

IRS required SIMPLE IRA annual employee notification

Highlights

- By November 1, 2023, the Internal Revenue Service (IRS) requires you to provide the UBS SIMPLE IRA Summary Description and a copy of your completed SIMPLE IRA Plan/Adoption Agreement to all employees who are eligible to participate in your SIMPLE IRA Plan.
- If you do not use the UBS SIMPLE IRA Plan document, you will need to provide the UBS SIMPLE IRA Summary Description and a copy of your completed SIMPLE IRA Plan and/or Adoption Agreement (which may be IRS Form 5304-SIMPLE or another non-UBS SIMPLE IRA Plan), including any description of the claims review process, to all employees eligible to participate in your SIMPLE IRA Plan. The UBS Financial Services Inc. procedures for withdrawal are provided in Section IV of the Summary Description.
- You are also required to notify eligible employees of their ability to begin making or modify existing salary reduction agreements under your SIMPLE IRA Plan by November 1, 2023. In addition, if you are eligible to elect out of making the employer 3% matching contribution for 2024 (to be effective as of the first day of the new SIMPLE plan year) and decide to do so, you must notify each employee of the reduced matching contribution (between 1% and 3%) or of the non-elective contribution (2% of compensation) that will be made instead of the 3% matching contribution.

Why this is important

If you do not provide eligible employees with the required materials by November 1, 2023, you will be subject to an IRS penalty of \$50 per day until the materials are provided, unless you can show reasonable cause for not providing the materials.

What you need to do

1. Review this notice to familiarize yourself with the IRS requirements.
2. Obtain electronic copies of the UBS SIMPLE IRA Summary Description and sample employee notification from ubs.com/simpleiradocuments.
3. Customize the sample letter to employees which explains the purpose of the notification and include specific information about your SIMPLE IRA Plan.
4. Provide the letter, UBS SIMPLE IRA Summary Description and Plan/Adoption Agreement to employees who are eligible to participate in the SIMPLE IRA Plan by **November 1, 2023**.

Questions

Please contact your Financial Advisor if you have any questions about the UBS Financial Services Inc. SIMPLE Plan document. Please consult your tax or legal advisor to ensure that you remain eligible to maintain a SIMPLE IRA Plan and that you are properly administering your SIMPLE IRA Plan under the law.

We appreciate your business and look forward to continuing to serve your needs.

For plan sponsor use only. Not for public distribution.

Important information about brokerage and advisory services.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, and that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at ubs.com/relationshipsummary, or ask your UBS Financial Advisor for a copy.

No tax or legal advice.

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