



## CONTRIBUTION WORKSHEET

### ESTIMATING EMPLOYER CONTRIBUTIONS FOR YOUR SIMPLE-IRA PLAN

To help you estimate what it may cost your company to offer the SIMPLE-IRA Plan, we've designed the following worksheet. After you complete it, you'll be able to estimate and compare the costs for the two employer contribution options. Note, too, that under the Employer Matching Contribution example, you can estimate both the standard 3% match as well as the 1% reduced match available in any two out of five years. Just

keep in mind that your actual contributions may vary each year — depending on several variables, including the number of eligible employees, their compensation, the number of employees who elect to make salary reduction contributions, and the amount of their contributions. In addition, this worksheet does not reflect the effect of FICA, FUTA, RRTA, and state or local taxes on employee salary reduction contributions.

#### Option 1: Employer Matching Contribution

	Example	Your Company
1. Average Annual Pre-Tax Compensation of Eligible Employees Who May Contribute to the Plan	\$40,000	_____
2. Average % Salary You Estimate Participants Will Defer to the Plan	5%	_____
3. Average Annual Participant Contribution (Multiply Line 1 by Line 2, not to exceed \$10,500 for 2008)	\$2,000	_____
4. Total Number of Eligible Employees Who May Contribute to the Plan	10	_____

#### 3% Match

5a. Average Annual Employer Matching Contribution per Employee: 3% Match (Multiply Line 1 by 3%; not to exceed \$10,500 for 2008)	\$1,200	_____
5b. Total Estimated Annual Employer Matching Contribution With 3% Match Option (Multiply Line 4 by Line 5a); or	\$12,000	_____

#### 1% Match

6a. Average Annual Employer Matching Contribution: 1% Reduced Match, two out of any five years (Multiply Line 1 by 1%)	\$400	_____
6b. Total Estimated Annual Employer Matching Contribution With Reduced 1% Match Option (Multiply Line 4 by Line 6a)	\$4,000	_____

#### Option 2: Employer Non-elective Contribution

1. Average Annual Pre-Tax Compensation of Your Eligible Employees	\$40,000	_____
2. Average Annual Employer Contribution Per Eligible Employee (Multiply Line 1 by 2%; not to exceed \$4,500 for 2008)	\$800	_____
3. Total Number of Eligible Employees	10	_____
4. Total Estimated Annual Employer Contribution With 2% Non-elective Contribution Option (Multiply Line 2 by Line 3)	\$8,000	_____

Note: You can switch between these two contribution options each year (provided certain notification requirements are met).

Maximum annual employer contribution limit per participating employee is 3% of an employee's compensation up to \$10,500 for 2008 (\$13,000 if 50 or older in 2008).

THIS WORKSHEET ASSUMES THAT THE AVERAGE PERCENTAGE OF SALARY DEFERRED BY EMPLOYEES IS  
3% OR MORE