SAMPLE ANNUAL SIMPLE IRA LETTER

Dear Employee:

You are eligible to participate in the SIMPLE-IRA plan our company offers. This notice and the attached Summary Description [you must include your updated Summary Description – this is usually available from the company that provides your SIMPLE IRA plan], provide you with information that you should consider before you decide whether to start, continue, or change your salary reduction contributions.

Company Contributions
One of the features of a SIMPLE plan is that the plan is funded by both employee and company contributions. For the 2015 calendar year, the company has elected to contribute to your SIMPLE-IRA a matching contribution [this could be different for your plan] equal to your salary reduction contributions up to a limit of 3% [this % could be different for your plan] of your compensation for the year.

How to Enroll
If you decide to start or change your salary reduction contributions, you must complete the Salary Reduction Agreement form and return it to [insert your payroll or HR person’s name here] at least 4 business days before the paycheck date you want to begin/change your contribution [this information should comply with your company policy].

Sincerely,

{insert your Company name here}