



LORD ABBETT®

ESTABLISH A LORD ABBETT

# SIMPLE IRA PLAN

IN FOUR **E A S Y** STEPS

*A Plan Sponsor Guide*

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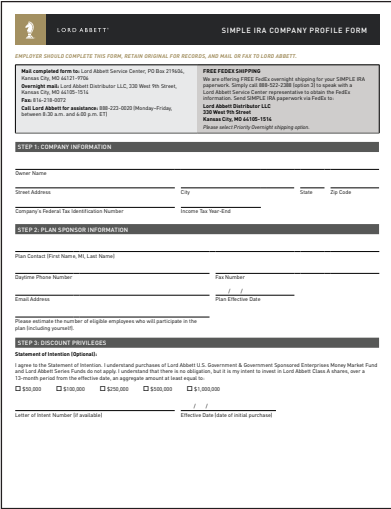
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**STEP  
1**

# Complete the SIMPLE IRA Company Profile Form



- To establish a SIMPLE IRA plan, you should:
- Complete** the SIMPLE IRA Company Profile Form (**pages 2–3**).
- Retain** a copy of the completed SIMPLE IRA Company Profile Form for your records.
- Mail** or fax the form to Lord Abbett at:

Regular Mail:	Overnight Mail:	Fax:
Lord Abbett Service Center P.O. Box 219604 Kansas City, MO 64121-9706	Lord Abbett Distributor LLC 330 West 9th Street Kansas City, MO 64105-1514	816-218-0072



EMPLOYER SHOULD COMPLETE THIS FORM, RETAIN ORIGINAL FOR RECORDS, AND MAIL OR FAX TO LORD ABBETT.

<p><b>Mail completed form to:</b> Lord Abbett Service Center, PO Box 219604, Kansas City, MO 64121-9706</p> <p><b>Overnight mail:</b> Lord Abbett Distributor LLC, 330 West 9th Street, Kansas City, MO 64105-1514</p> <p><b>Fax:</b> 816-218-0072</p> <p><b>Call Lord Abbett for assistance:</b> 888-223-0020 (Monday – Thursday between 8:30 am (ET) and 6:00 pm (ET) and Friday between 8:30 am (ET) and 4:00 pm (ET))</p>	<p><b>FREE FEDEX SHIPPING</b></p> <p>We are offering FREE FedEx overnight shipping for your SIMPLE IRA paperwork. Simply call 888-522-2388 (option 3) to speak with a Lord Abbett Service Center representative to obtain the FedEx information. Send SIMPLE IRA paperwork via FedEx to:</p> <p><b>Lord Abbett Distributor LLC</b>  <b>330 West 9th Street</b>  <b>Kansas City, MO 64105-1514</b></p> <p><i>Please select Priority Overnight shipping option.</i></p>
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**STEP 1: COMPANY INFORMATION**

Owner Name \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Company's Federal Tax Identification Number \_\_\_\_\_ Income Tax Year-End \_\_\_\_\_

**STEP 2: PLAN SPONSOR INFORMATION**

Plan Contact (First Name, MI, Last Name) \_\_\_\_\_

Daytime Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_ Plan Effective Date \_\_\_\_\_

\_\_\_\_\_  
Please estimate the number of eligible employees who will participate in the plan (including yourself).

**STEP 3: DISCOUNT PRIVILEGES**

**Statement of Intention (Optional):**

I agree to the Statement of Intention. I understand purchases of Lord Abbett U.S. Government & Government Sponsored Enterprises Money Market Fund and Lord Abbett Series Funds do not apply. I understand that there is no obligation, but it is my intent to invest in Lord Abbett Class A shares, over a 13-month period from the effective date, an aggregate amount at least equal to:

\$50,000     \$100,000     \$250,000     \$500,000     \$1,000,000

Letter of Intent Number (if available) \_\_\_\_\_ Effective Date (date of initial purchase) \_\_\_\_\_

**STEP 4: YOUR FINANCIAL ADVISOR'S INFORMATION**

Advisor Name (First Name, MI, Last Name)	Representative ID Number	Branch ID Number	
Street Address	City	State	Zip Code
Dealer Firm Name	Phone Number		
Email Address			

**Dealer firm will establish an employer SIMPLE IRA plan.**  
 Annual notice provided by Lord Abbett is not required.

**STEP 5: ACH AUTHORIZATION AGREEMENT**

**ACH** funding in two or three business days. (No fees charged.)

**Banking Instructions:**

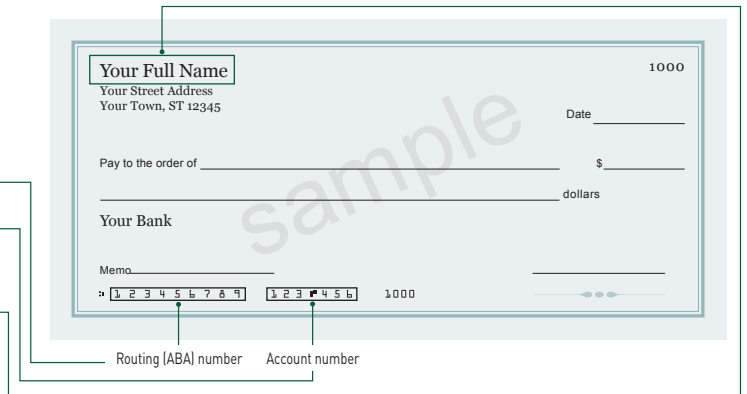
Bank account type:  Checking  Savings

Bank

Nine-digit routing (ABA) number: \_\_\_\_\_

Bank account number: \_\_\_\_\_

Bank account registration name (include all registration names):  
 \_\_\_\_\_  
 \_\_\_\_\_



As an authorized person with check-writing authority for the company, I hereby authorize Lord Abbett to initiate debit and credit entries to the company's checking account and bank.

This authority will remain in full force and effect until Lord Abbett and the bank receive written notification from an authorized person of this company of the authority's termination in such time and in such manner as to afford Lord Abbett and the company's bank a reasonable opportunity to comply.

**STEP 6: SIGNATURE**

I certify that the information I have provided in this form is correct.

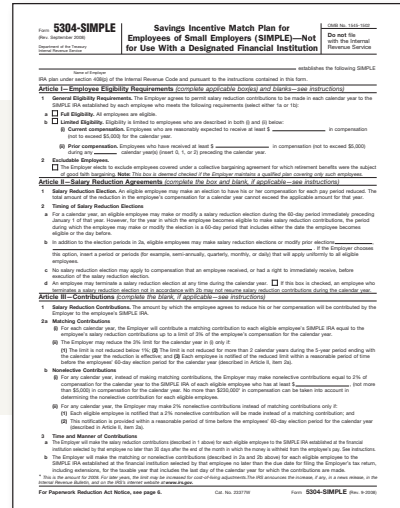
\_\_\_\_\_  
 Name of Person Authorized to Sign on Behalf of Company (including title) / /  
Date

\_\_\_\_\_  
 Signature of Authorized Person / /  
Date

\_\_\_\_\_  
 Company Name

STEP  
**2**

# Understand Your Obligations



You are required to notify all eligible employees regarding the features and eligibility of the SIMPLE IRA plan. To satisfy this obligation, you need to:

- Complete** IRS Form 5304-SIMPLE Articles I through VII and Model Notification to Eligible Employees (**pages 5–10**). You may start a new SIMPLE IRA plan effective on any date from January 1 to October 1, for the current calendar year.
- Retain the original** completed IRS Form 5304-SIMPLE Articles I through VII and Model Notification to Eligible Employees for your records.
- Distribute copies** of completed IRS Form 5304-SIMPLE Articles I through VII and Model Notification to Eligible Employees to all eligible employees during the initial plan setup or when any employee becomes eligible (*at least 60 days before the start of the calendar year in which the employee becomes eligible*).

**On an annual basis**, you must distribute the completed IRS Form 5304-SIMPLE Articles I through VII and the Model Notification to Eligible Employees to all eligible employees at least 60 days before the start of each calendar year.

**NOTE: If information within either form changes during the year, it must be updated before distribution.**

## Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)—Not for Use With a Designated Financial Institution

\_\_\_\_\_ establishes the following SIMPLE

Name of Employer \_\_\_\_\_

IRA plan under section 408(p) of the Internal Revenue Code and pursuant to the instructions contained in this form.

**Article I—Employee Eligibility Requirements** (*complete applicable box(es) and blanks—see instructions*)

- 1 General Eligibility Requirements.** The Employer agrees to permit salary reduction contributions to be made in each calendar year to the SIMPLE IRA established by each employee who meets the following requirements (select either 1a or 1b):
- a**  **Full Eligibility.** All employees are eligible.
- b**  **Limited Eligibility.** Eligibility is limited to employees who are described in both (i) and (ii) below:
- (i) Current compensation.** Employees who are reasonably expected to receive at least \$ \_\_\_\_\_ in compensation (not to exceed \$5,000) for the calendar year.
- (ii) Prior compensation.** Employees who have received at least \$ \_\_\_\_\_ in compensation (not to exceed \$5,000) during any \_\_\_\_\_ calendar year(s) (insert 0, 1, or 2) preceding the calendar year.
- 2 Excludable Employees.**
- The Employer elects to exclude employees covered under a collective bargaining agreement for which retirement benefits were the subject of good faith bargaining. **Note:** *This box is deemed checked if the Employer maintains a qualified plan covering only such employees.*

**Article II—Salary Reduction Agreements** (*complete the box and blank, if applicable—see instructions*)

- 1 Salary Reduction Election.** An eligible employee may make an election to have his or her compensation for each pay period reduced. The total amount of the reduction in the employee's compensation for a calendar year cannot exceed the applicable amount for that year.
- 2 Timing of Salary Reduction Elections**
- a** For a calendar year, an eligible employee may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which the employee becomes eligible to make salary reduction contributions, the period during which the employee may make or modify the election is a 60-day period that includes either the date the employee becomes eligible or the day before.
- b** In addition to the election periods in 2a, eligible employees may make salary reduction elections or modify prior elections \_\_\_\_\_, \_\_\_\_\_. If the Employer chooses this option, insert a period or periods (for example, semi-annually, quarterly, monthly, or daily) that will apply uniformly to all eligible employees.
- c** No salary reduction election may apply to compensation that an employee received, or had a right to immediately receive, before execution of the salary reduction election.
- d** An employee may terminate a salary reduction election at any time during the calendar year.  If this box is checked, an employee who terminates a salary reduction election not in accordance with 2b may not resume salary reduction contributions during the calendar year.

**Article III—Contributions** (*complete the blank, if applicable—see instructions*)

- 1 Salary Reduction Contributions.** The amount by which the employee agrees to reduce his or her compensation will be contributed by the Employer to the employee's SIMPLE IRA.
- 2a Matching Contributions**
- (i)** For each calendar year, the Employer will contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year.
- (ii)** The Employer may reduce the 3% limit for the calendar year in (i) only if:
- (1)** The limit is not reduced below 1%; **(2)** The limit is not reduced for more than 2 calendar years during the 5-year period ending with the calendar year the reduction is effective; and **(3)** Each employee is notified of the reduced limit within a reasonable period of time before the employees' 60-day election period for the calendar year (described in Article II, item 2a).
- b Nonelective Contributions**
- (i)** For any calendar year, instead of making matching contributions, the Employer may make nonelective contributions equal to 2% of compensation for the calendar year to the SIMPLE IRA of each eligible employee who has at least \$ \_\_\_\_\_, (not more than \$5,000) in compensation for the calendar year. No more than \$250,000\* in compensation can be taken into account in determining the nonelective contribution for each eligible employee.
- (ii)** For any calendar year, the Employer may make 2% nonelective contributions instead of matching contributions only if:
- (1)** Each eligible employee is notified that a 2% nonelective contribution will be made instead of a matching contribution; and
- (2)** This notification is provided within a reasonable period of time before the employees' 60-day election period for the calendar year (described in Article II, item 2a).
- 3 Time and Manner of Contributions**
- a** The Employer will make the salary reduction contributions (described in 1 above) for each eligible employee to the SIMPLE IRA established at the financial institution selected by that employee no later than 30 days after the end of the month in which the money is withheld from the employee's pay. See instructions.
- b** The Employer will make the matching or nonelective contributions (described in 2a and 2b above) for each eligible employee to the SIMPLE IRA established at the financial institution selected by that employee no later than the due date for filing the Employer's tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made.

\* This is the amount for 2012. For later years, the limit may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS's internet website at [IRS.gov](http://IRS.gov).

**Article IV—Other Requirements and Provisions**

- 1 Contributions in General.** The Employer will make no contributions to the SIMPLE IRAs other than salary reduction contributions (described in Article III, item 1) and matching or nonelective contributions (described in Article III, items 2a and 2b).
- 2 Vesting Requirements.** All contributions made under this SIMPLE IRA plan are fully vested and nonforfeitable.
- 3 No Withdrawal Restrictions.** The Employer may not require the employee to retain any portion of the contributions in his or her SIMPLE IRA or otherwise impose any withdrawal restrictions.
- 4 Selection of IRA Trustee.** The Employer must permit each eligible employee to select the financial institution that will serve as the trustee, custodian, or issuer of the SIMPLE IRA to which the Employer will make all contributions on behalf of that employee.
- 5 Amendments To This SIMPLE IRA Plan.** This SIMPLE IRA plan may not be amended except to modify the entries inserted in the blanks or boxes provided in Articles I, II, III, VI, and VII.
- 6 Effects Of Withdrawals and Rollovers**
  - a** An amount withdrawn from the SIMPLE IRA is generally includible in gross income. However, a SIMPLE IRA balance may be rolled over or transferred on a tax-free basis to another IRA designed solely to hold funds under a SIMPLE IRA plan. In addition, an individual may roll over or transfer his or her SIMPLE IRA balance to any IRA or eligible retirement plan after a 2-year period has expired since the individual first participated in any SIMPLE IRA plan of the Employer. Any rollover or transfer must comply with the requirements under section 408.
  - b** If an individual withdraws an amount from a SIMPLE IRA during the 2-year period beginning when the individual first participated in any SIMPLE IRA plan of the Employer and the amount is subject to the additional tax on early distributions under section 72(t), this additional tax is increased from 10% to 25%.

**Article V—Definitions**

- 1 Compensation**
  - a General Definition of Compensation.** Compensation means the sum of the wages, tips, and other compensation from the Employer subject to federal income tax withholding (as described in section 6051(a)(3)), the amounts paid for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, and the employee’s salary reduction contributions made under this plan, and, if applicable, elective deferrals under a section 401(k) plan, a SARSEP, or a section 403(b) annuity contract and compensation deferred under a section 457 plan required to be reported by the Employer on Form W-2 (as described in section 6051(a)(8)).
  - b Compensation for Self-Employed Individuals.** For self-employed individuals, compensation means the net earnings from self-employment determined under section 1402(a), without regard to section 1402(c)(6), prior to subtracting any contributions made pursuant to this plan on behalf of the individual.
- 2 Employee.** Employee means a common-law employee of the Employer. The term employee also includes a self-employed individual and a leased employee described in section 414(n) but does not include a nonresident alien who received no earned income from the Employer that constitutes income from sources within the United States.
- 3 Eligible Employee.** An eligible employee means an employee who satisfies the conditions in Article I, item 1 and is not excluded under Article I, item 2.
- 4 SIMPLE IRA.** A SIMPLE IRA is an individual retirement account described in section 408(a), or an individual retirement annuity described in section 408(b), to which the only contributions that can be made are contributions under a SIMPLE IRA plan and rollovers or transfers from another SIMPLE IRA.

**Article VI—Procedures for Withdrawals** *(The Employer will provide each employee with the procedures for withdrawals of contributions received by the financial institution selected by that employee, and that financial institution’s name and address (by attaching that information or inserting it in the space below) unless: (1) that financial institution’s procedures are unavailable, or (2) that financial institution provides the procedures directly to the employee. See **Employee Notification** in the instructions.)*

**Article VII—Effective Date**

This SIMPLE IRA plan is effective \_\_\_\_\_ . See instructions.

\* \* \* \* \*

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
By: Signature Date

\_\_\_\_\_  
Address of Employer

\_\_\_\_\_  
Name and title



### Model Notification to Eligible Employees

#### I. Opportunity to Participate in the SIMPLE IRA Plan

You are eligible to make salary reduction contributions to the \_\_\_\_\_ SIMPLE IRA plan. This notice and the attached summary description provide you with information that you should consider before you decide whether to start, continue, or change your salary reduction agreement.

#### II. Employer Contribution Election

For the \_\_\_\_\_ calendar year, the Employer elects to contribute to your SIMPLE IRA (*employer must select either (1), (2), or (3)*):

- (1) A matching contribution equal to your salary reduction contributions up to a limit of 3% of your compensation for the year;
- (2) A matching contribution equal to your salary reduction contributions up to a limit of \_\_\_\_\_ % (*employer must insert a number from 1 to 3 and is subject to certain restrictions*) of your compensation for the year; or
- (3) A nonelective contribution equal to 2% of your compensation for the year (limited to compensation of \$250,000\*) if you are an employee who *makes at least \$* \_\_\_\_\_ (*employer must insert an amount that is \$5,000 or less*) in compensation for the year.

#### III. Administrative Procedures

To start or change your salary reduction contributions, you must complete the salary reduction agreement and return it to \_\_\_\_\_ (employer should designate a place or individual by \_\_\_\_\_ (*employer should insert a date that is not less than 60 days after notice is given*).

#### IV. Employee Selection of Financial Institution

You must select the financial institution that will serve as the trustee, custodian, or issuer of your SIMPLE IRA and notify your Employer of your selection.

### Model Salary Reduction Agreement

#### I. Salary Reduction Election

Subject to the requirements of the SIMPLE IRA plan of \_\_\_\_\_ (*name of employer*) I authorize \_\_\_\_\_ % or \$ \_\_\_\_\_ (which equals \_\_\_\_\_ % of my current rate of pay) to be withheld from my pay for each pay period and contributed to my SIMPLE IRA as a salary reduction contribution.

#### II. Maximum Salary Reduction

I understand that the total amount of my salary reduction contributions in any calendar year cannot exceed the applicable amount for that year. See instructions.

#### III. Date Salary Reduction Begins

I understand that my salary reduction contributions will start as soon as permitted under the SIMPLE IRA plan and as soon as administratively feasible or, if later, \_\_\_\_\_. (*Fill in the date you want the salary reduction contributions to begin. The date must be after you sign this agreement.*)

#### IV. Employee Selection of Financial Institution

I select the following financial institution to serve as the trustee, custodian, or issuer of my SIMPLE IRA.

\_\_\_\_\_  
Name of financial institution

\_\_\_\_\_  
Address of financial institution

\_\_\_\_\_  
SIMPLE IRA account name and number

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA plan. If the information regarding my SIMPLE IRA is incomplete when I first submit my salary reduction agreement, I realize that it must be completed by the date contributions must be made under the SIMPLE IRA plan. If I fail to update my agreement to provide this information by that date, I understand that my Employer may select a financial institution for my SIMPLE IRA.

#### V. Duration of Election

This salary reduction agreement replaces any earlier agreement and will remain in effect as long as I remain an eligible employee under the SIMPLE IRA plan or until I provide my Employer with a request to end my salary reduction contributions or provide a new salary reduction agreement as permitted under this SIMPLE IRA plan.

Signature of employee \_\_\_\_\_ Date \_\_\_\_\_

\* This is the amount for 2012. For later years, the limit may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at **IRS.gov**.

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

Form 5304-SIMPLE is a model Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) plan document that an employer may use to establish a SIMPLE IRA plan described in section 408(p), under which each eligible employee is permitted to select the financial institution for his or her SIMPLE IRA.

These instructions are designed to assist in the establishment and administration of the SIMPLE IRA plan. They are not intended to supersede any provision in the SIMPLE IRA plan.

Do not file Form 5304-SIMPLE with the IRS. Instead, keep it with your records.

For more information, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

**Note.** If you used the March 2002, August 2005, or September 2008 version of Form 5304-SIMPLE to establish a model Savings Incentive Match Plan, you are not required to use this version of the form.

### Which Employers May Establish and Maintain a SIMPLE IRA Plan?

To establish and maintain a SIMPLE IRA plan, you must meet both of the following requirements:

1. Last calendar year, you had no more than 100 employees (including self-employed individuals) who earned \$5,000 or more in compensation from you during the year. If you have a SIMPLE IRA plan but later exceed this 100-employee limit, you will be treated as meeting the limit for the 2 years following the calendar year in which you last satisfied the limit.

2. You do not maintain during any part of the calendar year another qualified plan with respect to which contributions are made, or benefits are accrued, for service in the calendar year. For this purpose, a qualified plan (defined in section 219(g)(5)) includes a qualified pension plan, a profit-sharing plan, a stock bonus plan, a qualified annuity plan, a tax-sheltered annuity plan, and a simplified employee pension (SEP) plan. A qualified plan that only covers employees covered under a collective bargaining agreement for which retirement benefits were the subject of good faith bargaining is disregarded if these employees are excluded from

participating in the SIMPLE IRA plan. If the failure to continue to satisfy the 100-employee limit or the one-plan rule described in 1 and 2 above is due to an acquisition or similar transaction involving your business, special rules apply. Consult your tax advisor to find out if you can still maintain the plan after the transaction.

Certain related employers (trades or businesses under common control) must be treated as a single employer for purposes of the SIMPLE IRA requirements. These are: (1) a controlled group of corporations under section 414(b); (2) a partnership or sole proprietorship under common control under section 414(c); or (3) an affiliated service group under section 414(m). In addition, if you have leased employees required to be treated as your own employees under the rules of section 414(n), then you must count all such leased employees for the requirements listed above.

### What Is a SIMPLE IRA Plan?

A SIMPLE IRA plan is a written arrangement that provides you and your employees with an easy way to make contributions to provide retirement income for your employees. Under a SIMPLE IRA plan, employees may choose whether to make salary reduction contributions to the SIMPLE IRA plan rather than receiving these amounts as part of their regular compensation. In addition, you will contribute matching or nonelective contributions on behalf of eligible employees (see *Employee Eligibility Requirements* below and *Contributions* later). All contributions under this plan will be deposited into a SIMPLE individual retirement account or annuity established for each eligible employee with the financial institution selected by him or her.

### When To Use Form 5304-SIMPLE

A SIMPLE IRA plan may be established by using this Model Form or any other document that satisfies the statutory requirements.

Do not use Form 5304-SIMPLE if:

1. You want to require that all SIMPLE IRA plan contributions initially go to a financial institution designated by you. That is, you do not want to permit each of your eligible employees to choose a financial institution that will initially receive contributions. Instead, use Form 5305-SIMPLE, Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)—for Use With a Designated Financial Institution;

2. You want employees who are nonresident aliens receiving no earned income from you that is income from sources within the United States to be eligible under this plan; or

3. You want to establish a SIMPLE 401(k) plan.

### Completing Form 5304-SIMPLE

Pages 1 and 2 of Form 5304-SIMPLE contain the operative provisions of your SIMPLE IRA plan. This SIMPLE IRA plan is considered adopted when you have completed all applicable boxes and blanks and it has been executed by you.

The SIMPLE IRA plan is a legal document with important tax consequences for you and your employees. You may want to consult with your attorney or tax advisor before adopting this plan.

### Employee Eligibility Requirements (Article I)

Each year for which this SIMPLE IRA plan is effective, you must permit salary reduction contributions to be made by all of your employees who are reasonably expected to receive at least \$5,000 in compensation from you during the year, and who received at least \$5,000 in compensation from you in any 2 preceding years. However, you can expand the group of employees who are eligible to participate in the SIMPLE IRA plan by completing the options provided in Article I, items 1a and 1b. To choose full eligibility, check the box in Article I, item 1a. Alternatively, to choose limited eligibility, check the box in Article I, item 1b, and then insert "\$5,000" or a lower compensation amount (including zero) and "2" or a lower number of years of service in the blanks in (i) and (ii) of Article I, item 1b.

In addition, you can exclude from participation those employees covered under a collective bargaining agreement for which retirement benefits were the subject of good faith bargaining. You may do this by checking the box in Article I, item 2. Under certain circumstances, these employees must be excluded. See *Which Employers May Establish and Maintain a SIMPLE IRA Plan?* above.

### Salary Reduction Agreements (Article II)

As indicated in Article II, item 1, a salary reduction agreement permits an eligible employee to make a salary reduction election to have his or her compensation for each pay period reduced by a percentage (expressed as a percentage or dollar amount). The total amount of

the reduction in the employee's compensation cannot exceed the applicable amount for any calendar year. The applicable amount is \$11,500 for 2012. After 2012, the \$11,500 amount may be increased for cost-of-living adjustments. In the case of an eligible employee who is 50 or older by the end of the calendar year, the above limitation is increased by \$2,500 for 2012. After 2012, the \$2,500 amount may be increased for cost-of-living adjustments.

### Timing of Salary Reduction Elections

For any calendar year, an eligible employee may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which the employee becomes eligible to make salary reduction contributions, the period during which the employee may make or modify the election is a 60-day period that includes either the date the employee becomes eligible or the day before.

You can extend the 60-day election periods to provide additional opportunities for eligible employees to make or modify salary reduction elections using the blank in Article II, item 2b. For example, you can provide that eligible employees may make new salary reduction elections or modify prior elections for any calendar quarter during the 30 days before that quarter.

You may use the *Model Salary Reduction Agreement* on page 3 to enable eligible employees to make or modify salary reduction elections.

Employees must be permitted to terminate their salary reduction elections at any time. They may resume salary reduction contributions for the year if permitted under Article II, item 2b. However, by checking the box in Article II, item 2d, you may prohibit an employee who terminates a salary reduction election outside the normal election cycle from resuming salary reduction contributions during the remainder of the calendar year.

### Contributions (Article III)

Only contributions described below may be made to this SIMPLE IRA plan. No additional contributions may be made.

#### Salary Reduction Contributions

As indicated in Article III, item 1, salary reduction contributions consist of the amount by which the employee agrees to reduce his or her compensation. You must contribute the salary reduction contributions to the financial institution selected by each eligible employee.

### Matching Contributions

In general, you must contribute a matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contributions. This matching contribution cannot exceed 3% of the employee's compensation. See *Definition of Compensation*, below.

You may reduce this 3% limit to a lower percentage, but not lower than 1%. You cannot lower the 3% limit for more than 2 calendar years out of the 5-year period ending with the calendar year the reduction is effective.

**Note.** If any year in the 5-year period described above is a year before you first established any SIMPLE IRA plan, you will be treated as making a 3% matching contribution for that year for purposes of determining when you may reduce the employer matching contribution.

To elect this option, you must notify the employees of the reduced limit within a reasonable period of time before the applicable 60-day election periods for the year. See *Timing of Salary Reduction Elections* above.

### Nonelective Contributions

Instead of making a matching contribution, you may, for any year, make a nonelective contribution equal to 2% of compensation for each eligible employee who has at least \$5,000 in compensation for the year. Nonelective contributions may not be based on more than \$250,000\* of compensation.

To elect to make nonelective contributions, you must notify employees within a reasonable period of time before the applicable 60-day election periods for such year. See *Timing of Salary Reduction Elections* above.

**Note.** Insert "\$5,000" in Article III, item 2b(i) to impose the \$5,000 compensation requirement. You may expand the group of employees who are eligible for nonelective contributions by inserting a compensation amount lower than \$5,000.

### Effective Date (Article VII)

Insert in Article VII the date you want the provisions of the SIMPLE IRA plan to become effective. You must insert January 1 of the applicable year unless this is the first year for which you are adopting any SIMPLE IRA plan. If this is the first year for which you are adopting a SIMPLE IRA plan, you may insert any date between January 1 and October 1, inclusive of the applicable year.

## Additional Information

### Timing of Salary Reduction Contributions

The employer must make the salary reduction contributions to the financial institution selected by each eligible employee for his or her SIMPLE IRA no later than the 30th day of the month following the month in which the amounts would otherwise have been payable to the employee in cash.

The Department of Labor has indicated that most SIMPLE IRA plans are also subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA). Under Department of Labor regulations at 29 CFR 2510.3-102, salary reduction contributions must be made to each participant's SIMPLE IRA as of the earliest date on which those contributions can reasonably be segregated from the employer's general assets, but in no event later than the 30-day deadline described previously.

### Definition of Compensation

"Compensation" means the amount described in section 6051(a)(3) (wages, tips, and other compensation from the employer subject to federal income tax withholding under section 3401(a)), and amounts paid for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority. Usually, this is the amount shown in box 1 of Form W-2, Wage and Tax Statement. For further information, see Pub. 15, (Circular E), Employer's Tax Guide. Compensation also includes the salary reduction contributions made under this plan, and, if applicable, compensation deferred under a section 457 plan. In determining an employee's compensation for prior years, the employee's elective deferrals under a section 401(k) plan, a SARSEP, or a section 403(b) annuity contract are also included in the employee's compensation.

For self-employed individuals, compensation means the net earnings from self-employment determined under section 1402(a), without regard to section 1402(c)(6), prior to subtracting any contributions made pursuant to this SIMPLE IRA plan on behalf of the individual.

### Employee Notification

You must notify each eligible employee prior to the employee's 60-day election period described above that he or she can make or change salary reduction elections and select the financial institution that will serve as the trustee, custodian, or

\*This is the amount for 2012. For later years, the limit may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS's website at [IRS.gov](http://IRS.gov).

issuer of the employee's SIMPLE IRA. In this notification, you must indicate whether you will provide:

1. A matching contribution equal to your employees' salary reduction contributions up to a limit of 3% of their compensation;

2. A matching contribution equal to your employees' salary reduction contributions subject to a percentage limit that is between 1 and 3% of their compensation; or

3. A nonelective contribution equal to 2% of your employees' compensation.

You can use the *Model Notification to Eligible Employees* earlier to satisfy these employee notification requirements for this SIMPLE IRA plan. A *Summary Description* must also be provided to eligible employees at this time. This summary description requirement may be satisfied by providing a completed copy of pages 1 and 2 of Form 5304-SIMPLE (including the information described in *Article VI—Procedures for Withdrawals*).

If you fail to provide the employee notification (including the summary description) described above, you will be liable for a penalty of \$50 per day until the notification is provided. If you can show that the failure was due to reasonable cause, the penalty will not be imposed.

If the financial institution's name, address, or withdrawal procedures are not available at the time the employee must be given the summary description, you must provide the summary description without this information. In that case, you will have reasonable cause for not including this information in the summary description, but only if you ensure that it is provided to the employee as soon as administratively feasible.

## Reporting Requirements

You are not required to file any annual information returns for your SIMPLE IRA plan, such as Form 5500, Annual Return/Report of Employee Benefit Plan, or Form 5500-EZ, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan. However, you must report to the IRS which eligible employees are active participants in the SIMPLE IRA plan and the amount of your employees' salary reduction contributions to the SIMPLE IRA plan on Form W-2. These contributions are subject to social security, Medicare, railroad retirement, and federal unemployment tax.

## Deducting Contributions

Contributions to this SIMPLE IRA plan are deductible in your tax year containing the end of the calendar year for which the contributions are made.

Contributions will be treated as made for a particular tax year if they are made for that year and are made by the due date (including extensions) of your income tax return for that year.

## Summary Description

Each year the SIMPLE IRA plan is in effect, the financial institution for the SIMPLE IRA of each eligible employee must provide the employer the information described in section 408(l)(2)(B). This requirement may be satisfied by providing the employer a current copy of Form 5304-SIMPLE (including instructions) together with the financial institution's procedures for withdrawals from SIMPLE IRAs established at that financial institution, including the financial institution's name and address. The summary description must be received by the employer in sufficient time to comply with the *Employee Notification* requirements earlier.

There is a penalty of \$50 per day imposed on the financial institution for each failure to provide the summary description described above. However, if the failure was due to reasonable cause, the penalty will not be imposed.

**Paperwork Reduction Act Notice.** You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . 3 hr., 38 min.

**Learning about the law or the form** . . . . 2 hr., 26 min.

**Preparing the form** . . . . 47 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.

**STEP  
3**

# Distribute and Collect Your Employee Applications



- To facilitate the enrollment of an eligible employee, you should:**
- Distribute** the SIMPLE IRA Employee Application including Payroll Agreement to all eligible employees. Please photocopy and distribute.
- Require** your employees to download, read, and retain for their records the following UMB Bank documents:
  - SIMPLE IRA Custodial Agreement
  - UMB Bank Privacy Policy
  - SIMPLE IRA Summary Description

Both documents are available for download at [lordabbett.com](http://lordabbett.com) in the “Forms & Applications” section.
- Instruct** the employee to make a copy of the completed employee application, retain the copy for his/her records, and return original to you (the plan sponsor).
- Retain** copies of the completed employee applications for your records.

**Additional applications are available for download at [lordabbett.com](http://lordabbett.com) in the “Documents & Forms” section.**



**PART I: EMPLOYEE APPLICATION**

**Employee should complete this form, retain a copy for records, and return original to employer.**

**Important information about procedures for opening a new account required by the U.S.A. PATRIOT ACT:** To help the government fight the funding of terrorism and money-laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**Escheatment:** Your property may be transferred to the appropriate state (i.e., escheated) if no activity occurs in the account within the time period specified by state law. For more details, consult your state’s website or call your state government’s escheatment customer service number.

**OPENING AN ACCOUNT**

**When you open an account, we will require:**

- Name
- Social Security number or tax identification number
- Date of birth
- Address

We may ask for other information that will allow us to identify you. We may also ask for copies of documents. If we are unable to obtain your required information, we will return your application. Your moneys will not be invested until we have obtained all required information. Please be sure to review and sign this application under **Step 5**.

**Call Lord Abbett for assistance:** 888-223-0020 (Monday—Thursday between 8:30 a.m.–6:00 p.m. ET and Friday between 8:30 a.m.–4:00 p.m. ET)

**STEP 1: PARTICIPANT REGISTRATION INFORMATION (Military Post Office or Fleet Post Office will be accepted)**

Participant Name (First Name, MI, Last Name)	Social Security Number	/ / Date of Birth (MM/DD/YYYY)
Street Address (P.O. boxes not accepted)	City	State      Zip Code
Email Address	Daytime Phone Number	
Company Name	Plan Number	
Company Address	City	State      Zip Code

**STEP 2: INVESTMENT SELECTIONS (For more information about our funds, visit us at lordabbett.com.)**

Please indicate the fund name, share class, and dollar amount or percentage to be allocated to each fund.

Lord Abbett Fund Name(s)	Share Class (A or C) (If a share class is not selected, Class A shares will be purchased.)	Dollar Amount or Whole Percentage (Total must equal 100%.)
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

I have selected more than four investments and have attached additional investment instructions.

All distributions will be reinvested. Exchange privilege is offered within the same class of shares.

**A prospectus or summary prospectus contains important information about a fund, including investment objectives, risks, charges, and ongoing expenses, which an investor should carefully consider before investing. To obtain a prospectus or summary prospectus on any Lord Abbett mutual fund, please contact your financial advisor or Lord Abbett Distributor LLC at 888-522-2388 or visit our website at lordabbett.com. Read the prospectus carefully before investing.**

**STEP 3: YOUR FINANCIAL ADVISOR'S INFORMATION (This section to be completed by the broker/dealer.)**

Advisor Name (First Name, MI, Last Name)	Representative ID Number	Branch ID Number
Street Address	City	State      Zip Code
Dealer Firm Name	Email Address	Phone Number

**STEP 4: BENEFICIARY DESIGNATION**

If you have an additional primary beneficiary(ies), or wish to designate an additional contingent beneficiary(ies), please attach a separate list. If you cannot accomplish your estate-planning objectives by using Step 4 to designate your beneficiary(ies), you may submit another form of written beneficiary designation to the custodian.

Upon my death, distribute all funds in my SIMPLE IRA as listed below. I revoke all prior beneficiary designations, if any, made by me for these assets.

**I understand that if I do not designate a beneficiary, assets will be paid to my estate.** If the custodian receives satisfactory proof that a primary beneficiary(ies) has predeceased the applicant, the assets will be paid to the contingent beneficiary(ies).

I understand that I may add to or change the beneficiary(ies) designated below at any time after the account is established by filing a new beneficiary designation with the custodian. Any such subsequent beneficiary designation will revoke all prior designations. (If no percentage is specified, the account balance will be shared equally among all designated beneficiaries.) All forms must be acceptable to the custodian and signed by me.

**Primary Beneficiary(ies)** If there is no Primary Beneficiary living at the time of my death, the balance is to be distributed to the Contingent Beneficiaries I designate.

If your beneficiary allocation totals at least 99% but less than 100% (e.g., three named beneficiaries are each assigned a 33.33% interest in the account), Lord Abbett will assign the unallocated remainder to the first beneficiary.

Beneficiary Name (First Name, MI, Last Name), Name of Trust or Trustee	Social Security or Tax ID Number	Birth or Trust Date (MM/DD/YYYY)	Share % <b>(Total Must Equal 100%)</b>	Relationship or Trust
		/ /		
		/ /		
		/ /		
			Total = 100%	

**Contingent Beneficiary(ies)**

Beneficiary Name (First Name, MI, Last Name), Name of Trust or Trustee	Social Security or Tax ID Number	Birth or Trust Date (MM/DD/YYYY)	Share % <b>(Total Must Equal 100%)</b>	Relationship or Trust
		/ /		
		/ /		
		/ /		
			Total = 100%	

**Spousal Consent:** This section should be reviewed if you are married and designate a beneficiary other than your spouse. It is your responsibility to determine if this section applies. If you are married and reside in a community property or marital property state (AZ, CA, ID, LA, NM, NV, TX, WA, or WI), you must obtain your spouse's consent if you have not designated your spouse as the primary beneficiary for at least half of the account. You may need to consult with legal counsel. Neither the custodian nor the plan sponsor is liable for any consequences resulting from your failure to provide proper spousal consent.

I am the spouse of the above-named participant. I acknowledge that I have received a full and reasonable disclosure of my spouse's property and financial obligations. Due to any possible consequences of giving up my community property or marital property interest in this SIMPLE IRA, I have been advised to see a tax professional or legal advisor.

I hereby consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequence that may result.

No tax or legal advice was given to me by the custodian or plan sponsor.

Signature of Spouse	/ /	Signature of Witness	/ /
	Date		Date

**STEP 5: AUTHORIZED SIGNATURE**

**Important: Please read before signing.**

By signing this application, I: (1) establish a SIMPLE Individual Retirement Account pursuant to the Internal Revenue Code of 1986, as amended, and in accordance with all the terms of the Custodial Agreement on Form 5305-SA ("Agreement"), (2) certify that all contributions to the account meet the requirements governing such contributions, (3) appoint UMB Financial Corporation ("UMB Bank"), or its successors, as custodian on the account, (4) state that I have read, accept, and specifically incorporate herein the Agreement and SIMPLE IRA Disclosure Statement and Summary Description available at lordabbett.com, or by calling 888-522-2388, (5) agree to promptly give necessary instructions to the custodian to enable the custodian to carry out its duties under the Agreement, (6) agree that I have received and read the prospectus(es) for the investment(s) selected and that this account will be subject to the prospectus(es) as amended from time to time, and (7) agree that I received and read the Notification to Eligible Employees provided by my employer.

I acknowledge that I must provide accurate information in this application, and that I may incur extra taxes and/or penalties if the information is not accurate; accordingly, I certify under penalties of perjury the accuracy of such information. Under penalties of perjury, I certify that the Social Security number shown on this application is my correct Social Security number. I recognize that neither the custodian nor any mutual fund in which my account may be invested is a bank and that mutual fund shares are not backed or guaranteed by any bank or insured by the FDIC.

By signing below, I represent and warrant that I have consulted with my financial advisor or other non-Lord Abbett fiduciary about my purchase of any mutual fund interests. I also represent and warrant that information that I may have accessed or will access through Lord Abbett's website, fact sheets, or other materials, including, without limitation, investment tools, investment ideas, products or services, are general and/or educational in nature and are not directed to my personal circumstances. I also acknowledge that none of Lord Abbett nor its affiliates have undertaken or will undertake to provide impartial investment advice, act as an impartial adviser, or give advice in a fiduciary capacity or otherwise provide individualized recommendations to me with respect to my retirement account's purchase or holding of any Lord Abbett fund shares or any other Lord Abbett product.

By signing below, I confirm that the information I have provided to the fund is true and correct and understand that my identity may be verified through the use of a database maintained by a third party or through other means.

\_\_\_\_\_  
Participant Signature \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

**Custodian Acceptance.** UMB Bank accepts appointment as Custodian of the Custodial Account. However, this Agreement is not binding upon the Custodian until the Participant has received a statement of the transaction. Receipt by the Participant of a confirmation of the purchase of the Fund shares indicated above will serve as notification of UMB Bank's acceptance of appointment as Custodian of the Custodial Account.

UMB BANK, CUSTODIAN



**PART II: PAYROLL AGREEMENT**

Use this form to elect your payroll contributions.

**STEP 1: PAYROLL INVESTMENT ELECTION**

SIMPLE IRA Employee Contribution Limit		
YEAR	UNDER AGE 50	50 OR OLDER
2021	\$13,500	\$16,500 (\$13,500 + \$3,000 catch up)

Subject to the requirements of the SIMPLE IRA plan of \_\_\_\_\_ (name of employer), I authorize \_\_\_\_\_ % or \$\_\_\_\_\_ to be withheld from my pay for each pay period and invested into my SIMPLE IRA as a pretax salary contribution.

**STEP 2: DATE PAYROLL INVESTMENT BEGINS**

I understand that my payroll investments will start as soon as permitted and as soon as administratively feasible or, if later, \_\_\_\_/\_\_\_\_/\_\_\_\_. (Fill in the date you want payroll investments to begin. The date must be after you sign this agreement.)

**Financial Institution**

UMB Bank will serve as the custodian of my SIMPLE IRA.

**LORD ABBETT DISTRIBUTOR LLC**

Financial Institution Name

**C/O UMB BANK, 330 WEST 9TH STREET, KANSAS CITY, MO 64105-1514**

Financial Institution Address

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA plan. If the information regarding my SIMPLE IRA is incomplete when I first submit my Payroll Investment Agreement, I realize that it must be completed by the date contributions must be made under the SIMPLE IRA plan.

**STEP 3: DURATION OF ELECTION**

This Payroll Investment Agreement replaces any earlier agreement and will remain in effect as long as I remain an eligible employee under the SIMPLE IRA plan, or until I provide my employer with a request to end my payroll investments, or provide a new Payroll Investment Agreement as permitted under this SIMPLE IRA plan.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

**NOTE: The preceding Payroll Investment Agreement is based on the form promulgated by the Internal Revenue Service in Form 5304-SIMPLE.**

STEP

4

## Manage the Plan

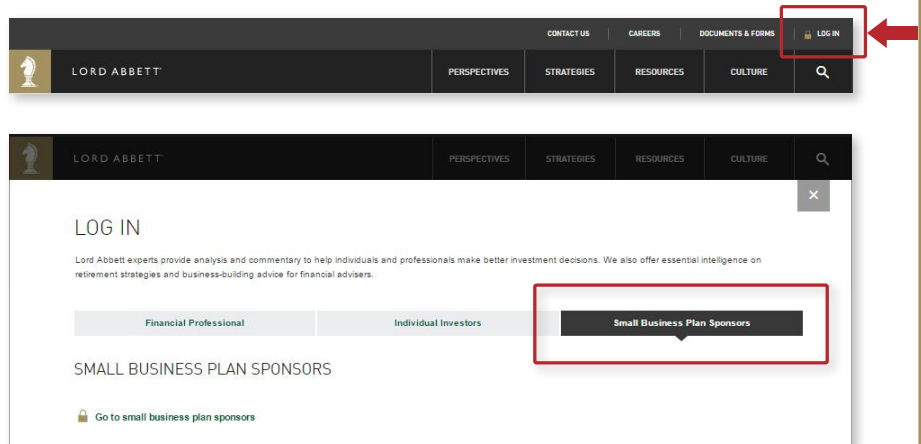
- ✓ To add employees and set up payroll contributions as plan sponsor, you must log on to lordabbett.com.

Upon receipt of your completed SIMPLE IRA Company Profile Form from Step 1, a Lord Abbett Service Center representative will call you to offer assistance with the online process, or you may contact us at 888-522-2388 (option 3), (Monday—Thursday between 8:30 a.m.–6:00 p.m. ET and Friday between 8:30 a.m.–4:00 p.m. ET).

To add eligible employees and set up payroll contributions, please follow these instructions:

- **Log on to lordabbett.com.**
- **Choose “Log In”** in the upper right-hand corner of your screen.
- **Select “Small Business Plan Sponsor”** from the choices listed.
- **Enter your user ID and password.**

(Your user ID and password will be provided to you by our Service Center via telephone call upon inception of the plan.)



## INVESTMENT-LED. INVESTOR-FOCUSED.

As an investment-led firm, we evaluate every decision from an investment perspective in an effort to achieve superior long-term investment performance. Our approach is based on a philosophical belief in active management characterized by teamwork and collaboration, a commitment to research—both fundamental and quantitative—and an adherence to risk management.

As an investor-focused firm, we evaluate every decision from an investor perspective to ensure that we act in the best interest of our clients. We are committed to providing every client with our independent perspective, our breadth of resources, and our range of intelligently designed investment strategies.

We are successful when a strategy is well-designed, process is well-defined, and our investors are well-served.

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the Lord Abbett funds. This and other important information is contained in each fund's summary prospectus and/or prospectus. To obtain a prospectus or summary prospectus on any Lord Abbett mutual fund, contact your investment professional or Lord Abbett Distributor LLC at 888-522-2388 or visit us at [lordabbett.com](http://lordabbett.com). Read the prospectus carefully before you invest.**

The information provided is not directed at any investor or category of investors and is provided solely as general information about Lord Abbett's products and services and to otherwise provide general investment education. None of the information provided should be regarded as a suggestion to engage in or refrain from any investment-related course of action as neither Lord Abbett nor its affiliates are undertaking to provide impartial investment advice, act as an impartial adviser, or give advice in a fiduciary capacity. If you are an individual retirement investor, contact your financial advisor or other fiduciary about whether any given investment idea, strategy, product or service may be appropriate for your circumstances.

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### FOR MORE INFORMATION:

Lord Abbett Client Service 888-522-2388 | Visit us at: [lordabbett.com](http://lordabbett.com)

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