

Employee reference guide

For your employer-sponsored SIMPLE IRA retirement plan

Whether your vision for retirement is leisurely or action-packed, or if you expect to work into your retirement years, a savings strategy is important. And the more time you give your savings, the better off you could be. One way to save is to participate in your employer's SIMPLE IRA.

The following frequently asked questions can help you learn more about your employer's SIMPLE IRA:

Am I eligible to participate in my employer's SIMPLE IRA?

If you earned more than \$5,000 per year during any two previous calendar years, and expect to earn more than \$5,000 during the current calendar year, you're eligible to participate. These are the maximum eligibility requirements your employer can impose; however, your employer may choose less restrictive requirements for you to participate. To determine whether you qualify to participate, please review your employer's Summary Plan Description.

Please note that if you're a union employee or nonresident alien who does not receive income from a U.S. source, your employer may choose to exclude you from participating.

If I participate in my employer's SIMPLE IRA, can I still make contributions to my traditional or Roth IRA?

Yes. You can contribute simultaneously to a SIMPLE IRA and a traditional or Roth IRA (subject to applicable limitations).

Please remember that participating in your employer's SIMPLE IRA may affect the deductibility of your traditional IRA contributions and that Roth IRA contributions may be limited, depending on your income. To determine whether making contributions to a Roth IRA or traditional IRA makes sense, talk with your Edward Jones financial advisor. If you don't have a traditional or Roth IRA, your Edward Jones financial advisor can help you establish one.

How much money can I contribute to my SIMPLE IRA each year?

Annual salary deferral limits are:

Contribution year	Contribution limit
2023	\$15,500

If you're age 50 or older by the end of the calendar year, you can contribute an additional amount, called a catch-up contribution:

Contribution year	Contribution limit
2023	\$3,500

Is my employer required to contribute to my SIMPLE IRA on my behalf?

Yes. Your employer must make one of the following contributions to your SIMPLE IRA:

1. **A \$1 contribution for each \$1 you contribute**, up to 3% of your compensation. (The 3% matching contribution can be lowered to no less than a 1% match in two of every five years.)
2. **A nonelective contribution of 2% of your compensation** (capped at \$330,000 for 2023). If you're eligible, your employer must make a contribution, even if you choose not to make a salary deferral contribution. The employer may require you to earn up to \$5,000 in current-year compensation to receive the 2% nonelective employer contribution.

Is my employer required to provide information about the SIMPLE IRA?

If you're eligible, your employer must provide the following SIMPLE IRA-related items to you prior to Nov. 2 for the coming plan year:

- **Summary Plan Description (SPD)** – Outlines the eligibility requirements and rules specific to your employer's plan

- **Employer Contribution Notice** – Outlines the contribution your employer has elected to make to the plan

Your employer also must provide a Salary Reduction Agreement form if you wish to enroll, make changes to your salary reduction election or choose not to defer in to the plan.

How can I increase or decrease my salary deferral contributions?

To increase or decrease your contributions, you must complete a Salary Reduction Agreement form and submit it to your employer. You can modify your salary reduction election between Nov. 2, 2023, and Dec. 31, 2023, for contributions beginning in January 2024.

Please note that you may be able to cancel your salary reduction elections at any time and may be able to increase or decrease your deferral amount throughout the year.

Can I withdraw money from my SIMPLE IRA?

You can withdraw money from your SIMPLE IRA at any time. However, generally withdrawals are subject to ordinary income tax and a possible penalty. A 25% penalty will apply if the distribution occurs within the first two years of your initial contribution to the plan. After two years, the penalty is reduced to 10%. Once you attain the age of 59½, no penalties will apply. In addition, certain penalty exceptions may apply. To learn more about making a withdrawal from your SIMPLE IRA, please contact your Edward Jones financial advisor.

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation.