

RETIREMENT PLAN DETAILS 2023 – 2027 (5 YEAR PLAN)

CRITERIA	SIMPLE IRA 408(p)
Annual Contribution Limit (2024)	\$16,000
Minimum Age to Participate	No minimum age to participate
Annual Contribution Limit Age 50+ (2024)	\$19,500
Allowable Catch-up Contributions for 50+ (2024)	\$3,500
Employer Match Allowed?	Yes
<p>Employer Contributions</p> <p>Employer will <u>cease</u> to make contributions to an employee’s retirement plan <i>if such employee elects to cease his/her retirement plan contribution.</i></p> <p>Employer must notify the employees of the lower match percentage within 30 days, October, before the 60-day election period for the calendar year (November & December).</p> <p>The election period is generally the 60-day period immediately before January 1 of a calendar year (November 2 to December 31 of the preceding calendar year).</p>	<ul style="list-style-type: none"> • Employer will match 3% of annual contribution for the first three years of the Simple IRA plan, effective 01/2023 to 12/2025. For example, if an employee contributes 3% of their \$50,000 annual salary (\$1,500), the employer will match the contribution (\$1,500). • Employer will contribute 2% of annual contribution for the fourth year of the plan, effective 01/2026 to 12/2026. • Employer will contribute 1% of annual contribution for the fifth year of the plan, effective 01/2027 to 12/2027. <p><i>With the SIMPLE IRA plan, retirement plan matches will reset after the fifth year. A new five (5) year plan will begin 01/2028 – 12/2032.</i></p>
Vesting – Employees are 100% vested	The employer can’t take back contributions if the employee leaves the company
Pre-Tax Contributions?	Contributions reduce taxable income now, but withdrawals are taxable later
After-Tax Contributions?	No
Allows Loans?	No
Allows Profit Sharing?	No
Allows Hardship Distribution?	No
Timeframe for contributions to be deposited into retirement plan	Within 30 days after the end of the month in which the employee would have normally received the funds.
Will the employer contribute to my plan if I am not contributing?	The employer will only match if the employee is contributing the same or higher percentage. Employer will not contribute if the employee is not contributing.
Can I rollover my plan if I no longer work at the company?	The employee can roll out of their retirement plan, should they choose. The employer cannot legally roll an employee out of their retirement plan. This means, if you no longer work at the company, you can request to have your plan moved to new investment company or bank.
If my plan is being matched and a new employee begins working at the company, does their match begin at a different percentage?	Employer match is universal. Example, if current employees are being matched at 2%, then a new employee to the company will also be matched at 2%.

<https://www.irs.gov/retirement-plans/retirement-plans-fags-regarding-simple-ira-plans>