



# UBS Financial Services Inc. SIMPLE IRA Summary Description

Your employer has adopted a SIMPLE IRA Plan (SIMPLE IRA Plan) to provide you with a tax-deferred means to accumulate savings for retirement through your salary reduction contributions and your employer's contributions. Your salary reduction contributions and your employer's contributions are held by the financial institution you selected to serve as the custodian of your SIMPLE individual retirement account (SIMPLE IRA). You are receiving this UBS Financial Services Inc. SIMPLE IRA Summary Description because you have selected UBS Financial Services Inc. to be the custodian of your SIMPLE IRA.

UBS Financial Services Inc.'s address is:

UBS Financial Services Inc.  
Retirement Consulting Services  
1000 Harbor Boulevard, 6th Floor  
Weehawken, NJ 07086

This Summary Description and the attached copy of the SIMPLE IRA Plan/Adoption Agreement or other documentation describing your employer's elections under the SIMPLE IRA Plan are intended to provide you with a summary of your employer's SIMPLE IRA Plan, as required by law.

## I. Eligibility

### In general

You are eligible to participate in the SIMPLE IRA Plan if you are employed by the employer and you have met the eligibility requirements described below. However, you will generally not be eligible to participate in the SIMPLE IRA Plan if you are a nonresident alien, covered by a collective bargaining agreement or became an employee due to an acquisition or merger less than two years ago, unless your employer has specifically elected to allow participation by these types of employees as specified in the accompanying materials.

If your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIB of the accompanying Adoption Agreement. Your employer will

notify you in writing when you are eligible to participate in the SIMPLE IRA Plan.

### Eligibility requirements

Unless otherwise elected by your employer in the accompanying materials (if your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIA of the accompanying Adoption Agreement), you are eligible to participate in the SIMPLE IRA Plan for any calendar year if you earned at least \$5,000 in compensation from your employer for any two prior years (whether or not consecutive) and you are reasonably expected to earn at least \$5,000 in compensation from your employer for the current calendar year.

If you continue to be employed by your employer but you are not expected to satisfy the minimum annual compensation requirement, if any, to participate for any year (if your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIA2 of the accompanying Adoption Agreement) after having previously participated in the SIMPLE IRA Plan, your employer will notify you of your ineligibility.

Generally, the SIMPLE IRA Plan is required to be run on a full calendar year basis from January 1 through December 31. However, the first year of the SIMPLE IRA Plan may be run on a "short" year beginning on any date between January 1 and October 1. If the first year of the SIMPLE IRA Plan is a "short" year, your compensation for eligibility purposes for the "short" year will be measured on the basis of the entire calendar year in which the "short" year begins.

## II. Salary reduction contributions

### In general

If you are eligible to participate in the SIMPLE IRA Plan, you may elect to contribute (at the times specified in the accompanying materials) a certain percentage or a fixed amount of your compensation each pay period. Your contributions will be deducted from your gross pay before

federal and most state and local income taxes are calculated and withheld. (if applicable, your contributions are still subject to Social Security, Medicare, Railroad Retirement and Federal Unemployment taxes.) An election to begin making salary reduction contributions, or a modification of a previous election, is made by completing a form which has been provided to you by your employer for that purpose.

Your employer is required to make your elected salary reduction contributions to your SIMPLE IRA as of the earliest date on which the contributions can reasonably be segregated from its general assets, but in no event more than 30 days after the last day of the month in which the contributions were withheld from your compensation. You must establish a SIMPLE IRA to hold contributions made under your employer's SIMPLE IRA Plan.

### **Limitation**

Except as indicated below, your total annual salary reduction contributions under the SIMPLE IRA Plan may not exceed a specified dollar amount. For 2023, the specified dollar amount was \$15,500. This amount will be periodically adjusted by the Internal Revenue Service to reflect cost-of-living adjustments.

In the calendar year you turn 50 years of age and in each year thereafter, you may make an additional "catch-up salary reduction contribution". For 2023, this additional amount was \$3,500. The catch-up salary reduction contribution limit will be periodically adjusted by the Internal Revenue Service to reflect cost-of-living adjustments. Your employer may make matching contributions with respect to your catch-up salary reduction contributions, as specified in the accompanying materials or as otherwise notified by your employer. Your total salary reduction contributions may not exceed your compensation.

### **Timing of elections**

You may elect to make salary reduction contributions, or you may modify a previous election, within the 60-day period immediately preceding January 1 of any calendar year. In addition, for the year in which you first become eligible to make salary reduction contributions, you are entitled to make or modify salary reduction elections within a 60-day period, which includes either the date you first become eligible or the day before.

As specified in the accompanying materials (if your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIC1 of the accompanying Adoption Agreement), these 60-day periods and the frequency with which you may make salary reduction elections and modifications may be increased.

You may terminate your salary reduction contributions at any time during the calendar year. However, unless your employer elects otherwise in the accompanying materials (if your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIC2 of the accompanying Adoption Agreement), you may generally

not resume making salary reduction contributions during the same calendar year.

### **Effective date of elections**

In general, elections become effective as soon as practical after the receipt of the election by the employer or, if later, the date you specify in your salary reduction agreement.

### **III. Employer contributions**

If you are an eligible employee, each year your employer will contribute on your behalf an amount which is based on one of the following formulas:

1. A matching contribution that is equal to your salary reduction contributions, but limited to 3% of your compensation for the year (your employer may elect to make a reduced matching contribution limited to between 1% and 3% of your compensation, but your employer may not elect this reduced formula more than twice in any five-year period); **or**
2. A non-elective contribution equal to 2% of your compensation for the year. This contribution does not depend on you making salary reduction contributions, but it does require you to open up a SIMPLE IRA Plan account. Unless otherwise elected by your employer in the accompanying materials (if your employer uses a UBS Financial Services Inc. SIMPLE Plan document, this election is found in Section IIC3 of the accompanying Adoption Agreement), only employees who receive at least \$5,000 in compensation from the employer for the year will be eligible to receive a non-elective contribution.

The amount of your compensation which is taken into account for purposes of calculating the non-elective contribution is limited to a specified dollar amount. For 2023, the specified dollar amount was \$330,000. The Internal Revenue Service will periodically adjust this amount to reflect cost-of-living adjustments. If the first year of the SIMPLE IRA Plan is a "short" year, any non-elective contribution made by your employer will be based on your compensation for the entire calendar year in which the "short" year begins.

In general, your employer will notify you within a reasonable period of time before the 60-day election period for the coming year if your employer elects to either make a reduced matching contribution or a non-elective contribution for that year. Any employee who becomes entitled to participate in the SIMPLE IRA Plan during the year will also receive a copy of the notice.

Your employer is required to make employer contributions to your SIMPLE IRA by its federal income tax filing deadline (including extensions). The tax filing deadline is determined with respect to the employer's tax year in which the calendar year ends for which the contributions are made.

For example, if your employer is a corporation with a calendar year tax year, employer contributions made for the 2023 calendar year would be required to be made to

your SIMPLE IRA by March 15, 2024 or your employer's extended federal income tax filing deadline. If your employer is a corporation with a fiscal tax year of July 1 to June 30, employer contributions for the 2023 calendar year would be required to be made to your SIMPLE IRA by September 16, 2024 or your employer's extended federal income tax filing deadline.

#### **IV. Withdrawals, rollovers and transfers**

##### **Withdrawals**

You have the right to take a withdrawal from your SIMPLE IRA at any time. However, amounts you withdraw will be includible in your income and subject to income taxes. In addition, if you are under age 59½ and take a withdrawal from your SIMPLE IRA, you may be subject to a 10% penalty on the amount of the withdrawal. Further, if you are under age 59½ and take a withdrawal from your SIMPLE IRA during the two-year period beginning on the date your employer first deposited contributions in your SIMPLE IRA, the 10% penalty is increased to 25% of the withdrawn amount. There are several exceptions to the 10% (or 25%) early withdrawal penalty tax, which are described in the Disclosure Statement accompanying the UBS Financial Services Inc. SIMPLE IRA.

You must begin, and are responsible for, taking a minimum distribution, calculated based on your life expectancy, from your SIMPLE IRA for the year you attain age 73 and for each year thereafter during your lifetime. After your death, if you have already begun taking minimum distributions, your beneficiary is responsible for taking the minimum distribution due for the year in which your death occurs, if you have not already taken the full required minimum distribution for that year. The first minimum distribution must be taken by April 1 following the calendar year in which you attain age 73, although you may take more than this minimum amount. After your death, an "eligible designated beneficiary" generally must begin taking minimum distributions by December 31 of the year after the year of your death. "Eligible designated beneficiaries" include: surviving spouses, individuals who, at the time of the IRA owner's death, are disabled or chronically ill, individuals who are not more than 10 years younger than the IRA owner and minor children of the IRA owner (but only until they reach age 21 when they would convert to a 10-year payout period). Most other beneficiaries have to fully distribute inherited IRA assets by December 31 of the year containing the 10th anniversary of the IRA owner's death. If your beneficiary is an "eligible designated beneficiary", later distributions may be based on his or her life expectancy.

You may take a withdrawal from your SIMPLE IRA in cash or specific property. To request a withdrawal from your UBS SIMPLE IRA, complete a UBS Financial Services Inc. IRA distribution form, which may be obtained from any UBS Financial Services Inc. Branch Office, and mail (or deliver) the properly completed distribution form to the Branch Office of UBS Financial Services Inc. that maintains your SIMPLE IRA. The address of the Branch Office that maintains your SIMPLE IRA is printed on each of your

SIMPLE IRA statements. Unless otherwise specified on the distribution form, a check for the amount of the withdrawal or the certificate evidencing the specific property withdrawn will be mailed, as soon as practical after the distribution form is received and processed, to the address you specified on the distribution form.

Federal income taxes are required to be withheld from your withdrawal at a flat rate of 10%, unless you elect otherwise on the distribution form. If you elect not to have taxes withheld, or if the 10% withheld does not cover your tax liability, you may be responsible for paying estimated taxes every quarter. If you do not pay required estimated taxes, you could be subject to IRS penalties. You should discuss your particular circumstances with an independent tax or legal advisor to understand your personal tax liability. Some states may also require state tax withholding, however, the state may allow you to elect out of such withholding.

##### **Rollovers and transfers**

At any time, amounts in your SIMPLE IRA may be rolled over or transferred tax-free to a SIMPLE IRA maintained by another financial institution. You may also roll over or transfer amounts in your SIMPLE IRA to a Traditional individual retirement account (Traditional IRA), or roll over amounts to a "tax qualified" pension, profit sharing or 401(k) plan, a 403(b) plan or a government-sponsored 457 plan (each, an eligible plan), but the rollover or transfer may only be made after the two-year period that begins on the date your employer first deposited contributions in your SIMPLE IRA. After the two-year period, you may also roll over or transfer amounts from a Traditional IRA or an eligible plan to your SIMPLE IRA.

You may also convert amounts in your SIMPLE IRA to a Roth IRA in a taxable rollover after the two-year period.

In general, you may make a rollover by obtaining a withdrawal, in the manner described above, and then contributing the amount withdrawn to another eligible IRA or eligible plan within 60 days from the date of the withdrawal. Except as otherwise permitted by applicable law, you are only permitted to make one roll over between your IRAs or from a qualified plan (excluding direct rollovers) in a 12-month period. This limitation does not apply to conversions to Roth IRAs. The 12-month limitation applies to all of your IRAs, including your SIMPLE IRA. However, a transfer of funds in your SIMPLE IRA directly from one trustee or custodian to another is not a rollover but a tax-free transfer. Subject to the restrictions listed below, you can rollover assets from traditional IRAs and SEP IRAs as well as from employer sponsored plans, such as a 401(k), 403(b), or 457(b) plan into your SIMPLE IRA. The following restrictions apply: (1) SIMPLE IRAs cannot accept rollovers from Roth IRAs or designated Roth accounts (2) rollovers are only allowed after the two-year period beginning on the date you first participated in your employer's SIMPLE Plan and (3) the one-per-year limitation that applies to IRA-to-IRA rollovers applies to rollovers from a traditional, SIMPLE, or SEP IRA to a SIMPLE IRA.

A transfer from your SIMPLE IRA to another SIMPLE IRA or eligible IRA is made by opening an eligible IRA at another financial institution and then completing and delivering to that financial institution the documentation required by that financial institution to obtain a transfer.

### **Fees and charges**

A fee or charge may be imposed by UBS Financial Services Inc. with respect to any withdrawal, rollover or transfer, which is made from your SIMPLE IRA. The fee or charge is described in the Disclosure Statement accompanying your SIMPLE IRA. Since UBS Financial Services Inc. does not serve as a designated financial institution, certain fees and charges may apply if you transfer your SIMPLE IRA to another SIMPLE IRA custodian, trustee or issuer.

## **V. Miscellaneous**

### **Vesting**

“Vesting” refers to your nonforfeitable right to the value of your SIMPLE IRA. You are 100% vested in the value of your SIMPLE IRA at all times.

### **Military service**

If you are reemployed after a period of military service that is protected under the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), you will be permitted to make additional salary reduction contributions up to the maximum amount you would have been permitted to contribute during the period of your military service as if you had remained employed by the employer during that period.

You have until five years from the date you are reemployed or three times the period of your military service, if less, to make up the salary reduction contributions. You are also entitled to any employer matching contributions related to any salary reduction contributions you make up, or the 2% employer contribution made for any year during your period of military service that you would have been eligible to receive if you had remained employed by your employer.

### **Compensation**

As used in this Summary Description, the term “compensation” refers to the sum of the wages, tips and other compensation you receive from your employer that is subject to federal income tax withholding (including differential wage payments you receive from your employer while performing uniformed military service during a period of active duty of more than 30 days), plus the amount of any salary reduction contributions you make under the SIMPLE IRA Plan, elective deferrals you make to other plans (except for “cafeteria” plans or similar arrangements), and compensation you defer under Section 457 of the Internal Revenue Code to a plan of a state or local government or a tax-exempt organization that is required to be reported by your employer on your Form W-2. If you are a self-employed individual, “Compensation” refers to net earnings from self-employment determined under Section 1402(a) of the Internal Revenue Code, without regard to Section 1402(c)(6)

of the Internal Revenue Code or to any contributions made under the SIMPLE IRA Plan.

### **Claims review**

If your employer uses the UBS Financial Services Inc. SIMPLE IRA Plan document, the following claims review summary applies to you. If your employer uses some other SIMPLE IRA Plan document, the claims review provisions that apply to you are described in the accompanying materials.

If your claim for benefits is denied in whole or in part, your employer will give you notice of its decision on the claim within 90 days of the filing of the claim (unless special circumstances require an extension of time up to 180 days). This notice will: (1) specify the reasons for denial, (2) refer to the pertinent SIMPLE IRA Plan provisions on which the denial is based, (3) describe any additional material or information necessary to perfect the claim and explain why such material or information is necessary, (4) explain the SIMPLE IRA Plan’s review procedure for claims, and (5) advise you of your right to file a suit under law following an adverse decision on review.

You may then appeal the decision to deny a claim by filing a written notice of appeal with your employer within 60 days after receipt of the notice of denial. You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information which are relevant to the claim, and which are in the possession of your employer. You may also submit to your employer, for its consideration when deciding the appeal, written comments, documents, records and other information relating to the appeal. Your employer will make its decision on the appeal within 60 days after receipt of the appeal (unless special circumstances require an extension of time up to 120 days), and will give you a notice of its decision on the appeal. If the appeal is denied, the notice will: (a) specify the reasons for the denial, (b) specify the SIMPLE IRA Plan provisions on which the denial is based, (c) state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information which are relevant to the claim, and which are in the possession of your employer, and (d) state that you have the right to file a suit under law with respect to the matter raised in the claim.

### **Investments**

You are responsible for directing investments in your SIMPLE IRA. Neither your employer, nor its officers, nor any other SIMPLE IRA Plan fiduciary is responsible or liable for any losses that may result from your exercise of control over your SIMPLE IRA. You are treated as exercising control over your SIMPLE IRA on the first to occur of (i) your election among investment options as to the first investment of any SIMPLE IRA contribution; (ii) your rollover to any other SIMPLE IRA or IRA or (iii) one year after your SIMPLE IRA is established.

**Amendment or termination**

Your employer will inform you of any amendments to the SIMPLE IRA Plan or if it has decided to terminate the SIMPLE IRA Plan. If the SIMPLE IRA Plan is terminated, your SIMPLE IRA will remain as your separate IRA.

**Conditions on employer maintaining SIMPLE**

In general, under the Internal Revenue Code, the SIMPLE IRA Plan may be maintained by your employer in any calendar year only if, during the preceding calendar year, the employer had no more than 100 employees who received at least \$5,000 of compensation from the employer. In addition, your employer cannot contribute to, or you cannot accrue benefits under, any other qualified plan maintained by your employer during any year in which contributions are made to the SIMPLE IRA Plan.

**Conflicts between the SIMPLE IRA Plan document or the UBS Financial Services Inc. SIMPLE IRA Custodial Agreement and Disclosure Statement and the SIMPLE IRA Summary Description**

This Summary Description is only intended to provide you with a summary of certain important features of the SIMPLE IRA Plan. The SIMPLE IRA Plan document governs the operation of the SIMPLE IRA Plan at all times and the UBS Financial Services Inc. SIMPLE IRA Custodial Agreement and Disclosure Statement control your SIMPLE IRA at all times. In the event of any conflict between the SIMPLE IRA Plan document or the UBS Financial Services Inc. SIMPLE IRA Custodial Agreement and Disclosure Statement and this Summary Description, the SIMPLE IRA Plan document and the UBS Financial Services Inc. SIMPLE IRA Custodial Agreement and Disclosure Statement as applicable, control.

**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](https://ubs.com/relationshipsummary), or ask your UBS Financial Advisor for a copy.

**No tax or legal advice.**

UBS Financial Services Inc., its affiliates and its employees do not provide tax or legal advice. You should consult with your personal tax and/or legal advisors regarding your particular situation.

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