



SIMPLE IRA POLICY AND PROCEDURE

Adopted Oct. 21, 2021

The Florida Wildflower Foundation (FWF) has established a SIMPLE IRA Plan (Plan) as a retirement benefit for eligible employees.

Eligibility

An FWF employee is eligible to participate in the Plan if 1.) he or she has completed the six months employment probation period, and 2.) expects to receive at least \$5,000 during the current calendar year.

Under IRS rules, FWF may elect to use less restrictive participation requirements, but not more restrictive ones. For example, we may elect to allow participation for employees who received at least \$3,000 in compensation during any preceding calendar year. However, we cannot impose any other conditions for participation.

Financial Institutions

FWF will choose a Financial Institution as Trustee of the SIMPLE IRAs to hold employee's/participant's retirement plan assets. At his or her discretion, an employee may select their own financial institution as trustee. Financial institutions authorized to hold and invest SIMPLE IRA plan contributions include banks, savings and loan associations, insurance companies, certain regulated investment companies, federally insured credit unions and brokerage firms.

Plan Document

The original Plan Document (IRS Form 5304-SIMPLE) will be kept on file in perpetuity, as will any successive Plan Document that alters the terms of the Plan. A copy of the Plan Document is available to employees at any time. To request a copy, employees may email the Executive Director or Operations and Development Manager.

Election Period

The Plan election period is the 60-day period immediately preceding Jan. 1 of a calendar year (Nov. 2 to Dec. 31). However, these dates will be modified if the 60-day period falls before the first day an employee becomes eligible to participate in the SIMPLE IRA plan.

Before the beginning of each annual election period, employees will be notified of:

1. The employee's opportunity to make or change a salary reduction choice under the SIMPLE IRA plan;
2. FWF's decision to make either matching contributions or nonelective contributions;
3. A summary description provided by the Financial Institution; and
4. Written notice that the employee can transfer his or her balance without cost or penalty to another financial institution.

Because FWF set up its SIMPLE IRA plan using Form 5304-SIMPLE, each employee will receive a copy of the signed form to satisfy the notification requirement.

Eligible Employee IRAs

A SIMPLE IRA will be set up by or for each eligible employee and all contributions to the plan will go to it. The investment options of the Financial Institute where the SIMPLE IRA is located will determine what kinds of investment choices are available to employees.

Contributions

SIMPLE IRAs hold the contributions made for each eligible employee. A SIMPLE IRA is funded by:

- Employee contributions. See annual IRS guidance for salary reduction contribution limits and “catch-up” contributions for employees age 50.
- Employer contributions. When making employer contributions, FWF will follow the definition of compensation stated in the Plan document.
 - FWF will annually choose one of the contribution methods below. The employer will tell employees during the election period which method will be used for the following year:
 - **2% nonelective contribution** - 2% of each eligible employee's compensation regardless of whether or how much the employee deferred, or
 - **3% matching contribution** - match of employee's elective deferrals on a dollar-for-dollar basis up to 3% of the employee's compensation.
 - FWF may reduce the 3% limit to a lower percentage, but in any event, not lower than 1%. FWF will not lower the 3% limit for more than 2 calendar years out of the five-year period ending with the calendar year the reduction is effective.
 - FWF cannot make any other contributions to a SIMPLE IRA plan.

Making Contributions

When making employer contributions, FWF will follow the definition of compensation stated in the Plan Document.

Contributions will be made on a biweekly basis coinciding with pay period by the FWF accountant using the Financial Institution's website tools.

Making corrections

If it is found that FWF used the wrong compensation to calculate a participant's deferrals or employer contributions, FWF will correct the mistake in accordance with [IRS guidelines](#).

Annual Election

[Automatic Enrollment](#): FWF may elect to automatically deduct a fixed percentage or amount from an employee's wages and contribute that to the SIMPLE IRA plan unless the employee has affirmatively chosen to contribute nothing or to contribute a different amount. These automatic enrollment contributions qualify as elective deferrals.

[Annual Election Period](#): Each year, employees may change their contribution levels during the plan's election period.

Stopping contributions

Employees may elect to terminate their salary reduction contributions to the Plan at any time. If they do so, the Plan can preclude them from resuming salary reduction contributions until the beginning of the next calendar year. If FWF makes nonelective employer contributions, it will continue to make them on behalf of these employees.

Contribution deposits

After sending the SIMPLE IRA plan contributions to the financial institution an employee has selected, that institution will manage the funds. With notice to FWF, employees can move their SIMPLE IRA assets from one SIMPLE IRA to another.

- **Employee salary reduction contributions** must be deposited within 30 days after the end of the month in which the amounts would otherwise have been payable to the employee in cash.
- **Employer matching or nonelective contributions** will be deposited by the due date (including extensions) for filing our federal income tax return for the year.

Contributions to SIMPLE IRA accounts are 100 percent vested, or owned, by the employee. As part of a Form W2, each participating employee will receive an annual statement indicating the amount contributed to the account for the year.

Compliance

Using the IRS' [checklists and tips](#), FWF will conduct an annual self-audit to help determine whether its SIMPLE IRA plan is operating within the rules.