SIMPLE IRA Disclosure Statement* provided by your employer. These documents can also be obtained in a copy of the *SIMPLE IRA Employee Guide*, at [www.capitalgroup.com/simpledisclosures](http://www.capitalgroup.com/simpledisclosures) or by calling us at (800) 421-4225.

- C.  **Maintain deferrals** — I am participating in the SIMPLE IRA plan and wish to maintain my current deferral election.

- D.  **Suspend deferrals** — I wish to stop deferring to the SIMPLE IRA plan as of the effective date specified below.

Effective date \_\_\_\_\_  
(mm/dd/yyyy)

Deferral type  Pre-tax deferrals **AND/OR**  Roth deferrals

- E.  I do not wish to make any salary deferrals at this time.

---

### 3 Signature

If electing salary deferrals, I authorize my employer to withhold the amount/percentage specified in Section 2 from each paycheck as of the effective date provided, which will reduce my compensation under this election (my elective deferral contributions). If I am electing Roth salary deferrals for the first time, I acknowledge that I have received, read and agree to the *Roth SIMPLE IRA Custodial Agreement* and *SIMPLE IRA Disclosure Statement*. I understand **1)** pre-tax salary deferral contributions are not subject to federal (and state, if applicable) income tax until distributed from the plan; and **2)** Roth salary deferral contributions will be made to a Roth IRA and are subject to federal (and state, if applicable) income tax at the time withheld from my paycheck. I also understand that my elective deferral contributions are subject to gain or loss in accordance with my selected investments. I may revoke or update this election at any time as permitted by my employer. If I revoke this election, I acknowledge that, contingent upon the terms of the SIMPLE IRA plan, I may be prohibited from submitting another salary deferral election until the enrollment period immediately preceding the next plan year. The revocation or update will be effective as soon as administratively possible by my employer after they have received the notice.

To comply with federal regulations, information provided on the SIMPLE IRA application will be used to verify my identity. For example, my identity may be verified through the use of a database maintained by a third party. If Capital Bank and Trust Company is unable to verify my identity, I understand it may need to take action, possibly including closing my account and withdrawing the shares at the current market price, and that such action may have tax consequences, including a tax penalty.

**X**  
\_\_\_\_\_  
Signature of employee

\_\_\_\_\_  
Date (mm/dd/yyyy)

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**Return this completed form to your employer.  
Do not send this form to American Funds Service Company  
or Capital Bank and Trust Company.**

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Internal Revenue Service Letter Serial No. K901972b

## Terms and Conditions

American Funds Distributors, Inc.\* hereby establishes this Savings Incentive Match Plan for Employees ("SIMPLE") for use by eligible Employers who wish to establish a SIMPLE for their Employees. Upon execution of an Adoption Agreement by an Employer, a SIMPLE IRA Plan, which incorporates by reference both this document and the American Funds SIMPLE Individual Retirement Account Custodial Agreement ("SIMPLE IRA"), collectively referred to as ("SIMPLE IRA Plan"), is established. The Custodian will serve as the Designated Financial Institution for the SIMPLE IRA Plan and as Custodian of each SIMPLE IRA that must be established by or on behalf of Participants. This SIMPLE IRA Plan is intended to comply with §408(p) of the Internal Revenue Code of 1986 ("Code"), as amended, and the applicable provisions of the Employee Retirement Income Security Act of 1974, including all regulations thereunder.

### Article I — Definitions

**1.1 "Adoption Agreement"** means the document attached to this Plan through which the Employer establishes a SIMPLE IRA Plan.

**1.2 "Compensation"** means wages, tips and other compensation from the Employer that are subject to federal income tax withholding under Code §3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §§6041(d) and 6051(a)(3). Compensation must be determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

Compensation also includes the Elective Deferrals made under this SIMPLE IRA Plan and, if applicable, compensation deferred under a Code §457 plan. Compensation does not include any amounts deferred by the Employee pursuant to a Code §125 cafeteria plan.

In determining an Employee's Compensation for prior years, the Employee's elective deferrals under a Code §401(k) plan, SARSEP or Code §403(b) arrangement are also counted as Compensation.

For Self-Employed Individuals, Compensation is Earned Income from self-employment. "Earned Income" means the net earnings from self-employment with respect to the Employer determined under Code §1402(a), without regard to Code §1402(c)(6), prior to subtracting any contributions made pursuant to the plan on behalf of the Individual.

**1.3 "Effective Date"** means the date on which the SIMPLE IRA Plan, or an amendment thereto, becomes effective. The Effective Date must be January 1 of the applicable year. If this is the first year for which the Employer is adopting a SIMPLE IRA Plan, the Effective Date may be any date between January 1 and October 1, inclusive of the applicable year.

**1.4 "Elective Deferrals"** means the employer contributions made at the election of a Participant via a Salary Deferral Agreement in lieu of cash Compensation. Elective Deferrals must be made pursuant to a Salary Deferral Agreement.

No Elective Deferrals may be made by an Employee on the basis of Compensation that the Employee received or had a right to receive before the date on which the Employee commences participation in the SIMPLE IRA Plan and the Employee's execution of a Salary Deferral Agreement.

**1.5 "Employee"** means any individual, including a Self-Employed Individual, who is determined to be an Employee, including leased employees described under Code §414(n) and employees described under Code §414(o) of the Employer, as defined in paragraph 1.6.

**1.6 "Employer"** means the eligible entity adopting this SIMPLE IRA Plan, including any eligible entity that succeeds the Employer and adopts this SIMPLE IRA Plan. For the purpose of this SIMPLE IRA Plan, Employer shall also mean the Employer that adopts this SIMPLE IRA Plan and all members of a controlled group of corporations (as defined in Code §414(b)), all commonly controlled trades or businesses (as defined in Code §414(c)) and all affiliated service groups (as defined in Code §414(m)) of which the adopting Employer is a part. Employer shall also include any other entity required to be aggregated with the Employer pursuant to Code §414(o).

**1.7 "Matching Contributions"** means employer contributions to a Participant's SIMPLE IRA on his or her behalf attributable to the amount of his or her Elective Deferrals under the SIMPLE IRA Plan.

**1.8 "Nonelective Contributions"** means employer contributions that are contributed to a Participant's SIMPLE IRA on his or her behalf in proportion to their Compensation under the SIMPLE IRA Plan.

**1.9 "Plan Year"** means the calendar year.

**1.10 "Salary Deferral Agreement"** means the written agreement between the Employer and a Participant in which the Participant authorizes the Employer to withhold and deposit a portion of his or her Compensation to his or her SIMPLE IRA.

**1.11 "Self-Employed Individual"** means a person who has Earned Income for the taxable year from the trade or business for which the SIMPLE IRA Plan is established including an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the taxable year.

**1.12 "SIMPLE IRA"** means an American Funds SIMPLE Individual Retirement Account is established pursuant to the terms of the American Funds SIMPLE Individual Retirement Account Custodial Agreement upon execution of an American Funds SIMPLE IRA Application by or on behalf of a Participant.

**1.13 "SIMPLE IRA Plan"** means this Savings Incentive Match Plan for Employees, including the attached Adoption Agreement.

**1.14 "Sponsor"** means American Funds Distributors, Inc.\* or any successor(s) or assign(s).

**1.15 "Custodian"** means Capital Bank and Trust Company or any successor thereto.

### Article II — Eligibility Requirements

**2.1 Eligible Employer.** The Employer will be an eligible Employer if, with respect to any year, the Employer had no more than 100 Employees who received at least \$5,000 of Compensation from the Employer for the preceding calendar year. Additionally, the Employer may not maintain any other qualified plan (as defined in Code §219(g)(5)(A) or (B)) with respect to which contributions were made, or benefits were accrued, in any year in the period beginning with the year this SIMPLE IRA Plan became effective and ending with the year for which a determination is being made. Except this one-plan requirement is not violated if the Employer maintains another qualified plan that limits participation to Employees covered under a collective bargaining agreement described in Code §410(b)(3)(A) and eligibility to participate in this SIMPLE IRA Plan is limited to other Employees.

**2.2 Two-Year Grace Period.** An Employer who properly establishes and maintains this SIMPLE IRA Plan for one or more years, and who subsequently fails to be an Eligible Employer in a calendar year pursuant to paragraph 2.1, shall be treated as an Eligible Employer for the two years following the last year the Employer was eligible. During this period, employees who would be employed by another employer involved in the transaction, had the transaction not occurred, are not eligible to participate in this SIMPLE IRA Plan unless the other employer executes a Co-Sponsor Adoption Page as a Co-Sponsor. If, after expiration of the two-year grace period, the Employer fails to comply with the eligibility requirement of paragraph 2.1, the Employer must terminate this SIMPLE IRA Plan. However, if such failure is due to an acquisition, disposition or similar transaction involving the Employer, the preceding sentence shall apply only in accordance with rules similar to the rules of Code §410(b)(6)(C)(i).

**2.3 Participation.** Employees shall be eligible to participate in this SIMPLE IRA Plan the first day of the first Plan Year after they have met the SIMPLE IRA Plan's eligibility requirements as set forth in the Adoption Agreement. In no event shall an Employee receiving at least \$5,000 in Compensation (or such lesser amount, if provided in the Adoption Agreement) from the Employer during any two prior years, or such lesser period if provided in the Adoption Agreement, and who is reasonably expected to receive at least \$5,000 in Compensation, or such lesser amount, if provided in the Adoption Agreement, during the current year be excluded from the SIMPLE IRA Plan unless he or she is a member of a class that has been excluded by the Employer in the Adoption Agreement. There are no age or service requirements for an Employee to participate in this SIMPLE IRA Plan.

**2.4 Exclusions From Eligibility.** If elected in the Adoption Agreement, the following classification of Employees may be excluded from participation in the SIMPLE IRA Plan:

- (a) Employees who are part of a collective bargaining unit if retirement benefits have been the subject of good faith bargaining, and/or
- (b) Nonresident aliens with no taxable income from U.S. sources.

\* On 7/1/2024, American Funds Distributors, Inc. was renamed Capital Client Group, Inc.



**2.5 Change in Employment Class.** If an Employee who is not a member of an eligible class of Employees becomes a member of such class, the Employee shall participate as of the date the Employee changes to an eligible class, provided that he or she has satisfied the eligibility requirements under paragraph 2.3, if any. If a Participant becomes ineligible because he or she is no longer a member of an eligible class of Employees, such Participant shall participate as of the date the Employee returns to an eligible class of Employees. A former Participant shall again become a Participant as of the date of his or her rehire by the Employer.

**2.6 Employment Rights.** Participation in the SIMPLE IRA Plan shall not confer upon a Participant any employment rights, nor shall it interfere with the Employer's right to terminate the employment of any Employee.

**2.7 Plan Notice.** The Employer shall notify each Eligible Employee immediately before each 60-day Enrollment Period of the Employee's opportunity to make an election. The notice shall include a copy of the summary description as described in Code §408(l)(2)(B). Code §6693(c)(1) provides that, if an Employer fails to provide one or more notices, such Employer may be subject to a penalty of \$50 per day for each day there is a failure to provide such notice.

### Article III — Employee Contributions

**3.1 Elective Deferral.** A Participant may make Elective Deferrals to this SIMPLE IRA Plan by executing a Salary Deferral Agreement. The amount that a Participant may elect to contribute may be expressed as a percentage of Compensation.

Elective Deferrals may not be based on Compensation a Participant has received, or had a right to receive, prior to the date on which such Participant commenced participation in this SIMPLE IRA Plan and the execution of the Participant's Salary Deferral Agreement.

Each Participant may elect to participate in the SIMPLE IRA Plan and, in subsequent years, change his or her deferral election during the "Enrollment Period" or as otherwise provided in the Adoption Agreement.

"Enrollment Period" means for the first Plan Year of the SIMPLE IRA Plan, a 60-day period that includes or extends beyond the Effective Date and begins no later than the Effective Date, or, a 60-day period that begins before the Effective Date and concludes no sooner than the day before the Effective Date. For any Plan Year, other than the first Plan Year of the SIMPLE IRA Plan, in which an Employee first becomes eligible to participate, the Enrollment Period is the 60-day period that ends on the date the Employee becomes eligible. The Enrollment Period for all subsequent years is the 60-day period immediately preceding the first day of the Plan Year.

In the case of an Employee who becomes an eligible Employee other than at the beginning of a calendar year because 1) this plan does not impose a prior-year-compensation requirement, 2) the Employee satisfied this plan's prior-year-compensation requirement during a prior period of employment with the Employer or 3) this plan is first effective after the beginning of a calendar year, the eligible Employee must be permitted to make or modify a salary reduction election during the 60-day period

that begins on the day Plan Notice is provided to the Employee and that includes the day the Employee becomes an eligible Employee or the day before.

The Salary Deferral Agreement will become effective as soon as practical after receipt by the Employer (or, if later, the date specified by the Participant in the Salary Deferral Agreement), but any election made by the Participant may be modified prospectively any time during the 60-day period.

In addition to the elections allowed above, a Participant may make or change his or her deferral election as provided in the Adoption Agreement. If an election is made or modified during one of these other election periods, it will become effective as soon as practical after the receipt of the election by the Employer or if later, the date specified by the Participant in the Salary Deferral Agreement. A Participant may elect to stop participating in the SIMPLE IRA Plan at any time during the year. If elected in the Adoption Agreement, a Participant who terminates his or her Salary Deferral Agreement may resume participation prior to the beginning of the next Plan Year.

A Participant who would attain age 50 or over by the end of the year can elect to have his or her Compensation reduced by an additional amount of \$500 for 2002, \$1,000 for 2003, \$1,500 for 2004, \$2,000 for 2005, and \$2,500 for 2006 and later years. After 2006, the maximum additional amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §414(v)(2)(C). Such adjustments will be in multiples of \$500.

**3.2 Contribution of Elective Deferrals.** The Employer must deposit the Elective Deferrals to each Participant's SIMPLE IRA as of the earliest date on which those contributions can reasonably be segregated from the Employer's general assets, but in no case later than the close of the 30-day period following the last day of the month to which such Elective Deferrals relate.

**3.3 Limit on Elective Deferrals.** A Participant's total annual Elective Deferrals are limited to \$7,000 for 2002, \$8,000 for 2003, \$9,000 for 2004, and \$10,000 for 2005 and later years. After 2005, the maximum amount will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §408(p)(2)(E). Such adjustments will be in multiples of \$500.

### Article IV — Employer Contributions

**4.1 Contribution Requirement.** The Employer is required to make a contribution on behalf of eligible Participants in accordance with the requirements of either paragraph 4.2 or 4.3 below.

**4.2 Matching Contribution.** The Employer may elect to match each Participant's Elective Deferrals on a dollar-for-dollar basis up to 3% of each Participant's Compensation. As an alternative, the Employer may elect to match Elective Deferrals on a dollar-for-dollar basis on a lower percentage of Compensation (not less than 1%) for any Plan Year. If the Employer makes this election for any Plan Year, the Employer must notify Employees of the election within a reasonable period before the 60th day preceding the beginning of such Plan Year.

The election to match on a lower percentage for any Plan Year may not result in the Matching Contribution being less than 3% of Compensation for more than two of the years in the period of five calendar years ending with such Plan Year. If any year in the five-year period is a year prior to the Effective Date of this SIMPLE IRA Plan or any year the Employer makes nonelective contributions to a SIMPLE IRA Plan, the Employer shall be treated as if it had made a 3% Matching Contribution for such Plan Year.

**4.3 Nonelective Contribution.** In lieu of the Matching Contribution described in paragraph 4.2, the Employer may elect to make a Nonelective Contribution of 2% of Compensation for each eligible Employee for the current year. For purposes of the 2% Nonelective Contribution, the Compensation taken into account for any year shall not exceed the compensation limit in effect for such year under §401(a)(17) of the Code as adjusted by the Secretary of the Treasury for increases in the cost-of-living in accordance with Code §417(a)(17)(B). Such adjustments will be in multiples of \$5,000. (The Compensation limit for 2016 is \$265,000.) If the Employer makes this election for any Plan Year, the Employer must notify Employees of the election within a reasonable period before the 60th day preceding the beginning of such Plan Year.

**4.4 Timing of Employer Contributions.** Matching Contributions and Nonelective Contributions must be deposited to each Participant's SIMPLE IRA by the Employer's tax filing due date, plus extensions. Matching Contributions and Nonelective Contributions are deductible in the taxable year of the Employer that ends with or within the Plan Year for which such contributions were made. Matching and Nonelective Contributions shall be treated as made for a taxable year if they are made on account of the taxable year and made not later than the Employer's tax filing due date, plus extensions.

**4.5 No Other Contributions.** Employee Elective Deferrals under paragraph 3.1, Matching and Nonelective Contributions under paragraphs 4.2 and 4.3, respectively, are the only contributions that may be made to this SIMPLE IRA Plan.

### Article V — Vesting

A Participant's interest in his or her Elective Deferrals, Matching Contributions and Nonelective Contributions, including the earnings thereon, is 100% vested and nonforfeitable at all times.

### Article VI — Treatment of Excess Contributions

The maximum amount of Elective Deferrals that may be contributed to each Participant's SIMPLE IRA in a Plan Year is limited to \$12,500, as adjusted. If excess Elective Deferrals are made to a Participant's SIMPLE IRA for a Plan Year, he or she must withdraw the excess from the SIMPLE IRA (plus investment earnings thereon) by the April 15 immediately following the end of the Plan Year in which the excess was deferred.

If the excess Elective Deferrals (plus investment earnings thereon) are distributed within the time period provided above, the excess Elective Deferrals are included in the Participant's gross income for the calendar year in which contributed and any income



thereon is taxable in the calendar year withdrawn. If the excess Elective Deferrals (plus investment earnings thereon) are not distributed within the specified time period, the excess Elective Deferrals are subject to the contribution limits of Code §§219 and 408 and may be considered an excess contribution to the Participant's SIMPLE IRA. Such excess Election Deferrals may be subject to the 6% tax on excess contributions pursuant to Code §4973. Income on the excess Elective Deferrals withdrawn from the SIMPLE IRA after the time period provided above may be subject to the 10% tax on early distributions pursuant to Code §72(t) if the recipient Participant has not attained age 59½.

If less than 100% of the excess Elective Deferrals and any income thereon is distributed, the distribution is treated as if ratably received from the excess Elective Deferrals and the income thereon.

## Article VII — Participant Accounts

**7.1 SIMPLE Retirement Accounts.** This SIMPLE IRA Plan must be used in conjunction with a SIMPLE IRA. Each Employee, upon becoming a Participant under the SIMPLE IRA Plan, shall establish a SIMPLE IRA in accordance with the rules and regulations established by agreement between the Custodian and the Employer.

**7.2 Determination of Deposit.** When making a contribution under the SIMPLE IRA Plan, the Employer shall calculate each Participant's proportionate share of the Employer's contribution for that Plan Year. The Employer shall then deliver the contribution to the Custodian indicating the amount to be credited to each Participant's SIMPLE IRA.

**7.3 Control of the Account.** All contributions made under the SIMPLE IRA Plan by the Employer shall be irrevocable. After allocation to a Participant's SIMPLE IRA, the Employer shall have no further control of such contribution and the terms of the Participant's SIMPLE IRA shall be fully effective and controlling.

**7.4 Allocation of Elective Deferrals.** The Employer shall contribute to each Participant's SIMPLE IRA the amount of the Elective Deferrals designated in his or her Salary Deferral Agreement, up to the contribution limits allowed by applicable law.

## Article VIII — Administration

**8.1 Plan Administrator.** The Employer shall be the Plan Administrator, unless such duties are designated to another party. The duties of the Plan Administrator shall include:

- (a) carrying out the provisions of the SIMPLE IRA Plan, including determining eligibility of Employees, allocating contributions and interpreting the SIMPLE IRA Plan when necessary;
- (b) delivering all contributions to the Custodian, showing the amount to be allocated to each Participant's SIMPLE IRA;
- (c) communicating with Employees regarding their participation and benefits under the SIMPLE IRA Plan;
- (d) advising Employees in writing of all contributions to their SIMPLE IRAs;

- (e) performing any other duties required of the Plan Administrator;
- (f) insuring that no contribution exceeds the limits imposed by Code §408(p) or any other applicable law, regulation or order;
- (g) executing necessary documents to establish a SIMPLE IRA with the Custodian for eligible Employees; and
- (h) providing the Plan notice described in paragraph 2.7 to eligible Employees.

**8.2 Custodian.** The Custodian shall be depository for individual SIMPLE IRAs, established by or on behalf of Participants. As depository, the Custodian shall:

- (a) accept for deposit contributions transmitted by the Employer; and
- (b) administer each individual SIMPLE IRA in accordance with the provisions of the SIMPLE IRA agreement.

The Custodian shall not need to verify the amount of the contributions received or the amounts allocated to individual SIMPLE IRAs.

**8.3 Designated Financial Institution.** The Custodian agrees to serve as the Designated Financial Institution, receiving all contributions made pursuant to this SIMPLE IRA Plan and depositing those contributions to the SIMPLE IRA of each Participant as soon as practicable. Upon request of any Participant, the Custodian also agrees to transfer the Participant's balance in the SIMPLE IRA established hereunder to another SIMPLE IRA without cost or penalty to the Participant, if such SIMPLE IRA's investments meet the requirements of the Custodian for transfer without cost or penalty.

**8.4 Withdrawals.** A Participant may withdraw contributions made to the Participant's SIMPLE IRA, including the earnings thereon, at any time. However, if the Participant makes any withdrawals prior to the time he or she attains age 59½, the Participant will be subject to a penalty unless an exception applies. The penalty is contingent on the Participant's period of participation in the SIMPLE IRA Plan. If the Participant has been participating in the SIMPLE IRA Plan for two years or less, withdrawals prior to age 59½ will be subject to a 25% penalty, unless an exception applies under the Code. Similarly, if the Participant has been participating in the SIMPLE IRA Plan for more than two years, withdrawals prior to age 59½ will be subject to a 10% penalty, unless an exception applies under the Code.

**8.5 Rollovers.** A Participant may roll over contributions made to the Participant's SIMPLE IRA, including the earnings thereon, to another SIMPLE IRA at any time. If the Participant is under age 59½ and such Participant would like to roll over his or her SIMPLE IRA to an IRA, the Participant may only do so after a two-year period beginning from the time he or she first participated in the SIMPLE IRA Plan.

**8.6 Use of IRS Compliance Programs.** Nothing in this SIMPLE IRA Plan should be construed to limit the availability of the IRS' voluntary compliance programs, the Employee Plans Compliance Resolution System (which encompasses the Administrative Policy Regarding Self-Correction, the Walk-in CAP, Audit CAP, and the Voluntary Compliance Resolution Program).

## Article IX — Amendment and Termination

**9.1 Amendment by Sponsor.** The Sponsor may amend this SIMPLE IRA Plan at any time without obtaining the approval or consent of the Employer or Participant(s) provided that no amendment shall authorize or permit any SIMPLE IRA Plan asset to be used for or diverted to purposes other than the exclusive benefit of Participants and their beneficiaries. The Sponsor will inform each adopting Employer of any amendments to or termination of the SIMPLE IRA Plan.

**9.2 Amendment by Employer.** The Employer may amend any option elected in the Adoption Agreement provided that no amendment shall authorize or permit any part of the Employer's contribution to be used for or diverted to purposes other than for the exclusive benefit of Participants.

**9.3 Plan Amendments.** Any amendment to this SIMPLE IRA Plan can become effective only at the beginning of a calendar year and must conform to the content of the Plan notice for the calendar year.

**9.4 Termination.** The Employer may terminate the Plan upon 60 days' written notice to the Custodian. In such event, the Custodian, if applicable, shall continue to administer each Participant's SIMPLE IRA as provided under the SIMPLE IRA agreement. The Sponsor may also terminate the SIMPLE IRA Plan upon written notice to the Employer.

## Article X — Governing Law

Construction, validity and administration of this SIMPLE IRA Plan shall be governed by federal law. Where there is no applicable federal law, this SIMPLE IRA Plan shall be governed by, construed in accordance with and administered under the laws of the State of California. Each party agrees that all actions or proceedings instituted by the Custodian, Employer, Participant, Beneficiary or any interested party arising under or growing out of this Agreement shall be brought in the state or federal courts of California. In the event of reasonable doubt respecting the proper course of action to be taken with respect to the SIMPLE IRA Plan, the Custodian may, in its sole and absolute discretion, resolve such doubt by judicial determination that shall be binding on all parties who may claim any interest in the SIMPLE IRA Plan. A judicial determination may include, but not be limited to, the Custodian petitioning the appropriate court to remain as Custodian over the SIMPLE IRAs in order to preserve the SIMPLE IRA's federal tax-deferred status pending the court's resolution of the SIMPLE IRA Plan. In the event of any such judicial determination, all court costs, legal expenses, reasonable compensation for the time expended by the Custodian and any other expenses and costs, including reasonable attorney's fees, shall be collected by the Custodian from the SIMPLE IRA(s) in accordance with the terms of the SIMPLE IRA(s).