

August 30, 2024

2024 annual SIMPLE IRA 60-day notice mailing: plan sponsor letter

Dear SIMPLE IRA Plan Sponsor:

Every year, the IRS mandates that you send a letter to notify employees who will become eligible for your SIMPLE IRA plan in the upcoming year. This letter must include information about your employer contribution formula, a copy of the SIMPLE IRA participation notice and summary description, and must be sent 60 days before the plan year begins. Employees eligible for the 2025 plan year must be notified by November 1, 2024, and failure to do so on time can lead to IRS penalties. This information will help your employees determine their contribution to the plan.

This is also a good time of year to review your plan to decide if you would like to make changes to your employer contribution formula. Last year's employer contributions are shown in Section 3 of your 2024 SIMPLE IRA participation notice and summary description. As a reminder, you have three contribution options:

Employer matching contribution

1. A dollar-for-dollar match of up to 3% of compensation, where only the participating employees who have elected to make contributions will receive an employer contribution.
2. A dollar-for-dollar match that is at least 1% but less than 3% of compensation, where only the participating employees who have elected to make contributions will receive an employer contribution. (Please remember that you cannot choose a percentage less than 3% for more than two years during the five-year period that ends with, and includes, the year for which the choice is effective.)

Nonelective contribution

3. A 2% non-elective employer contribution, where employees eligible to participate in the plan receive an employer contribution equal to 2% of their compensation regardless of whether they make their own contributions.

The sample employee letter and required forms are available on our digital platform, **John Hancock Simple Pay**. To access the site and these materials, please visit jhinvestments.com/#login and select "I'm a plan administrator." The link to the SIMPLE IRA Employee Election Notice packet, containing the sample letter and forms is located in the upper left corner. You can easily customize the sample letter and materials as indicated below and distribute them to your employees before November 1, 2024.

- Sample employee letter: Customize the letter with your company's information, as needed. Then indicate your firm's 2025 contribution to the plan and directions for returning the completed forms.
- SIMPLE IRA participation notice and summary description: Complete the form and provide a copy to each employee with the participant letter.
- Salary reduction agreement: Add the effective date—January 1, 2025—in Section 2 and provide a copy to each employee.

Employees who have not participated in the plan before must also receive a SIMPLE IRA adoption agreement and prospectuses for the John Hancock Investment Management mutual funds selected by your plan.

You do not need a login ID to access the Employee Election Notice documents, however, all Simple IRA plan administrators are **required to enroll and submit contributions online** through **John Hancock Simple Pay**. Our digital platform is easy to navigate and is completely free to use. If you have *not yet enrolled*, please don't delay and enroll today. Simply click on "Request Access" when you navigate to the Simple Pay platform, and you'll be able to submit the Simple Pay access form electronically to get set up.

If you need additional materials or have any questions about your plan, please contact your investment professional or call John Hancock at 800-432-1969.

2024 annual SIMPLE IRA plan 60-day notice mailing: sample employee letter

Dear Employee:

We are pleased to announce that you're eligible to participate in [your company name]'s Savings Incentive Match Plan (SIMPLE) IRA plan for the 2025 calendar year. This letter and the enclosed SIMPLE IRA participation notice and summary description provide important information to help you decide how much to contribute to the plan through your elective deferrals. Because we want to help you build your retirement savings, [your company name] will make [insert one of the options below to complete the sentence].

a dollar-for-dollar matching contribution of up to 3% of your compensation.

a dollar-for-dollar matching contribution of up to [insert x%] of your compensation.

a contribution equal to 2% of your compensation.

We have chosen John Hancock Life & Health Insurance Company as the custodian for your SIMPLE IRA plan.

For detailed information on any of the John Hancock Investment Management mutual funds, including charges, expenses, and risks, please refer to the funds' prospectuses. Prospectuses for John Hancock mutual funds are available from [name of individual at company, if applicable], online at jhinvestments.com, or by calling John Hancock Investment Management at 800-432-1969. Always read a fund's prospectus carefully before investing.

This plan provides a convenient way to help you save for the future and help build the funds you will need for retirement. Here are key benefits for participating in the plan:

- Your elective deferrals, or contributions, are deducted automatically from your paycheck, making it easier to stick to a regular savings schedule.
- Your contributions are deducted from your compensation on a pretax basis. This means that all federal and most state taxes are calculated on what you make after your SIMPLE IRA contribution is deducted, so you're being taxed on less money than you earn.
- Earnings on both your contributions and [your company name]'s contributions made on your behalf, grow on a tax-deferred basis. That is, you don't have to pay taxes on the growth in your account until you start taking money out.

[Insert instructions for returning the necessary forms, details about the enrollment meeting, if you plan to have one, and who to contact with questions.]

We hope you'll take advantage of this exciting new retirement benefit to help you prepare for your financial future.

Sincerely,

[Insert name of your company's representative]

SIMPLE IRA participation notice and summary description

Introduction

Instructions

Please use this form to establish, continue, or change the salary reduction agreement for your SIMPLE IRA plan. This information should be reviewed in full and with care before changes are made.

Special considerations

This form should NOT be returned to John Hancock; it should be retained by the employer.

Questions about this form?

☎ 800-432-1969

Contact us:

☎ 800-432-1969

📍 jhinvestments.com

☑ **This form should be retained by the employer.**

1. General information

Employer information

Name of employer

Address

City

State

Zip code

Trustee/custodian/issuer information

JOHN HANCOCK LIFE & HEALTH INSURANCE CO.

Name of trustee, custodian, or issuer

P. O. BOX 219909

Address

KANSAS CITY

MO

64121-9909

City

State

Zip code

2. Eligibility requirements

Opportunity to participate

This form is intended, in part, to notify you of your right to choose, during the election period, to make elective deferrals under the Savings Incentive Match Plan for Employees (SIMPLE IRA plan) established by your employer. The election period is generally the 60-day period before the beginning of each year and the 60-day period before the first day you become eligible to participate. This notice includes a summary description of your employer's SIMPLE IRA plan.

Eligible employees

You may become eligible to participate in this plan unless you are:

- covered by the terms of a collective bargaining agreement in which retirement benefits were negotiated.
- a nonresident alien with no U.S. earned income from your Employer.
- an employee due to an acquisition or similar transaction involving your employer.

Compensation and service

To become eligible to participate in the plan, you must have earned \$5,000 during any two preceding years and you must be reasonably expected to earn such amount during the current year, unless otherwise specified below.

You're required to earn at least \$_____ (may not exceed \$5,000) during any _____ (may not exceed two) preceding years to be eligible to participate in the plan. You must also be reasonably expected to earn at least \$_____ (may not exceed \$5,000) during the current year.

3. Plan contributions

Financial institution

Your employer has has not elected to make all contributions to a designated financial institution.

If contributions aren't required to be made to a designated financial institution, you must select the financial organization that will serve as trustee, custodian, or issuer of your SIMPLE IRA and notify your employer by providing a completed salary reduction agreement.

If contributions are required to be made to a designated financial institution, you may transfer the balance in your SIMPLE IRA, without cost or penalty, from the designated financial institution to a SIMPLE IRA at the financial organization of your choice. To do so, you must request a transfer during the election period or during any other period as allowed by the designated financial institution. On request, the designated financial institution will periodically transfer your balance.

3. Plan contributions (continued)

Elective deferrals

By completing a salary reduction agreement, you agree to make elective deferrals to this plan. Your compensation will be reduced each pay period by an amount equal to the percentage of your compensation that you specify on the salary reduction agreement. Generally, your elective deferrals (excluding catch-up contributions) may not exceed \$16,000 for 2024 (after 2024, this limit may be increased to reflect a cost-of-living adjustment).

Catch-up contributions will will not be permitted under the plan.

If catch-up contributions are available under the plan and you'll attain age 50 on or before the end of the year, you're eligible to make catch-up contributions. Your catch-up contributions may not exceed \$3,500 for 2024 (after 2024, this amount is subject to cost-of-living adjustments).

Beginning in 2025, the catch-up contribution limit for participants aged 60 through 63 is the greater of \$5,000 or 150% of the 2025 catch-up contribution limit. For years beginning after December 31, 2025, these amounts may be adjusted annually for cost-of-living adjustments.

Mandatory increased elective deferral and catch-up contribution limits

If your employer employed no more than 25 employees who received at least \$5,000 in compensation in the previous calendar year and didn't offer a retirement plan under Internal Revenue Code (IRC) Section 401(a), 403(a), or 403(b) to the same employees during a three-taxable-year period preceding the year that they established the SIMPLE plan, you may defer up to 110% of the 2024 elective deferral and catch-up contribution limits. For years beginning after December 31, 2024, this amount may be adjusted annually for cost-of-living adjustments.

Optional increased elective deferral and catch-up contribution limit

If your employer employed 26 to 100 employees who earned \$5,000 or more in the previous calendar year and didn't offer a retirement plan under IRC section 401(a), 403(a), or 403(b) to the same employees during a three-taxable-year period preceding the year the SIMPLE plan was established, your employer may allow you to defer up to 110% of the 2024 elective deferral limit and catch-up contribution limit. For years beginning after December 31, 2024, this amount may be adjusted annually for cost-of-living adjustments. If your employer chooses to allow the increased elective deferral and catch-up contribution limit, the matching contribution or nonelective contribution must also be increased.

Increased elective deferrals and catch-up contributions will will not be permitted under the plan.

If your employer employs no more than 25 employees who received at least \$5,000 in compensation in the previous calendar year, you may defer up to 110% of the 2024 elective deferral limit.

You may change the amount of your elective deferrals by completing and signing a revised salary reduction agreement during the election period or any other period specified below.

You may discontinue making elective deferrals at any time during the year by completing and signing a revised salary reduction agreement. You're allowed to commence making elective deferrals the first day of the year following the year you cease deferring unless otherwise specified below.

Employer contributions

For calendar year _____, your employer will make matching contributions equal to 100% of your elective deferrals that don't exceed 3% of your compensation, unless your employer elects to make either the alternative matching contribution or the nonelective contribution described in options 1 and 2, respectively, below.

Option 1 Matching contributions in an amount equal to your elective deferrals that don't exceed _____% (must not be less than 1%). The matching contribution will be increased to 4% of your compensation if your employer has chosen to allow for the optional increased elective deferral limit.

Option 2 Nonelective contributions equal to 2% of compensation on behalf of each participant who earns at least \$5,000 during the year, unless a different dollar amount is specified below. The nonelective contribution will be equal to 3% of your compensation if your employer has chosen to allow the optional increased elective deferral limit.

You're required to earn at least \$_____ (may not exceed \$5,000) during the year to be eligible to receive nonelective contributions.

Additional nonelective contributions (employer must indicate if additional nonelective contributions will be made under the plan)

Your employer may choose to make additional nonelective contributions of up to the lesser of 10% of compensation or \$5,000 on behalf of each participant.

Option 1 Additional nonelective contributions will not be made under the plan.

Option 2 Additional nonelective contributions in the amount of _____% (must not exceed 10%) of compensation will be made to participants under the plan.

4. Distributions

The following is a summary of the rules applicable to distributions from SIMPLE IRAs. You're advised to refer to your SIMPLE IRA documents and/or seek the assistance of a qualified tax advisor if you have additional questions.

Procedures

SIMPLE IRA assets are fully vested and may be withdrawn at any time, subject to taxes and penalties, as explained below. The trustee, custodian, or issuer of your SIMPLE IRA, and not your employer, is responsible for making distributions to you at your request.

Federal income tax

Distributions from SIMPLE IRAs are generally taxed as ordinary income in the year in which you receive them. In addition, federal income-tax withholding will be applied to your distribution at a rate of 10%, unless you specify a different rate or waive your right to withholding.

Penalties

A 25% early withdrawal penalty tax generally applies to SIMPLE IRA distributions taken within two years of your initial participation in the plan, unless you're age 59½ or older or can claim an exemption from the early distribution penalty described in IRC Section 72(t)(6). If you're under age 59½, have satisfied the two-year requirement, and receive a distribution, you'll be subject to a 10% early distribution penalty tax.

Rollovers

SIMPLE IRA distributions may be rolled over to other SIMPLE IRAs. If a SIMPLE IRA distribution is properly rolled over, your rollover amount will be excluded when determining the amount of your federal income tax or early distribution penalty tax. You may roll over SIMPLE IRA distributions to traditional IRAs, qualified retirement plans, tax-sheltered annuities, and governmental 457(b) deferred Compensation plans. However, you must wait two years from the date you become a participant before doing so.

Required minimum distributions

If you were born before July 1, 1949, you're required to begin taking minimum distributions from your SIMPLE IRA at the attainment of age 73 in accordance with IRS regulations.

Procedures for withdrawal

If you wish to take a distribution from your SIMPLE IRA, you must complete a withdrawal authorization, provided by the trustee, custodian, or issuer of your SIMPLE IRA. In addition, the following procedures apply to you when requesting a distribution:

Procedures regarding transfers

The following additional rules and procedures apply to transfers of your balance in your SIMPLE IRA:


Introduction


Instructions

Use this form if you wish to reduce your compensation and direct the proceeds to your SIMPLE IRA account. This agreement is between you and your employer. This agreement, and any changes to it, should be filed directly with your employer. This form should not be sent to John Hancock. Read all sections of this salary reduction agreement before signing. Please print in all capital letters and use black ink.

Contact us

 **Website**
jihinvestments.com

 **Phone**
800-432-1969

 **Return instructions**
See the end of this document for return instructions.

1. General information

Employer and plan information

Plan name

Name of the employer

Employer's address

City

State

Zip code

Employee information

First name

MI

Last name

Address

City

State

Zip code

Employee's number

Social Security number

2. Terms of agreement (To be completed by your employer)

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 salary reduction agreement. This salary reduction agreement replaces any earlier salary reduction 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 salary reduction agreement, as permitted by the plan. A participant who is aged 50 or older by the end of the year may be allowed to make catch-up contributions. A contributing participant's elective deferrals (excluding catch-up contributions) may not exceed \$15,500 for 2023 and \$16,000 for 2024 (this amount is subject to cost-of-living adjustments).

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 salary reduction agreement and give it to the employer during the election period or any other period the employer specifies on the participation notice and summary description.

Terminating this agreement—An employee may terminate this salary reduction agreement. After terminating this salary reduction agreement, an employee cannot again enroll as a contributing participant until the first day of the year following the year of termination or any other date the employer specifies on the participation notice and summary description.

Effective date—This salary reduction agreement will be effective for the pay period that begins _____.

3. Authorization and investment selection (To be completed by the employee)

Elective deferral agreement

I, the undersigned employee, wish to set aside, as elective deferrals, _____% or \$_____ (which equals _____% of my current rate of pay) into my employer's SIMPLE IRA plan by way of payroll deduction.

Note: If you're eligible to defer, your SIMPLE IRA plan permits catch-up contributions, and you've attained age 50 before the close of the plan year, you may make catch-up contributions under the SIMPLE IRA Plan. Certain limits, as required by law, must be met prior to being eligible to make catch-up contributions. Your election above will pertain to elective deferrals, which may include catch-up contributions. See your employer for additional information, including the catch-up contribution limit for the year.

I agree that my pay will be reduced in the manner I have indicated above, and I affirmatively elect to have this amount contributed to the investments listed below. This salary reduction agreement will continue to be effective while I am employed, unless I change or terminate it, as explained in Section 2. I acknowledge that I have read this entire salary reduction agreement, I understand it, and I agree to its terms. Furthermore, I acknowledge that I have received a copy of the participation notice and summary description.

SIMPLE IRA provider

John Hancock Funds, LLC

Name
200 Berkeley Street
Address
Boston MA 02116
City State Zip code

Investment options

Please indicate your fund selection for contributions to your SIMPLE IRA. Your selection here should match your selection on the SIMPLE IRA adoption agreement (Form 1). You may only use this form to select John Hancock Investment Management mutual funds.

Name of fund	Percentage (%)	Name of fund	Percentage (%)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
			Total: 100%

For direct transfers and rollovers

Total amount of checks attached: \$_____ (Make checks payable to John Hancock Signature Services, Inc.)

SIGN HERE _____ Date signed (MM/DD/YYYY)
Signature of the employee

SIGN HERE _____
Name of the employee (Print or type)

SIGN HERE _____ Date signed (MM/DD/YYYY)
Authorized signature for the employer

Introduction

Instructions

Please use this form to enroll in John Hancock Simple Pay or to update an existing plan. John Hancock Simple Pay allows plan administrators to manage and submit SIMPLE IRA plan contributions to John Hancock Signature Services, Inc. (John Hancock) over a secure internet site. Please visit jhinvestments.com or call 800-231-0376 for more information and step-by-step instructions on using the system.

Questions about this form?

☎ 800-231-0376

Contact us:

☎ 800-231-0376

🌐 jhinvestments.com

☑ See the end of this document for return instructions

1. Type of request

Please indicate the purpose of your request by marking the appropriate box below.

- Establish new access to John Hancock Simple Pay
 Amend bank information on an existing plan
 Update plan administrator on an existing plan
 Update company details or address on an existing plan
 Update plan administrator contact information

2. Company information

Company name

Street address

City

State

Zip code

Plan name

Plan ID number, if existing plan

3. Add or update plan administrator access

Please add and extend access to the individual named below. All fields should be completed. This section may also be used to update the contact information for an existing plan administrator. If you would like to provide access to multiple individuals, please copy this page and attach as an additional sheet.

Plan administrator's name (First)

(Last)

Title

Department

Email address

Phone number

4. Remove plan administrator access

Please remove the following individual from having access. All fields should be completed.

Plan administrator's name (First)

(Last)

Title

Department

Email address

Phone number

5. Bank information

Attach a preprinted voided check or bank deposit slip, preprinted with your account information (starter checks will not be accepted). For security purposes, the bank account should match the company or plan name provided in Section 2. If you do not have a preprinted voided check or bank deposit slip, please include a letter from your financial institution (on their letterhead) that indicates the following information: the routing/ABA number, the account number, the account type (checking or savings), and the owner(s) of the bank account. The letter must be signed by an authorized party at the financial institution along with all account owner(s) to certify that the information provided is correct. Note: For ACH system transactions, your bank must be a member.

Establish the service(s) between the accounts identified and my:

- Checking account
 NOW/money market/savings account.

Bank name _____

Street address _____

City _____

State _____

Zip code _____

Bank routing number _____

Bank account number _____

- I have included a preprinted voided check or bank deposit slip, preprinted with my account information.

6. Signature

I certify that I am an authorized signer for the company listed in Section 2. I approve and designate the individual(s) named above as plan administrator(s) and authorize their access to manage and submit plan contributions. I acknowledge and understand that users are bound to comply with the Terms and Conditions accepted at first login. As the authorized signer of the bank account referenced in Section 5, I authorize John Hancock to credit or debit the the bank account according to the instructions provided on this form or otherwise. This authority is to remain in effect until I revoke it, in writing, and until you actually receive such notice, I agree that you shall be fully protected in honoring any such transactions. If any credit or debit should be dishonored, whether with or without cause and whether intentionally or inadvertently, John Hancock shall be under no liability whatsoever. John Hancock shall not have any obligation to verify or determine the accuracy, validity, or completeness of the information provided by the plan administrator(s), and shall not be held responsible for errors resulting from the receipt of inaccurate, invalid, or incomplete information. I will notify John Hancock immediately if a user is not to have access or has terminated employment with the company. John Hancock will not be held liable for the misuse of these services.

PRINT
HERE

Print name and title of authorized signer

SIGN
HERE

Signature of authorized signer

Date (MM/DD/YYYY)

7. Mail

This form may be sent to us by fax, at the fax number shown below. Alternatively, you may also enclose and mail it to us. If you are establishing a new plan, you can expect to receive an operator ID and temporary password via the email address provided in Section 3, within 10 business days of our receipt.



Fax
888-524-6160



Regular Mail
John Hancock Signature Services, Inc.
P.O. Box 219909
Kansas City, MO 64121-9909



Express Mail
John Hancock Signature Services, Inc.
430 West 7th Street
Suite 219909
Kansas City, MO 64105-1407


Investment Management

John Hancock Investment Management Distributors LLC, Member FINRA, SIPC
200 Berkeley Street, Boston, MA 02116, 800-225-5291, jhinvestments.com
NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE. NOT INSURED BY ANY GOVERNMENT AGENCY.