

Universal Simplified Employee Pension Plan
ADOPTION AGREEMENT

EMPLOYER INFORMATION

Name of Adopting Employer _____
Address _____
City _____ State _____ Zip _____
Telephone _____ Adopting Employer's Income Tax Year End _____ (month) (day)
Adopting Employer's Federal Tax Identification Number _____

SECTION 1. ESTABLISHMENT AND PURPOSE OF PLAN

There are no elections required for Section One. Refer to the Basic Plan Document for information regarding this section.

SECTION 2. EFFECTIVE DATES *Check and complete Option A or B.*

Option A: This is the initial adoption of a Simplified Employee Pension plan by the Employer.

The Effective Date of this Plan is _____.

NOTE: The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed.

Option B: This is an amendment and restatement of an existing Simplified Employee Pension plan (a Prior Plan).

The Prior Plan was initially effective on _____.

The Effective Date of this amendment and restatement is _____.

NOTE: The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed.

SECTION 3. ELIGIBILITY AND PARTICIPATION *Complete Parts A through D, as appropriate.*

Part A. Service Requirement

An Employee will be eligible to become a Participant in the Plan after having performed service for the Employer during at least _____ (specify 0, 1, 2, or 3) of the immediately preceding five Plan Years.

NOTE: If left blank, the service requirement will be deemed to be 0.

For purposes of determining whether an Employee has met the service requirement, an Employee shall be given credit for service with the following predecessor employer(s). *(Complete if applicable)*

Part B. Age Requirement

An Employee will be eligible to become a Participant in the Plan after attaining age _____ (no more than 21).

NOTE: If left blank, it will be deemed there is no age requirement for eligibility.

Part C. Employees Employed as of Effective Date

Will an Employee employed as of the Effective Date of this Plan who has not otherwise met the age and service requirements of the Plan be considered to have met those requirements as of the Effective Date? *(Select one)*

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 2 shall be deemed to be selected.

Part D. Class of Employees Eligible to Participate

All Employees shall be eligible to become Participants in the Plan, except the following. *(Select any that apply)*

Collective bargaining unit Employees as described in Section 3.02(A) of the Plan.

Non-resident aliens as described in Section 3.02(B) of the Plan.

Acquired Employees as described in Section 3.02(C) of the Plan.

Employees who have received less than \$450 (indexed for cost-of-living increases in accordance with Code section 408(k)(8)) of Compensation from the Employer during the Plan Year as described in Section 3.02(D) of the Plan.

SECTION 4. CONTRIBUTIONS AND ALLOCATIONS *Complete Parts A through C, as appropriate.*

Part A. Contribution Formula *(Select Option 1, 2, or 3)*

Option 1: **Discretionary Formula.** For each Plan Year the Employer will contribute an amount to be determined from year to year.

Option 2: **Fixed Percent of Profits Formula.** _____ percent of the Employer's profits that are in excess of \$_____.

Option 3: **Not Applicable.** The Employer will not make Employer Contributions to this Plan.

NOTE: If no option is selected, Option 1 shall be deemed to be selected.

Part B. Allocation Formula *(Select Option 1, 2, or 3)*

Option 1: **Pro Rata Formula.** The Employer Contribution for each Plan Year shall be allocated in the manner described in Section 4.01(B)(1) of the Plan.

Option 2: **Flat Dollar Formula.** The Employer Contributions allocated to the IRAs of Participants shall be the same dollar amount for each Participant.

Option 3: **Integrated Formula.** The Employer Contribution shall be allocated in the manner described in Section 4.01(B)(2) of the Plan. For purposes of the integrated formula, the integration level shall be: *(Select one)*

Suboption (a): The Taxable Wage Base (TWB).

Suboption (b): _____% of the TWB.

NOTE: If no Suboption is selected, Suboption (a) (Taxable Wage Base) shall be deemed to be selected.

NOTE: If no option is selected in Part B, Option 1 (Pro Rata Formula) shall be deemed to be selected.

Part C. Top Heavy Minimum Allocation

For any Plan Year with respect to which this Plan is a Top-Heavy Plan, any minimum allocation required pursuant to Section 4.02 of the Plan shall be made: *(Select one)*

Option 1: To this Plan.

Option 2: To the following plan maintained by the Employer. *(Specify the name and plan sequence number of the plan)*

NOTE: If no option is selected, Option 1 shall be deemed to be selected.

SECTION 5. COMPENSATION AND PLAN YEAR ELECTIONS *Complete Parts A and B, as appropriate.*

Part A. Compensation

For purposes of Employer Contributions, Compensation will mean all of each Participant's: *(Select one)*

Option 1: W-2 wages.

Option 2: Section 3401(a) wages.

Option 3: 415 safe-harbor compensation.

NOTE: If no option is selected, Option 1 shall be deemed to be selected.

Part B. Plan Year *(Select one)*

Option 1: The 12-consecutive month period which coincides with the Adopting Employer's fiscal year.

Option 2: The calendar year.

Option 3: Other 12-consecutive month period. *(Specify a 12-consecutive month period selected in a uniform and nondiscriminatory manner)*

NOTE: If no option is selected, Option 1 shall be deemed to be selected.

If the initial Plan Year is a short Plan Year *(i.e., less than 12 months)*, specify such Plan Year's beginning and ending dates.

SECTION 6. There are no elections required for Section Six. Refer to the Basic Plan Document for information regarding this section.

SECTION 7. SALARY DEFERRAL SEP PROVISIONS *Complete Parts A through C, as appropriate.*

NOTE: This Section may not be used to establish a new Salary Deferral SEP plan on or after January 1, 1997. You may, however, amend and restate a Salary Deferral SEP plan that was in existence prior to January 1, 1997.

Part A. Limits on Elective Deferrals

A Contributing Participant may elect under a salary reduction agreement to have his or her Compensation reduced by an amount not in excess of \$_____ or _____% of Compensation.

NOTE: A Contributing Participant who attains age 50 on or before the end of the calendar year may elect, if allowed in Section 7, Part C of this Adoption Agreement, to defer an additional amount, in excess of the amount or percentage of Compensation specified above, pursuant to Section 7.07 of the Plan.

Part B. Separate Deferral Election for Bonuses

Instead of or in addition to making Elective Deferrals through payroll deduction, may a Contributing Participant make a separate deferral election to contribute to the Plan, as an Elective Deferral, part or all of a bonus rather than receive such bonus in cash? *(Select one)*

Option 1: Yes.

Option 2: No.

NOTE: If no Option is selected, Option 2 shall be deemed to be selected. A separate deferral election made with respect to a bonus shall not be subject to the limits described under the portion of this Adoption Agreement titled "Limits on Elective Deferrals" unless such limits are prescribed by the Code or related Regulations.

Part C. Catch-Up Contributions

Will Catch-Up Contributions, as described in Section 7.01(B) of the Plan, be permitted under this Plan? *(Select one)*

Option 1: Yes.

Option 2: No.

NOTE: If no option is selected, Option 1 will be deemed to be selected.

SECTION 8. EMPLOYER SIGNATURE

I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal and tax implications of adopting this Plan. I understand that my failure to properly complete this Adoption Agreement may result in adverse tax consequences. I have received a copy of this Adoption Agreement and the Basic Plan Document.

Signature for Adopting Employer _____ Date Signed _____
(Type Name) _____

Name of Prototype Sponsor _____
Address _____
City _____ State _____ Zip _____
Telephone _____