SECURE 2.0 Election Form

Plan Provisions of the SECURE 2.0 Act for SIMPLE IRA 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 12/31/27 or such later date as the IRS may indicate.

Starting in the 2027 calendar year, the following changes must be implemented to your SIMPLE IRA. Please ensure that these updates are reflected in the Summary Description provided to employees for the 2027 calendar year, which must be distributed by November 2, 2026. Additionally, notify eligible employees that they must make their elections during the 60-day period from November 2 through December 31, 2026.

DEFERRAL LIMITS INCREASE FOR EMPLOYEES AT SMALL FIRMS

For employers with 25 or fewer employees, the contribution limits for employee deferrals and catch-up contributions automatically increase by 10% above the standard 2026 limits.

The limit for this amount in 2026 was $18,100. When the 2027 amount is published by the IRS, we will update our Contribution Limits web page here.

EXPANDED CATCH-UP CONTRIBUTION LIMITS FOR EMPLOYEES AGED 60-63

Starting in 2025, the catch-up contribution limits for employees aged 60, 61, 62, or 63 increased substantially. The catch-up limit will be the the greater of:

- $5,000, subject to cost-of-living adjustments, or
- 150% of the regular catch-up limit for people aged 50 and older.

The limit for this amount in 2026 was $5,250. When the 2027 amount is published by the IRS, we will update our Contribution Limits web page here.

AUTHORIZED SIGNATURE

Important: *Please keep a copy of this form in your files.*

Plan Name	
Name of Authorized Signer	Title
Signature	Date

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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 11 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.

PLAN INFORMATION

1. Name of Employer: _____

   Address of Employer: _____

2. Name of Trustee/Custodian: Entrust Administration Inc

   Address of Trustee/Custodian: 555 12th Street Suite 900, Oakland, CA 94607

   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 **2027** 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 $4,000 (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, 2027.

SECURE 2.0 Legislative Increases and Additional Contributions. *Note: Certain contribution elections made in items 7 and 8 may replace or supplement the options in item 5 and 6 above.*

7. ☐ **Expanded Catch-Up Contribution Limits for Employees Aged 60-63:** Individuals who attained age 60, 61, 62, and 63 may make a catch-up elective deferral that is the greater of $5,000 or 150% of the regular catch-up amount.

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8. ☐ **Deferral Limits Increase for Employees at Small Firms:** The annual elective deferral limit and the age 50 catch-up elective deferral limit increase by 10% compared to the regular deferral and catch-up limits for the year. This increase is automatic for employers with fewer than 26 employees.

TIMING OF ELECTION

9. 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 10 below.

10. 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

11. 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 2026, this amount is $17,000. However, the IRS may change this limit for the 2027 plan year.

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 additional catch-up contributions. For 2026, the catch-up contribution limit was set at $4,000. The IRS may change this limit for the 2025 plan year.

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.

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This limitation is referred to as the §402(g) limit. The section 402(g) limit on elective deferrals is currently $24,500, 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.

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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 $360,000 for 2026, 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.

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).*

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SIMPLE IRA SALARY REDUCTION AGREEMENT

SECTION I - GENERAL PLAN INFORMATION

Participant's Name: _____

Participant's Address: _____ SSN: _____

Name of Employer: _____

Trustee/Custodian: Entrust Administration Inc.

SECTION II - SALARY REDUCTION DEFERRAL ELECTION

Select only one option from items 1-3

☐ 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]

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

☐ 2. I elect to terminate my salary reduction contributions. (Proceed to Section VII below.)

☐ 3. 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 - 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 Plan may not exceed the lesser of: _____ % of my compensation; or the dollar limitation indicated in (a) or (b) above.

SECTION IV - 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 - 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.

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SECTION VI - 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: Entrust Administration Inc.

Address: 555 12th Street Suite 900, Oakland, CA 94607

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.

Signature: _____ Date: _____

SECTION VII - 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 VIII below.)

SECTION VIII - 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 employer with a new salary reduction agreement as permitted under this SIMPLE IRA Plan.

Signature of Employee: _____ Date: _____

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How to Move Funds From Your Entrust SIMPLE IRA to Another Custodian

In this brief guide, we'll explain the key differences between an IRA transfer and rollover, and then provide specific instructions for completing either process with your Entrust SIMPLE IRA.

Transfer vs Rollover: What's the Difference?

When deciding between an IRA transfer or rollover, your decision will depend on whether you want to move the funds to another SIMPLE IRA or a different type of retirement account. Here's a breakdown:

- **Transfer:** A transfer is when you move funds directly from one SIMPLE IRA to another SIMPLE IRA. The account type remains the same, even if the custodian changes. You never take possession of the funds, so there's no risk of taxes or penalties.
- **Rollover:** A rollover involves moving funds from your SIMPLE IRA to another type of retirement account, such as a Traditional IRA, Roth IRA, or 401(k). There are two types of rollovers:
  - **Direct Rollover:** The funds move directly from your SIMPLE IRA custodian to your new retirement account. Even though you never take possession of the funds, it is a reportable transaction.
  - **Indirect Rollover:** You take possession of the funds directly. You have 60 days to deposit the funds into the new retirement account to avoid taxes and penalties.

Important Note: If you've had your SIMPLE IRA for less than two years, you can only transfer funds to another SIMPLE IRA. Once you've held your SIMPLE IRA for more than two years, you can rollover the funds into another type of retirement account, such as a Traditional IRA, Roth IRA, or employer-sponsored plan such as a SEP IRA or Traditional 401(k).

Completing an IRA Transfer from Entrust to Another Custodian

Transferring funds from your Entrust SIMPLE IRA to another SIMPLE IRA custodian is a straightforward process that mostly involves your new custodian. Here's a quick guide:

1. **Initiate the Transfer with Your New Custodian:** Start by contacting the new custodian where you want to transfer your funds. They will guide you through their process for initiating the transfer. You'll need to provide them with information about your Entrust IRA, including your account details and the amount you wish to transfer.
2. **Monitor the Transfer:** Once the new custodian initiates the transfer request, Entrust will begin transferring your IRA funds. By default, Entrust transfers funds to another institution via check. If you prefer to send the funds via wire transfer, you must inform your new custodian, who will then provide Entrust with the appropriate instructions for sending the funds.

By following these steps, you can ensure a smooth transfer of your IRA funds from Entrust to another custodian. If you need any assistance or have questions during this process, don't hesitate to reach out to Entrust's Client Services team at clientservices@theentrustgroup.com or (800) 392-9653, option 1 for assistance.

How to Complete an IRA Rollover from Entrust to Another Custodian

If you're moving funds from your Entrust SIMPLE IRA to another type of retirement account, you'll need to initiate a rollover. Here's a step-by-step guide to help ensure a smooth process:

1. **Initiate the Rollover Request with Your New Custodian:** Start by contacting the custodian of the new retirement account you're rolling your funds into. They will guide you through their rollover process. You'll likely need to provide them with details about your Entrust SIMPLE IRA, such as your account information and the amount you intend to roll over.

2. **Complete Entrust's Distribution Form:** Download the Distribution Form from Entrust's Forms page. Technically, a rollover is considered a distribution, but don't worry—if you follow IRS guidelines, you won't face any taxes or penalties. This form will allow you to specify the amount you wish to roll over and whether it's cash or assets.
    a. **Section 1 - Account Owner Information**: Fill in your name, Entrust account number, and account type (SIMPLE IRA). Provide your email address and daytime phone number. Check "No" in the "Distribution Due to Death" section and skip that section.
    b. **Section 2 - Distribution Type:** If you are completing a direct rollover to another retirement account, check the box for "Direct Rollover to Another Employer Plan." If you are completing an indirect rollover and **under** the age of 59½, check the box for "PREMATURE" distribution. If you are completing an indirect rollover and are **over** the age of 59½, check the box for "NORMAL DISTRIBUTION."
    c. **Section 3 - Distribution Details:** If you're rolling over the entire balance, check "FULL DISTRIBUTION". This will close your Entrust account. If you're only rolling over part of the balance, check "PARTIAL DISTRIBUTION" and specify the amount in cash or in-kind assets.
        i. **Fair Market Value:** If transferring assets in-kind, a current Fair Market Value must be provided.
    d. **Section 4 - Notice of Income Tax Withholding on Distributions:** In a direct rollover, taxes are generally not owed, so you might choose to select "I ELECT NOT TO HAVE FEDERAL INCOME TAX WITHHELD" and "I ELECT NOT TO HAVE STATE INCOME TAX WITH HELD." If you're completing an indirect rollover and will receive the funds before depositing them into the new account, you may want to consider withholding taxes. The typical federal withholding rate for a distribution from an employer-sponsored retirement plan, like a SIMPLE IRA, is 20%. Note that state income tax withholding is processed only for California residents.
        i. Note: This guide is for informational purposes only. For personalized advice, please consult a qualified tax or financial advisor.
    e. **Section 5 - Funding Instructions:** Select the method of distribution (how you want the funds sent):
        i. **Wire or ACH:** If you are completing a direct rollover, you'll need to provide the new custodian's bank name, ABA/routing number, and your new account number. Otherwise, provide your personal information.
        ii. **Check or Cashier's Check:** If you are completing a direct rollover, provide the new custodian's information. Otherwise, provide your personal information.
            1. If using overnight delivery for a check, provide the necessary address and select whether you want the fee charged to your Entrust account or use third-party billing.
    f. **Section 6 - Signature:** Review all the information, especially your withholding and distribution details. Sign and date the form in the "Participant's or Beneficiary's Signature" section to confirm that the information is accurate and you understand the consequences of your rollover.
3. **Submit the Form:** Once completed, send the form to Entrust via email at distributions@theentrustgroup.com, or by fax or mail (as indicated on the form).

By following these steps, you can successfully complete a rollover from your Entrust SIMPLE IRA to another custodian. If you need any help or have questions, contact Entrust's Client Services team at clientservices@theentrustgroup.com or (800) 392-9653, option 1 for assistance.