

Approved by PEEC Board of Directors on **October 17, 2022**

SIMPLE IRA Policy

One of the benefits offered to eligible PEEC employees is participation in a Savings Incentive Match Plan, or “Simple IRA.” The following statements are intended to provide information about PEEC’s policies on the administration of any plan. To the extent any adjustments in PEEC’s practices are required to conform to federal law, they will be made.

Employees may defer 0% to 100% of their compensation, not to exceed the amount allowed by law. They are not required to contribute every year to participate in the plan.

PEEC will match an employee’s contributions, up to 3% of that employee’s salary/wages. The precise percentage of the match will be reflected in the PEEC SIMPLE IRA Notification to Eligible Employees (attached) that will be provided to every employee by the Executive Director prior to an employee’s sixty-day election period, on or about an employee’s third month of employment. This form is also used by employees to inform PEEC of their monthly contribution amount or percentage.

Employee Eligibility: Eligible employees include all employees earning at least \$5,000 during the year, and who have earned at least \$5,000 in the previous 3 months.

Timing of Contributions: The PEEC Plan Administrator shall make the contributions of all participating employees to the designated financial institution for the Simple IRAs no later than the 30th day of the month when **the funds are deducted from the paychecks.**

Reporting Requirements: [Form 5305](#) is not filed with the IRS but must be maintained in the PEEC offices. PEEC must report to the IRS which eligible employees are active participants in the plan and the amount of the salary reduction contributions on Form W-2.

PEEC SIMPLE IRA Notification to Eligible Employees

I. Opportunity to Participate in the SIMPLE IRA Plan

You are eligible to make salary reduction contributions to the PEEC 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

For the 20xx calendar year, PEEC elects to contribute to your SIMPLE IRA a matching contribution equal to your salary reduction contributions up to a limit of X% of your 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 the Executive Director by Date.

Salary Reduction Agreement

I. Salary Reduction Election

Subject to the requirements of the SIMPLE IRA plan of PEEC I authorize _____% or \$_____ to be withheld from my pay for each pay period and contributed to my SIMPLE IRA as a salary reduction contribution.

II. Maximum Salary Reduction

I understand that the total amount of my salary reduction contributions in any calendar year cannot exceed the allowable amount for that year.

III. Date Salary Reduction Begins

I understand that my salary reduction contributions will start on January 1, 20XX.

IV. Duration of Election

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 PEEC with a request to end my salary reduction contributions or provide a new salary reduction agreement as permitted under this SIMPLE IRA plan.

Signature of employee

Date

