

MERRILL LYNCH SIMPLE RETIREMENT ACCOUNT

Account summary description

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Investment products:

Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

Note: This Summary Description is required to be provided to you, along with your employer's SIMPLE retirement account plan ("SIMPLE Plan") Adoption Agreement or other documentation describing the employer's elections made under the SIMPLE Plan.

Your employer's SIMPLE Plan allows you to make salary reduction contributions to a SIMPLE retirement account maintained with Merrill Lynch ("SRA/IRA") if you meet certain requirements. The SIMPLE Plan may also enable you to receive employer matching or nonelective contributions to your SRA/IRA.

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Please keep in mind that this Summary Description is a summary only. If there is any inconsistency between the SIMPLE Plan (including your employer's Adoption Agreement) or the SRA/IRA Custodial Agreement and related Disclosure Statement, and this Summary Description, the SIMPLE Plan and SRA/IRA documents, and not this Summary Description, will control.

I. Eligibility requirements for participation

To be eligible to participate in the SIMPLE Plan, you must have received at least \$5,000 in compensation during any prior two calendar years and be expected to receive at least \$5,000 in compensation for the coming plan year, unless your employer reduces or waives this compensation requirement as specified in the accompanying materials. Compensation for this purpose includes "elective deferrals," discussed in Section III below, which you make under the SIMPLE Plan. Compensation does not include salary reduction contributions that you make under a "cafeteria plan" or similar arrangement. The plan year is the calendar year. However, the first plan year may be a "short" plan year that generally begins on any date between January 1 and October 1. This requirement does not apply if you are a new business or corporation that comes into existence after October 1 of the year the SIMPLE IRA plan is set up **and** you set up a SIMPLE IRA as soon as administratively feasible after your business comes into existence. The SIMPLE Plan begins on the effective date specified by your employer in the accompanying materials. The plan year is used not only for determining whether you are eligible to participate, but also for measuring the compensation on which your employer's SIMPLE Plan contribution is based, as described in Sections II, III and IV. If the first plan year is a "short" plan year, as described above, your compensation for the "short" plan year will be measured on the basis of the entire calendar year in which the "short" plan year begins.

Employees who are nonresident aliens with no U.S. source income and/or who are covered by a collective bargaining agreement may be excluded from participation in the SIMPLE Plan, as specified by your employer in the accompanying materials.

Your employer will notify you in writing when you are eligible to participate in the SIMPLE Plan.

II. Contributions to your SRA/IRA

An SRA/IRA must be established by you (or by your employer for you) if you are eligible to participate in your employer's SIMPLE Plan. All contributions made under the SIMPLE Plan are tax-deferred and nonforfeitable. That means the assets in your SRA/IRA belong to you and cannot be lost if you terminate employment with your employer.

Employer contributions to your SRA/IRA, discussed in Section IV, must be made by your employer's federal income tax filing deadline, including any extensions, for the employer's tax year in which the plan year ends. Your salary reduction contributions, discussed in Section III below, are required to be made as of the earliest date on which the contributions can reasonably be segregated from the employer's general assets, but in no event later than 30 days after the last day of the month for which the contributions were withheld from pay.

Effective after December 18, 2015, you may roll over your accounts from an employer-sponsored retirement plan (401(a), 403(a), 403(b), or governmental 457(b) plan), Traditional IRA or SEP IRA into the SIMPLE IRA, provided the SIMPLE IRA has been in existence for at least two years.

III. Salary reduction contributions

Your employer will notify you in writing for each plan year that you satisfy the eligibility requirements for participation in the SIMPLE Plan. If you are eligible to participate in the SIMPLE Plan, you will be permitted to make salary reduction contributions of up to 13,500 for 2020.

The 13,500 contribution limit may be increased periodically by the Internal Revenue Service ("IRS") for cost-of-living increases.

Notwithstanding the foregoing, if you are eligible to participate in the SIMPLE Plan and you are age 50 or older by the end of your plan year, your employer will permit you to make additional "catch-up" salary reduction contributions to the SIMPLE Plan if you are restricted from otherwise making any further salary reduction contributions under the SIMPLE Plan. However, your total salary reduction contributions may not exceed your compensation.

If you are eligible for this "catch-up" salary reduction contribution, your contribution limit may be increased by up to:

- \$3,000 for your calendar year beginning in 2020

The \$3,000 additional contribution amount may be increased periodically by the IRS to reflect cost-of-living adjustments under the Internal Revenue Code ("Code"). The total "catch-up" contributions that you may make to all eligible plans maintained by all employers and exclude from income for a year cannot be more than the "catch-up" limit for that year (and for that type of plan). All retirement plans maintained by your employer will be treated as a single plan for purposes of the "catch-up" contribution limit.

These contributions, like all other SIMPLE Plan contributions, will be excluded from your gross income for federal income tax purposes; but, unlike other SIMPLE Plan contributions, they are considered wages subject to Social Security taxes paid by you and your employer and federal unemployment tax paid by your employer.

If you elect to have elective deferrals made under the SIMPLE Plan, contributions will be made pursuant to a salary reduction agreement with your employer. Deferrals cannot be made by you based on compensation you received: before the effective date of the SIMPLE Plan, or before the execution of a salary reduction agreement between you and your employer, specified in the accompanying materials, whichever is later.

If you receive written notice that you have satisfied the eligibility requirements for a plan year, you will have the 60-day period specified by your employer in the notice to decide whether to begin making elective deferrals to the SIMPLE Plan for the plan year or, if you already participate in the SIMPLE Plan, to increase or decrease your current rate of deferrals for the plan year. Normally, this 60-day "election period" will be the 60-day period immediately before the plan year begins (i.e., November 2 through December 31).

When you first become eligible to make elective deferrals under the SIMPLE Plan, your 60-day "election period" will be specified by your employer in the written notice. The "election period" will be a 60-day period that includes either:

- The day you become eligible or
- The day before you first become eligible.

In addition to the 60-day "election periods," your employer may permit you to increase or decrease your deferral elections at other times as specified in the accompanying materials. You may stop making elective deferrals at any time during the plan year, but you may not resume deferrals until the beginning of the next plan year, unless resumption of elective deferrals is permitted as specified in the accompanying materials.

IV. Employer contributions

There are two types of employer SIMPLE Plan contributions: "employer matching contributions" and "employer nonelective contributions." Your employer is required to match your elective deferrals (including additional salary reduction contributions you make because you are age 50 or older) dollar for dollar up to 3% of your compensation for any plan year. Your employer may elect to match a lower percentage of your compensation (but not below 1%) for two years out of the last consecutive five. If your employer elects to match a lower percentage, you will receive a written notice within a reasonable time before the 60-day election period for the plan year begins.

Instead of making a matching contribution, your employer may elect to make a contribution to all eligible employees who:

- Satisfy the participation requirements (whether or not they made salary reduction contributions to the SIMPLE Plan for the plan year);
- Have at least \$5,000 of compensation for the plan year; or
- Otherwise meet the requirements as specified in the accompanying materials.

This contribution will be equal to 2% of each employee's compensation. If your employer elects to make this alternative contribution, you will receive a written notice within a reasonable time before the 60-day election period for the plan year begins.

V. Compensation

"Compensation" generally means wages included in the "Wages, Tips and Other Compensation" box on the IRS Form W-2 for the plan year. If the first plan year is a "short" plan year that begins on a date other than January 1, with the exception of compensation used to determine your elective deferrals, compensation is determined on the basis of compensation received for the entire calendar year, not just the compensation received after the effective date of the Plan.

Compensation for purposes of making elective deferrals does not include compensation you received before the effective date of the SIMPLE Plan or before the execution of a salary reduction contribution agreement between you and your employer, specified in the accompanying materials, whichever is later.

If you are self-employed—for example, a partner or sole proprietor—your compensation is your reported "net earnings from self-employment" for the calendar year. Your net earnings will include earnings that are not subject to self-employment tax because you claimed an exemption based on religious grounds.

Whether you are an employee or a self-employed individual, your compensation is calculated by adding in any elective deferral amounts excluded from your income as salary reduction contributions, except for salary reduction contributions under your employer's cafeteria plan.

For 2020, not more than \$285,000 (periodically adjusted for inflation by the IRS) of your compensation is used in determining the 2% nonelective employer contribution described in Section IV.

VI. Procedures for transfers and withdrawals from your SRA/IRA

You may make a withdrawal from your SRA/IRA at any time and for any reason, subject to income tax and, possibly, subject to a penalty tax for "early" withdrawals (as described below), i.e., by completing a Merrill Lynch SRA/IRA distribution form. Distributions from your SRA/IRA must begin by April 1 following the year in which you reach age 70½, whether or not you are employed and are receiving contributions. (Please see the additional comments regarding Required Minimum Distributions.)

Federal income taxes are required to be withheld from your withdrawal at a flat rate of 10%, unless you specify otherwise on the distribution form. If you choose not to have taxes withheld, or if the 10% withheld is not sufficient, 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.

A 10% penalty tax applies to withdrawals made prior to your attaining age 59½. This 10% penalty tax is increased to 25% for withdrawals from your SRA/IRA prior to your participation in the SIMPLE Plan (or any other SIMPLE Plan maintained by your employer) for two years.

A withdrawal from your SRA/IRA will not be subject to the "early" distribution penalty taxes (neither the 10% nor the 25% penalty tax) if you meet one of the following criteria:

1. You are age 59½ or older;
2. You are totally and permanently disabled;
3. You receive withdrawals in "substantially equal periodic payments";
4. Your beneficiary or estate receives distributions from your SRA/IRA on account of your death;
5. You are unemployed and the distributions do not exceed amounts you paid for health insurance premiums;
6. The distributions do not exceed your deductible medical expenses for the tax year;
7. The distributions are used to pay "qualified higher education" expenses;
8. The distribution is used within 120 days by a "first-time home buyer" to pay certain costs of acquiring a principal residence; or
9. The distributions are made on account of a federal tax levy on the SRA/IRA.

With the exception of distributions required to be made when you reach age 70½, you may generally avoid the income and penalty taxes on withdrawals from your SRA/IRA by "rolling over" the withdrawn amount within 60 days after you receive the withdrawal to one of the following:

- Another SIMPLE retirement account;
- A traditional IRA, SEP IRA, qualified retirement plan, 403(a), 403(b), or eligible governmental 457 plan if you have participated in the SIMPLE Plan (or in any other SIMPLE plan maintained by your employer) for two years. You can also roll over to a Roth IRA, but this results in current-year taxation.

The 60-day rollover requirement may be waived by the Secretary of the Treasury under certain circumstances, including casualty, disaster, or other events beyond your reasonable control.

You can "roll over" amounts withdrawn from your SRA/IRA to another SIMPLE retirement account or another eligible IRA only once within any one-year period, beginning on the date you receive the withdrawal. This rule applies to each IRA you own, including your SRA/IRA. You must report rollovers on your IRS Form 1040 for the year in which the withdrawal was made.

You may also avoid the income and penalty taxes by "transferring" the cash and securities in your SRA/IRA directly to another SIMPLE Plan retirement account. If you have participated in the Plan (or in any other SIMPLE plan maintained by your employer) for two years, you may also transfer these assets to another IRA or qualified plan by completing an SRA/IRA distribution form or by instructing the receiving IRA trustee or custodian to request the funds in your SRA/IRA.

Required Minimum Distributions (RMDs): Once you reach age 70½, the Tax Code mandates that you start RMDs for the year you reach age 70½ and each subsequent year. RMDs must begin in the calendar year you reach that age, or no later than April 1 of the following year (your required beginning date or "RBD"). If you wait, however, until the following year to make the first RMD, you will have to make a second RMD before the end of that calendar year. While making your RMD, you may still withdraw any additional amount you desire from your SRA/IRA. If you fail to make the RMD, you may be subject to a penalty tax of 50% on the difference between your RMD amount and your actual distribution amount.

Your employer may not require you to keep any part of the contributions made to your SRA/IRA under the SIMPLE Plan in the SRA/IRA, or otherwise restrict your right to a withdrawal from your SRA/IRA. You may establish your SRA/IRA with the financial organization of your choice. However, certain costs and fees may be charged against your SRA/IRA held with the financial organization if you transfer your SRA/IRA balance to another IRA or individual retirement annuity.

In order to process an SRA/IRA withdrawal/transfer, you will have to complete an SRA/IRA distribution form. If you are requesting a transfer you can also instruct the receiving trustee or custodian to request the funds from your SRA/IRA.

The foregoing discussion is only a summary of the procedures for, and effects of, withdrawals (including rollovers and transfers) from the SIMPLE Plan. Please refer to your Merrill Lynch SRA/IRA Disclosure Statement for more detailed information about withdrawals.

VII. Excess contributions

Contributions made to your SRA/IRA that exceed allowable limits are called “excess” contributions. If you do not “correct” excess contributions, you will be subject to an annual 6% penalty tax. You may correct excess contributions by withdrawing them (along with any related earnings or losses) by the due date (plus extensions) for filing your tax return (normally April 15).

Excess contributions left in your SRA/IRA may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals. For more information about tax consequences related to retirement plans, including, but not limited to, excess contributions, consult your tax advisor.

VIII. Military service

You have a period equal to the lesser of five years from the date of your reemployment, or three times the period of your military service, to make the additional elective deferrals. Your compensation for purposes of the “make-up” contributions is the amount you would have otherwise received from the employer during the period of your military service. If it is not reasonably certain what that compensation would be, it is your average compensation from the employer during the 12-month period immediately before your military service began.

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 elective deferrals up to the maximum amount you would have been permitted to contribute during your period of military service, if you had actually been employed by the employer during the period. You are also entitled to any employer matching contributions contingent on any such elective deferrals that you actually make, or the 2% employer contribution described in Section IV made for any plan year during your period of military service, if you would have been eligible to receive such contribution.

IX. Investment decisions

You have the responsibility of directing the investments in your SRA/IRA. In accordance with section 404(c)(2) of ERISA, neither your employer, nor its officers, nor any other SIMPLE Plan fiduciary, has any responsibility or liability for any losses that may result from your exercise of control over your SRA/IRA.

You are treated as exercising control over your SRA/IRA on the first to occur of the following:

1. Your election among investment options with respect to the initial investment of any contribution to the SIMPLE Plan;
2. Your rollover to any other SIMPLE retirement account or individual retirement plan; or
3. One year after your SRA/IRA is established.

X. Tax credit

You may be eligible for a nonrefundable tax credit of up to 50% of the first \$2,000 of “qualified retirement savings contributions,” provided your adjusted gross income is within specified limits. “Qualified retirement savings contributions” include, for example, contributions to an IRA; elective employee deferrals to a qualified retirement plan, a SIMPLE IRA or salary reduction simplified employee pension plan (“SARSEP”); elective deferrals under an eligible deferred compensation plan maintained by a state or local government; and voluntary employee contributions to a qualified retirement plan. The amount of the tax credit is calculated by multiplying the first \$2,000 of your “qualified retirement savings contributions” by the applicable percentage, which is determined in accordance with the following table:

Adjusted gross in						
%	Joint return		Head of household		All other cases	
	OVER	NOT OVER	OVER	NOT OVER	OVER	NOT OVER
50		\$38,500		\$28,875		\$19,250
20	\$38,501	\$41,500	\$28,876	\$31,125	\$19,251	\$20,750
10	\$41,501	\$64,000	\$31,126	\$48,000	\$20,751	\$32,000
0	\$64,000		\$48,000		\$32,000	

For purposes of calculating the tax credit, your “qualified retirement savings contributions” may be reduced by certain distributions from certain retirement plans and IRAs made in the same tax year, the two preceding tax years, and the period after the tax year and before the due date for filing your return for the tax year. Distributions received by your spouse are treated as distributions to you for purposes of reducing your “qualified retirement savings contributions” if you file a joint return for the tax year in which your spouse received the contribution. For more information on tax credits, contact your tax advisor.

XI. Amendments to the SIMPLE Plan

Your employer will inform you of any amendments to the SIMPLE Plan or if it has decided to terminate the SIMPLE Plan.

XII. Plan sponsor/plan administrator address

Employer: _____

Address: _____

XIII. Plan custodian address

Merrill Lynch, Pierce, Fenner & Smith Incorporated
 Retirement Plan Services
 1400 American Blvd, MSC 0403
 Pennington, NJ 08534-4128

[Note to employer: If another custodian/Trustee is used, insert here.]

