

**To the Employer:**

- Complete Section 1 and fill in the Effective Date below before providing this form to your Employee.
- After the Employee completes this form and returns it to you, sign it and keep it in your files. Do not return it to Schwab or your investment advisor.

**Effective Date:**

- This Agreement will be effective beginning with the pay period that begins \_\_\_\_\_  
(to be completed by Employer)

**To the Employee:**

- This form specifies how much you want to contribute to your SIMPLE IRA.
- Complete all sections of this Elective Deferral Agreement and sign where indicated.
- Return this form to your Employer (with your completed Participant Account Application, if you are a new participant).

**1. Employer and Plan Information**

Name of Employer \_\_\_\_\_ Name of Plan \_\_\_\_\_  
Employer's Street Address (no P.O. boxes, please) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**2. Employee Information**

Name of Employee \_\_\_\_\_ Employee's Social Security Number \_\_\_\_\_  
Employee's Home Street Address (no P.O. boxes, please) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**3. Terms of Elective Deferral Agreement**

**Limits on Elective Deferrals.** Subject to the requirements of the Employer's SIMPLE IRA Plan, each Employee who is eligible to enroll as a Contributing Participant may set aside a percentage of his or her pay into the Plan ("Elective Deferrals") by signing this Elective Deferral Agreement. This Elective Deferral Agreement replaces any earlier Elective Deferral Agreement and will remain in effect as long as the Employee remains an eligible Employee or until he or she provides the Employer with a new Elective Deferral Agreement as permitted by the Plan. A Participant's Elective Deferrals (excluding Catch-Up Contributions) may not exceed \$10,000 for 2006. For tax

years after 2006, this limit may be increased to reflect cost-of-living increases.

An Employee who is age 50 or older by the end of the year may make Catch-Up Contributions, if the Employer's SIMPLE IRA Plan so provides. Catch-Up Contributions may not exceed \$2,500 for 2006 and thereafter. For tax years after 2006, this limit may be raised to reflect cost-of-living increases.

**Changing This Agreement.** An Employee may change the percentage of pay he or she is setting aside into the Plan. Any Employee who wishes to make such a change must complete and sign a new Elective Deferral Agreement and give it to the

Employer during the Election Period (November 1 to December 31) or any other period the Employer specifies on the Participant Notice/Summary Description.

**Terminating This Agreement.** An Employee may terminate this Elective Deferral Agreement at any time. After terminating this Elective Deferral Agreement, an Employee cannot again enroll as a Contributing Employee until the first day of the year following the year of termination unless the Employer specifies otherwise on the Participant Notice/Summary Description.

**4. Elective Deferral Agreement and Authorization**

I, the undersigned Employee, wish to set aside \_\_\_\_\_% 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 an Elective Deferral Contribution.

I agree that my pay will be reduced in the manner I have indicated above, and I acknowledge that I am responsible for directing the SIMPLE IRA trustee, custodian or issuer concerning the investment of these funds. This Elective Deferral Agreement will continue to be effective while I am employed, unless I change or terminate it as explained under Terminating This Agreement above. I acknowledge that I have read this entire Agreement, I understand it and I agree to its terms. Furthermore, I acknowledge that I have received a copy of the Participant Notice/Summary Description.

I understand that I must establish a SIMPLE IRA to receive any contributions made on my behalf under this SIMPLE IRA Plan. I select the following financial institution to serve as the trustee, custodian or issuer of my SIMPLE IRA:

**SIMPLE IRA Prototype Sponsor and Custodian: Charles Schwab & Co., Inc., 101 Montgomery Street, San Francisco, CA 94104**

Signature: Employee \_\_\_\_\_ Print Name \_\_\_\_\_ Date \_\_\_\_\_ (mm/dd/yyyy)  
Signature: Employer \_\_\_\_\_ Print Name \_\_\_\_\_ Date \_\_\_\_\_ (mm/dd/yyyy)

