

## *How To...*

### **Open a SIMPLE IRA**

Savings Incentive Match Plan for Employees of Small Employers Individual Retirement Account

#### ***Instructions for Employer:***

To establish a SIMPLE IRA, you will need the following forms:

- **IRS form 5304-SIMPLE**
- **IRA Application**
- **IRS form 5305-A**
- **Fee Disclosures**

#### **Forms descriptions:**

- **IRS form 5304-SIMPLE**

The 5304 SIMPLE defines the employee eligibility requirements, the salary reduction agreements, contributions and other requirements and provisions for establishing a SIMPLE plan.

  - Employers must download and complete the 5304 SIMPLE disclosure.
  - This disclosure contains a mandatory application for employers.
  - Special instructions for employees are part of this document, and must be adhered to. The instructions contain information regarding eligibility, salary reduction agreements, contributions, terms of distributions, which are the same as IRA distribution rules.
  - After you complete this form you must send a copy to your Administrator.
- **IRA Application**
  - **Individual Retirement Account Application**
    - This is the application to open your account connected with your **SIMPLE**.
    - The form should be completed, marking the appropriate box for **SIMPLE IRA**.
    - You may make contributions in cash.
    - You may also rollover or transfer assets from any and all IRAs at other institutions into your self directed Traditional IRA. For this you will need to complete an "IRA Transfer or Direct Rollover" form.  
SEE ADDITIONAL FORMS
    - You may designate beneficiaries of your SIMPLE IRA. If you choose to change such designations later, you may use the "IRA Beneficiary Designation or Change" form. SEE ADDITIONAL FORMS \*
    - You will be asked to sign the account agreement. Please read it carefully.
- **IRS form 5305-A**

Traditional Individual Retirement Custodial Account disclosure.

  - The IRS form 5305-A disclosure is a booklet which tells you:
    - Who the custodian of this IRA is, who the Administrator is (Article 8.02) and what the Administrator's role is.
    - This disclosure also lets you know what a Traditional IRA is, its terms and conditions, what is and what is not permitted, your rights, what you may and may not invest in, and how contributions and distributions are made.

**You may not open a SIMPLE IRA without receiving this disclosure.**

- **Fee Disclosures**
  - **You have two options for fees**
    1. Fee Disclosure: Based on Value of Assets
    2. Fee Disclosure: Based on Number of Assets

Your choice of fees is indicated by the disclosure you sign and return with your application. In accordance with your Account Application, the Fee Disclosure is part of your Agreement with the Administrator and must accompany your Application. If you wish to adopt the other fee schedule, you may make that change, but only once in a 12-month period. If a signed Fee Disclosure is not received with your Application, fees will be based on "value of assets".

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\* Additional forms are available on the "Forms for Opening an Account" page on the web site.