

SIMPLE IRA Plan

Employer Guide

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TRUST & WEALTH
MANAGEMENT





Gain a competitive edge.

The Premiere Select SIMPLE IRA Plan (the Plan) is designed to give your business a competitive advantage.

ATTRACT AND RETAIN QUALITY EMPLOYEES

A retirement plan is one of the most appreciated benefits you can offer your employees. That's why it makes good business sense, since it may help improve your employee retention levels.

A COST-EFFECTIVE PLAN DESIGN

You pay no plan setup or yearly administration fees. A low annual custodial fee is deducted directly from your participants' accounts.

A HASSLE-FREE RETIREMENT PLAN

There are no complicated discrimination tests or employer IRS filings—making the SIMPLE IRA relatively easy to set up and maintain. Your employees control their own accounts.

CREATE TAX BENEFITS FOR YOU AND YOUR EMPLOYEES

A SIMPLE IRA Plan gives you many of the tax advantages you'd expect from a qualified retirement

plan—tax-deductible contributions for your business and tax-deferred growth potential for your participants.

HELP YOUR EMPLOYEES SAVE FOR A FINANCIALLY SECURE FUTURE

Employer contributions are mandatory. You can choose to make either matching or nonelective contributions. In addition, employees can elect to defer a portion of their salary into their account each year.*

For 2013, the maximum employee contribution limit is the lesser of 100% of compensation or \$12,000.

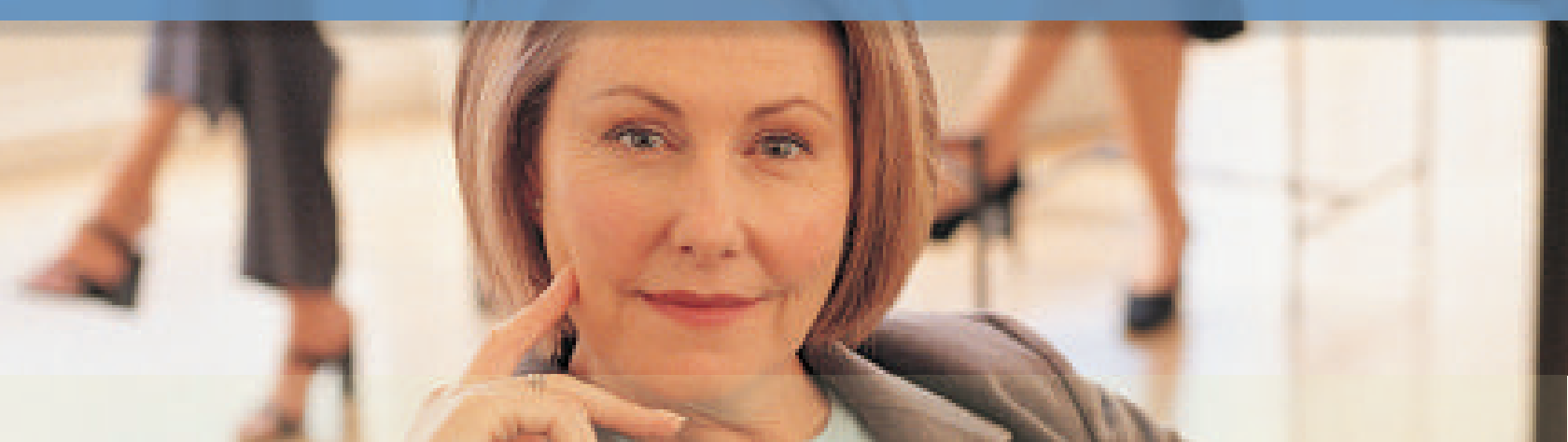
CATCH-UP CONTRIBUTIONS FOR SIMPLE IRA OWNERS

SIMPLE IRA owners age 50 or older (as of December 31 of the tax year) may be eligible to make an annual "catch-up contribution" each year in addition to their annual contributions. The catch-up contribution amount limit is as follows:

YEAR	CATCH-UP AMOUNT
2013	\$2,500

*If employees elect not to defer, employers are not required to make matching contributions.

An answer to your needs



The Premiere Select SIMPLE IRA Plan may be the answer to your company's retirement plan needs.

HERE'S HOW IT WORKS

The Premiere Select SIMPLE IRA Plan lets you offer your employees many of the same benefits as a 401(k) plan, without the same administrative complexities.

It allows them to build their own tax-deferred retirement savings through convenient payroll deductions. Employees can reduce their current federal income taxes by contributing a portion of their salary to their account, and they also defer taxes on any investment earnings—as long as the money remains in the account.

As an employer, you must also make contributions on behalf of your employees. This helps you retain valuable staff and recruit the best candidates. Additionally, your contributions are generally considered a business expense and may be fully deductible.

A WIDE ARRAY OF INVESTMENT CHOICES

Investment flexibility is a key feature of the Premiere Select SIMPLE IRA Plan. By recognizing that not all your employees have the same level of investing experience, you can help accommodate the needs of all levels of investors by offering access, through a brokerage account, to investment products, such as individual securities and a vast array of mutual funds. In addition, your employees may choose to have an investment professional assist them with selecting appropriate investments.

Plan highlights

A SIMPLE IRA Plan offers flexible design features for both you and your employees.

ELIGIBILITY

Any corporation, partnership, sole proprietor, tax-exempt, or government employer with 100 or fewer eligible employees can offer a SIMPLE IRA Plan, provided they do not maintain any other employer-sponsored retirement plan. The following individuals must be included in the 100-employee limit:

- Employees reasonably expected to earn at least \$5,000 in compensation during the calendar year and who have earned at least \$5,000 from you in any two preceding calendar years
- Employees of controlled or affiliated companies
- Certain leased employees

The employer may establish more liberal rules for eligibility.

PLAN ESTABLISHMENT DEADLINE

The Plan:

- May be established on any date before October 1 for existing employers¹
- Must be accepted by the Custodian on or before October 1 in order to be in effect for the current year
- Can be made available after it is adopted by the employer and employees are notified

EMPLOYEE SALARY DEFERRAL CONTRIBUTION LIMIT

For 2013, the annual employee salary deferral contribution limit is \$12,000. Note that employees past age 70½ can continue contributing to a SIMPLE IRA plan—even though they are prohibited by law from contributing to a Traditional IRA.

EMPLOYER CONTRIBUTIONS

Employers must either match employee salary deferral contributions or make nonelective contributions. Each year, they must notify employees of the contribution method within a reasonable time before the 60-day election period.²

Matching Option—Employers match, dollar for dollar, up to three percent (3%) of compensation to a maximum annual contribution of \$12,000 for 2013. With certain notification requirements to employees, this percentage may be reduced to as low as 1% of compensation for any two out of the five previous consecutive years. If an employee does not contribute to his or her account, employers are not required to contribute to the employee's SIMPLE IRA.

Nonelective Option—Employers contribute two percent (2%) of compensation for all eligible employees (up to a maximum of \$5,100),³ regardless of whether employees make their own salary deferral contributions.

Employer contributions beyond the matching or nonelective options are not permitted.

¹ An exception applies for businesses started after October 1.

² The 60-day election period generally runs from November 1 to December 31 (except in the first Plan year, when the 60-day election period varies with the Plan effective date). Employers can extend the 60-day election period to provide additional opportunities for employees to make elections.

³ The maximum compensation on which annual nonelective contributions can be based is \$255,000 for 2013. For self-employed individuals, compensation means earned income.



VESTING

The Plan requires 100% immediate vesting of all employer and employee contributions.

LOANS

By law, loans are not permitted under a SIMPLE IRA Plan.

WITHDRAWALS

Employees can take money out of the Plan at any time. All withdrawals are subject to applicable income taxes and penalties. Before age 59½, a 10% penalty tax may apply — and there is an additional 25% penalty if withdrawals are taken during the two-year period that begins on the date the employer makes the first contribution on the participant's behalf.

ADMINISTRATIVE REQUIREMENTS

Employers are required to distribute a 60-day notice and Summary Description to employees annually.

The Plan is exempt from IRS 5500 filings, ADP and ACP discrimination tests, and top-heavy requirements.

Contribution worksheet

ESTIMATING EMPLOYER CONTRIBUTIONS

The following worksheet can help you estimate what it may cost your company to offer the Premiere Select SIMPLE IRA Plan. After you complete it, you'll be able to compare costs for the two employer contribution options. Note that under Option 1: Employer matching contribution, you can estimate both the standard 3%

match as well as the 1% reduced match available in any two out of five years. Keep in mind that your actual contributions will vary each year, depending on several factors, including the number of eligible employees in the Plan, their compensation, the number of employees who elect to make salary reduction contributions, and the amount of their contributions.

OPTION 1: EMPLOYER MATCHING CONTRIBUTION	EXAMPLE	YOUR COMPANY
1. Average annual pretax compensation of eligible employees you expect to contribute	\$30,000	
2. Average percentage of salary you estimate participants will defer	5%	
3. Average participant contribution (multiply line 1 by line 2)	\$1,500	
4. Total number of eligible employees you estimate will contribute	10	
WITH A 3% MATCH		
5a. Average employer matching contribution: 3% match (multiply line 1 by 3%) ⁴	\$900	
5b. Total estimated annual employer matching contribution with 3% match option (multiply line 4 by line 5a)	\$9,000	
WITH A 1% MATCH		
6a. Average employer matching contribution: 1% reduced match (multiply line 1 by 1%) ⁵	\$300	
6b. Total estimated employer matching contribution with reduced 1% match option (multiply line 4 by line 6a)	\$3,000	

⁴The maximum annual employer contribution limit per participating employee is 3% of an employee's compensation or \$12,000 (the maximum annual employer deferral amount), whichever is less. This worksheet assumes that the average percentage of salary deferred by employees is 3% or more.

⁵Available in any two out of five previous consecutive years.



As a small-business owner, you can take advantage of the SIMPLE IRA Plan's flexible features while offering your employees a competitive retirement plan.

OPTION 2: EMPLOYER NONELECTIVE CONTRIBUTION	EXAMPLE	YOUR COMPANY
1. Average annual compensation ⁶ of your eligible employees	\$30,000	
2. Average employer compensation per eligible employee (multiply line 1 by 2%; not to exceed \$5,100 per participant)	\$600	
3. Total number of eligible employees	10	
4. Total estimated annual employer contribution with 2% nonelective contribution option (multiply line 2 by line 3)	\$6,000	
Important: You can switch between contribution Options 1 and 2 each year, provided certain employee notification requirements are met.		

⁶ Maximum compensation on which contributions can be based is \$255,000 for 2013.

Easy to establish

With the Premiere Select SIMPLE IRA Plan and the help of your investment professional, establishing and maintaining your retirement plan can be a snap.

SIMPLY FOLLOW THESE STEPS TO ESTABLISH YOUR COMPANY'S PREMIERE SELECT SIMPLE IRA PLAN.

STEP 1

Review and complete the Premiere Select SIMPLE IRA Company Profile Form and the Premiere Select SIMPLE IRA Plan Adoption Agreement. Please retain a copy of these documents and the Premiere Select SIMPLE IRA Plan Agreement for your files.

STEP 2

Complete the Notice to Eligible Employees for all your employees who are eligible to participate in the Plan.

STEP 3

Complete the Summary Description for your eligible employees.

This information is general in nature and is provided for informational purposes only. Consult an investment advisor, attorney, or tax professional about adopting a plan that may meet your needs.

STEP 4

Distribute the Premiere Select SIMPLE IRA Plan Salary Reduction Agreement Form, the Premiere Select SIMPLE IRA Account Application, the Premiere Select SIMPLE IRA Custodial Agreement, Disclosure Statement, and Summary Description to your eligible employees. You will need to collect the Account Application and Salary Reduction Agreement Form once they have been completed. Retain a copy of the Salary Reduction Agreement Form for use in payroll processing and for your files.

STEP 5

Send the following completed SIMPLE IRA forms to your investment professional for processing:

- Adoption Agreement
- Company Profile Form
- SIMPLE IRA Plan Account Application for each participating employee



Get started today. It's that simple. Contact your investment professional to see how easy it can be for you to offer your employees a retirement plan they'll appreciate for years to come.



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