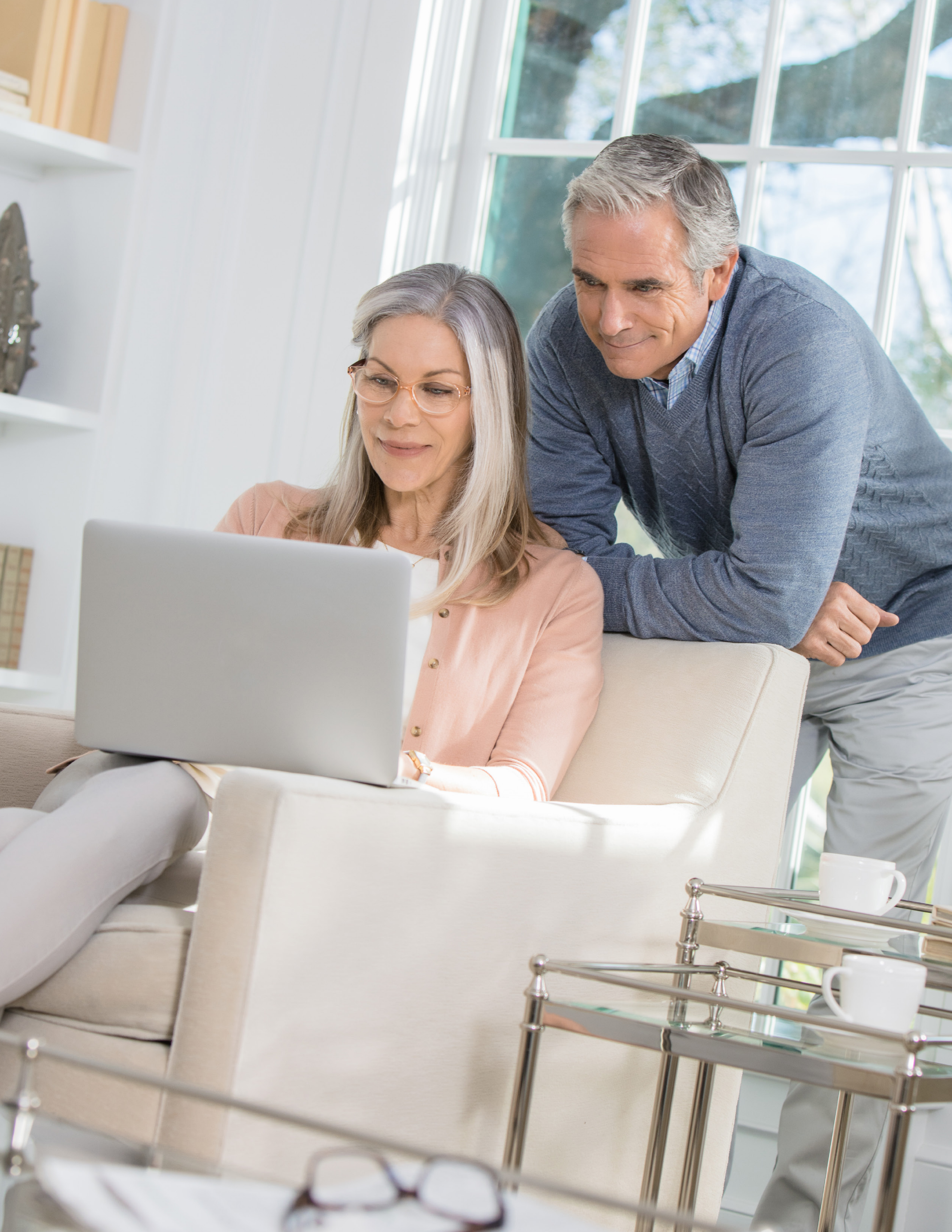
WELLS FARGO Advisors

SIMPLE IRA retirement plan

Information for employees

Investment and Insurance Products: • NOT FDIC Insured • NO Bank Guarantee • MAY Lose Value



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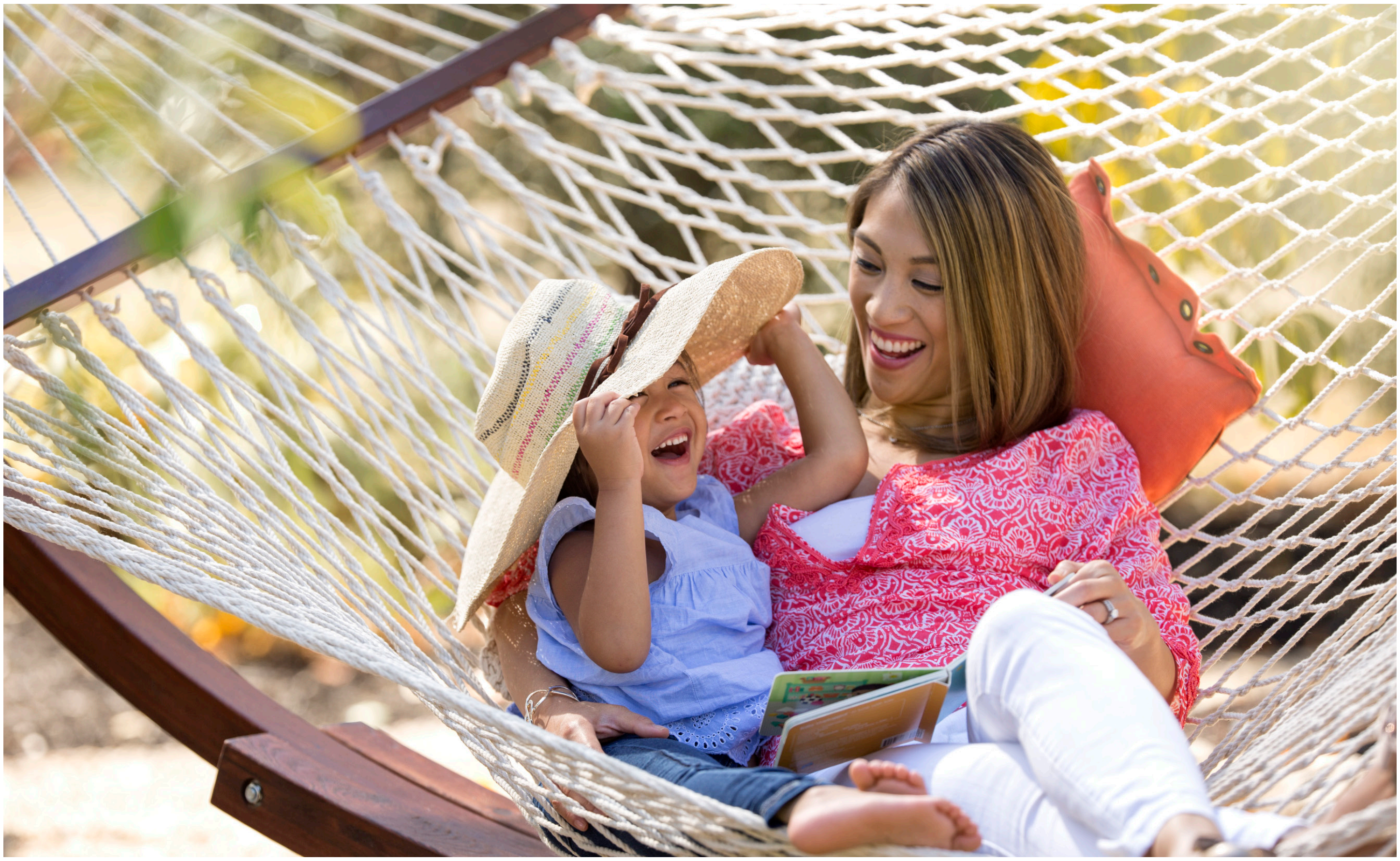


Introduction

Like many Americans, you're probably concerned about whether you'll have enough savings to live comfortably in retirement. That's understandable because the uncertainty about Social Security's future has changed the retirement landscape. As a result, personal savings are more essential now than ever before to help ensure you achieve your retirement goals.

Your employer understands this challenge and is offering you an easy way to save — a SIMPLE (Savings Incentive Match Plan for Employees) retirement plan. This plan offers significant tax benefits while you're working and can help you build personal wealth for your retirement years.

As the name suggests, the plan's rules are pretty straightforward:

- Your employer will let you know whether you're eligible to participate.
- If you're eligible and choose to participate, you will need to open a SIMPLE IRA account.
- You will decide how much (up to $16,000 in 2024 if you are younger than age 50 or $19,500 if you are age 50 or older by the end of the year) you want deducted from your paycheck — and your taxable income — and contributed to your SIMPLE IRA.
- Your employer will take care of ensuring your contributions are made each payday.
- In addition to your contributions, your employer will make contributions to your account.
- You will decide how to invest the contributions in your account.
- Contributions to your account will have the opportunity to grow tax-deferred.
- Withdrawals from your SIMPLE IRA will be subject to taxation, and if you take them before you reach age 59½, they may be subject to a 10% IRS additional tax.*

*The additional tax is increased to 25% for withdrawals prior to age 59½ if taken during the two-year period after your first contribution.

Now is the time to start

Take advantage of this valuable benefit today! The sooner you establish your SIMPLE IRA, the sooner you can put your money to work toward the financial future you desire.

How a SIMPLE IRA benefits you

- Participation is easy. After you enroll, your employer will take care of making your contributions.
- Your contributions will be deducted from your taxable income, potentially resulting in lower taxes.
- You can contribute as much or as little as you feel comfortable with — up to the lesser of 100% of your annual compensation or the contribution limits as discussed on page 3.
- If you participate, your employer will add money to your account. Not participating could essentially mean passing up “free money” from your employer.*
- You control how your contributions are invested to help you achieve your financial goals.
- Your SIMPLE IRA belongs to you — even if you leave the company.

*If your employer elects to make a non-elective contribution (discussed on page 7), you will not have to contribute in order to receive your employer’s contribution; however, you will need to have a SIMPLE IRA account.

The Wells Fargo Advisors SIMPLE IRA

The Wells Fargo Advisors SIMPLE IRA gives you the ability to structure your investment program around your goals. Whether your goal is growth, high income, or safety of principal, a self-directed SIMPLE IRA lets you decide how the funds contributed are invested, so you can be as aggressive or conservative as your objectives and risk tolerance allow. The information provided by Wells Fargo Advisors can assist you, but it should not be the primary basis of your investment decisions.

Competitive investment options

With a Wells Fargo Advisors SIMPLE IRA, you can choose from a wide variety of investment alternatives, including stocks, mutual or money market funds, government and corporate bonds, and unit investment trusts or advisory products.

Ability to monitor your account

You will receive a monthly (or quarterly, if there is no investment activity) individual account statement that reflects the current value of your account assets. You also have online access to account and investment information 24 hours a day, 7 days a week.

Account protection

Wells Fargo Advisors is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to $500,000 (including $250,000 for claims for cash). An explanatory brochure is available upon request or at **sipc.org**.

Above and beyond SIPC coverage, Wells Fargo Advisors maintains additional insurance coverage through London Underwriters (led by Lloyd's of London Syndicates), (referred to here as "Lloyds"). For clients who have received the full SIPC payout limit, Wells Fargo Advisors' policy with Lloyds provides additional coverage above the SIPC limits for any missing securities and cash in client investment accounts up to a firm aggregate limit of $1 billion (including up to $1.9 million for cash per client). In other words, the aggregated amount of all client losses covered under this policy is subject to a limit of $1 billion with each client covered up to $1.9 million for cash.

Lloyd's is the world's specialist insurance market. The business written at Lloyd's is brought to specialist syndicates, who price and underwrite risk, via brokers and cover holders. Currently, A.M. Best has given Lloyd's a financial strength rating of "A (Excellent) Stable Outlook." For more information about Lloyd's, please visit **lloyds.com**.

The limits of SIPC and Lloyds's insurance coverage

Please note that coverage provided by SIPC and Lloyd's does not protect against the loss of market value of securities. All coverage is subject to the specific policy terms and conditions.

Frequently asked questions

Why should I participate?

Retirement can be expensive. Experts estimate that you'll need between 70% and 80% of your pre-retirement income to maintain your standard of living when you stop working.

You can also expect to live longer in retirement than your parents or grandparents did. If you're married, at age 65 you can expect that one of you will live another 26 years,* and signs point to even longer life spans in the future. Simply put, the longer you live, the more money you are likely to need.

Social Security currently pays about 40% of the average retiree's income.† Although those monthly checks will help, they may not be enough to ensure a comfortable retirement.

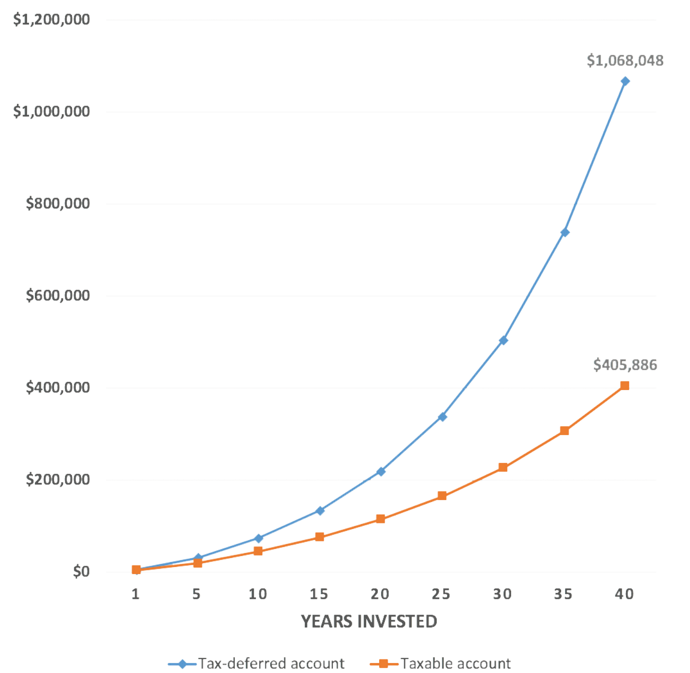
One of the primary benefits of contributing to a SIMPLE IRA is that your contributions have the opportunity to grow tax-deferred. In other words, you won't be taxed on any growth in your account each year; however, withdrawals will be taxable and may be subject to an IRS additional tax if you're younger than age 59½ when you take them.

As a result of tax-deferred growth, you'll likely end up having more money in retirement than you would have if the same amounts were contributed to an account subject to annual taxation. As the chart (above, right) demonstrates, the benefits of tax-deferred growth can be dramatic.

*"Joint Life and Last Survivor Expectancy Table," IRS Publication 590-B. Table II.
†Source: Social Security Administration, 2018.

This chart illustrates a hypothetical 7% rate of return on a $5,000 pre-tax annual investment. If you were in the 32% tax bracket, you can see that after 40 years, you would practically double your account's value versus what you would have if the earnings were taxed each year. Your investment would be worth more than $1 million, as opposed to $405,886 in a taxable investment.

On your tax-deferred investment, if you withdrew the money all at once at the end of the period and paid taxes at the 32% rate, you would still end up with approximately $726,273 — that's approximately $320,387 more than the taxable account's value.



These figures are for illustrative purposes only and do not reflect the actual performance of any specific investments. Investing involves risk including the possible loss of principal. The assumed rate of return in the hypothetical example has been provided solely for illustrative purposes and is not guaranteed.

Lower tax rates on capital gains and dividends may result in more favorable returns on taxable investments, thereby reducing the difference in performance between the accounts shown. You should consider your personal investment horizon and income-tax brackets, both current and anticipated, when making an investment decision as these may further affect the results of the comparison.

Fees and charges are not reflected in the illustration and would reduce the performance shown if they were.

For most people, the core of their retirement savings comes from their own efforts. Start to take charge of your retirement future by participating in your employer's SIMPLE IRA. You may be allowed to enroll only once a year. Don't miss this opportunity to start saving for your retirement today.

Am I eligible to participate in my employer's SIMPLE IRA Plan?

You are eligible to participate if you earned at least $5,000 from your employer in any two prior years and are expected to earn at least $5,000 during the current year. (Your employer may reduce these eligibility requirements, so refer to the "Notification to Eligible Employees" you received from your employer for more details.) Certain union employees and nonresident alien employees may be excluded from your employer's SIMPLE IRA plan.

Will my employer make contributions into my account?

Your employer is required to either match your pre-tax contributions dollar-for-dollar up to 3% of your compensation or make a non-elective contribution equal to 2% of your compensation. (Your employer can reduce the matching contribution rate to as little as 1% for two out of every five consecutive years.) However, if your employer chooses to match employee contributions, they will not contribute to your account unless you elect to contribute under the plan. Due to SECURE Act 2.0, beginning in 2024, your employer may choose to make an optional contribution that is uniform and does not exceed the lesser of 10% of compensation or $5,000 (indexed for inflation).

When will I find out how much my employer is contributing?

Your employer will notify you at least 60 days before the beginning of each plan year regarding which contribution formula they will be using. If they choose to make the non-elective contribution for 2024, compensation is limited to $345,000 (subject to annual IRS cost-of-living adjustments). You are not required to contribute to the plan to receive this contribution.

When will my account be vested?

All contributions to your SIMPLE IRA account, whether made by you or your employer, are 100% vested immediately. In other words, they're yours to keep, even if you leave your employer.

How much should I contribute?

After working with you to determine your investment goals, a financial advisor from Wells Fargo Advisors can help you estimate how much you should contribute each year to help you work toward your objectives. One of the tools he/she can use is our planning process, which could help you in quantifying your retirement needs and charting a savings and investment course.

The bottom line is that you should consider signing up and contributing as soon as possible through convenient payroll deductions. Any amount you contribute today could help make your retirement years more comfortable, secure, and enjoyable.

Can I change my contribution amount?

You can always increase or decrease your pre-tax contribution rate within the 60-day period before the start of each year in which your employer offers a SIMPLE IRA plan. Refer to the "Notification to Eligible Employees" you received from your employer to see if you can modify your pre-tax contribution rate at other times during the year. Also, you always have the ability to stop your payroll deduction. However, keep in mind that if you discontinue your pre-tax contributions, your employer may not let you start again until the beginning of the next year.

Will I pay any fees?

There is no fee to establish your SIMPLE IRA account at Wells Fargo Advisors. Normal commissions and transaction fees will apply depending on the types of investments you select for your account. These commissions are considered a cost for the security and cannot be billed separately.

How will my contributions be taxed?

The amount that you contribute to the SIMPLE IRA plan is not included as taxable wages on your Form W-2. However, your contributions are subject to Social Security and Medicare payroll taxes. Your employer's contributions are not subject to current taxes. You do not need to file additional forms with the IRS as a result of your participation in your employer's plan unless you take early distributions from your SIMPLE IRA account. Due to SECURE Act 2.0, Roth contributions are allowed in SIMPLE IRAs. However, your employer must have chosen to offer the option and your SIMPLE IRA custodian must be able to allow for Roth contributions.

Can I take withdrawals from my account?

To help achieve your savings goals, it's important to keep your money working for you. However, if you must make a withdrawal, the following IRA distribution rules apply in general to SIMPLE IRAs:

- The IRS discourages withdrawals from IRAs if you are younger than age 59½. Unless there's a permitted exception, an IRS 10% additional tax usually applies for withdrawals prior to age 59½. However, the additional tax is increased to 25% for withdrawals made during the two-year period starting on the date you made the first contribution to your account. This additional tax is in addition to the ordinary income tax that will be due on assets you withdraw from your SIMPLE IRA. There are certain exceptions to the tax, including withdrawals:
  - For your beneficiaries in the event of your death
  - For you if you become disabled
  - Made as part of a series of substantially equal periodic withdrawals, not less frequently than annually, made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and a designated beneficiary
  - Used to pay certain medical expenses in excess of 10% of your adjusted gross income (AGI)
  - Used to pay health insurance premiums if you become unemployed
  - Used for limited "first time" home purchases
  - Used for qualified higher education expenses
  - For reservists called to active duty
- You must begin taking annual withdrawals from your SIMPLE IRA account no later than April 1 of the year following the year in which you reach age 73.
- Withdrawals are permitted at any time. Your employer may not require that any portion of the contributions be retained in your SIMPLE IRA account or otherwise impose withdrawal restrictions.

Will I be able to borrow from my account?

Loans from your SIMPLE IRA account are not legally permitted.

Investing for your retirement

Although your financial advisor is your best source for investment services, here is some basic information about the types of investments you may wish to consider for your SIMPLE IRA:

- Equity securities, or stocks, represent ownership in a corporation. You can own equities by purchasing equity mutual funds or individual stocks.
- Fixed-income securities, typically bonds, are debt instruments. They are issued by corporations, governments, or municipalities in return for lending them money. You can purchase fixed-income securities directly or through bond mutual funds.

Investment returns of mutual funds may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

- Cash alternatives are considered lower risk investments because they seek to preserve capital Cash alternatives include, but are not limited to, FDIC-insured savings accounts and CDs (The FDIC standard deposit insurance amount per depositor per insured depository institution for each account ownership category is $250,000)

Asset allocation guidelines*

Not all investments perform the same during any given timeframe. Allocating your assets among a variety of investments — known as diversifying — may reduce the effects of market fluctuations, up or down, on your investments.

Once you've decided to start saving for retirement, you need to determine your appropriate asset allocation, which is important because each asset class (stocks, bonds, and cash alternatives) has its own fundamental strengths and weaknesses. You are likely to change your asset allocation as you move through different stages in life.

The 20s and 30s: Starting to save for retirement in your 20s or 30s can put you in a great position. Potentially, your money could have 45 years or longer to grow. Starting to save at such a young age affords you the opportunity to develop an investment plan with a higher return potential. In general, the longer your investment time horizon, the better you should be able to withstand the inevitable volatility of a more risky investment class, such as stocks.

The 40s and 50s: During this life stage, you will likely experience your peak income-earning years. It's also possible that other needs (college tuition, etc.) will begin to compete for the same dollars that you would have used toward your retirement goals. Although the time horizon is getting shorter, you still could be as much as 15 to 25 years from your anticipated retirement date. Long-term growth is still likely your number-one retirement-savings goal. However, not losing what you've earned might be of growing importance.

The 60s: At this point, your retirement date is likely to be right around the corner, and your main concern may be maintaining your standard of living throughout your retirement years. You may want to consider moving a good portion of your retirement savings out of riskier, growth-oriented investments and into more conservative, income-oriented ones. However, you will likely spend many years in retirement, so maintaining an element of growth investments in your portfolio may help you keep pace with inflation.

* Asset allocation does not eliminate the risk of fluctuating prices and uncertain returns.

A word about investing

Investing involves risk, including the possible loss of principal. When deciding how to invest your retirement savings among the different asset classes, it is important to understand the relationship between a security's volatility and its return. Volatility refers to the likelihood that a security's return will differ from what is expected. The more volatility associated with a security or asset class, the higher the investment's return (or loss) potential over time should be.

When investing among stocks, bonds, and cash alternatives, remember that stocks are typically more volatile than bonds, and bonds typically are more volatile than cash alternatives. Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. Investments in fixed-income securities are subject to market, interest rate, credit and other risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and/or principal. This risk is heightened in lower rated bonds. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than original cost upon redemption or maturity.

Your financial advisor will be happy to discuss investment principles with you in more detail. You should also consult with your tax advisor before making any tax-related investment decision.

Other important information

Availability of traditional IRA contribution deduction

In addition to any SIMPLE salary reduction contributions, you may contribute the lesser of either the current IRA contribution limit or 100% of your compensation to a:

- Traditional IRA
- Roth IRA (if you meet the eligibility requirements)
- Combination of the two

However, the deductibility of any traditional IRA contribution is subject to various limitations since, as a SIMPLE plan participant, you will be considered an active participant in an employer-sponsored plan. Consult your tax advisor regarding the deductibility of any traditional IRA contribution you make.

Rollovers and direct transfers

You may withdraw funds from your SIMPLE IRA and deposit those funds into another SIMPLE IRA, IRA, or employer-sponsored plan within 60 days. This is a tax-free "rollover" and may be done without penalty only once within a 365-day period. You may make more frequent "transfers" if you arrange to have the funds transferred directly between the trustees or custodians so that you never have possession of the funds. However, a tax-free rollover or transfer to an IRA that is not a SIMPLE IRA or to an employer-sponsored plan cannot be made within the first two years you participate in your employer's SIMPLE plan. If your SIMPLE IRA is at Wells Fargo Advisors, transfers to another SIMPLE IRA within Wells Fargo Advisors may be made without cost or penalty (other than costs or penalties resulting from any sales, liquidation, or transfer of investments you have selected for your SIMPLE IRA). The "Individual Retirement Account Fee Schedule" can be obtained from your financial advisor.

Required distributions after age 73

By April 1 of the year following the year in which you reach age 73, you must receive **either:**

- The entire balance in your SIMPLE IRA
- Periodic distributions from your SIMPLE IRA

Regardless of your chosen alternative, the amounts you receive could be subject to taxation.

If you choose to receive periodic distributions, you must receive at least a minimum amount for each year starting with the year you reach age 73. Distributions must be made over your lifetime based on the IRS's required minimum distribution (RMD) rules. If you have more than one IRA (or SIMPLE IRA), you must determine the RMD separately for each IRA; however, you may add up these amounts and take the total from any one or more of the IRAs.

If the distributions you receive are less than your RMD for any tax year, you may have to pay a 25% excise tax for that tax year on the amount not distributed as required. The 25% penalty may be reduced to 10% if the RMD is corrected in a timely manner. The "SIMPLE IRA Disclosure Statements and Custodial Account Agreement" for your IRA or SIMPLE IRA, explains how RMDs may be calculated for each account. Your financial advisor can provide a copy of this document.

Information on your employer's SIMPLE plan

For every year your employer sponsors this SIMPLE plan, they must provide you with a copy of the "SIMPLE IRA Plan Employee Notice" (containing eligibility requirements and a description of how contributions may be made) and the "Salary Deferral Form" (which you should use to elect deferral amounts for your SIMPLE IRA) and a statement showing any contributions to your SIMPLE IRA.

At Wells Fargo Advisors, your employer fulfills the annual contribution statement requirement through the periodic brokerage statements you receive for your SIMPLE IRA account. You should retain these statements for more than one year in order to evaluate your IRA's investment performance as well as to report IRA distributions for tax purposes.

In addition, you may obtain IRS Publication 590-A Contributions to Individual Retirement Arrangements (IRAs) or 590-B Distributions from Individual Retirement Arrangements (IRAs) for more specific information by calling 1-800-TAX-FORM, or from **irs.gov.** Finally, you should consult with your tax advisor on all decisions you make concerning your SIMPLE IRA account.

Excess deferrals

If you work for other employers unrelated to this employer that also maintain a salary deferral plan, there is an overall contribution limit on the amount you may defer in each calendar year to all of the employers' plans. Your 2024 calendar year limit on salary deferrals is ($19,500 if you're age 50 or older by the end of the plan year) for SIMPLE plans. Beginning in 2024, the contribution limits will increase based on the number of employees in the SIMPLE. If your company has 25 or fewer employees: the deferral limit increases to 110% of SIMPLE IRA plan limit (indexed) and the catch-up contribution limit at age 50 to 110% of the SIMPLE IRA plan limit indexed). If your firm has 26 to 100 employees, it can provide higher deferral limits only if the employer provides either a 4% employer match – or – 3% employer non elective.

If you participate in a 401(k), 403(b), or salary reduction SEP plan in addition to this employer's SIMPLE plan, your aggregate salary deferral limit between all the plans for 2024 is $23,000 ($30,500 if you're age 50 or older by the end of the plan year). SIMPLEs have a catch-up limit of $3,500 in 2023 but will increase to the greater of (i) $5,000 or (ii) 150% of the regular catch-up contribution) for individuals age 60 to 63 beginning in 2025.

You are responsible for calculating whether you have exceeded your limit for a calendar year. You should withdraw "excess deferrals" (that is, amounts greater than your salary deferral limit) and any earnings on the excess deferral amounts from your SIMPLE IRA or other deferral plan by April 15 of the year following the year to which the deferrals relate.

Excess deferrals will be included in your gross income for the calendar year of deferral. Income on the excess deferrals is included in your income for the year of withdrawal. These amounts may not be transferred or rolled over tax-free to another IRA or SIMPLE IRA. The rules for determining earnings related to excess elective deferrals and other excess SIMPLE contributions are the same as those governing traditional IRA excess contributions.

If you fail to withdraw excess deferrals made to a SIMPLE IRA by the deadline, the excess deferrals will be subject to the IRA contribution limitations and thus may be considered an excess contribution to your IRA. Such excess deferrals may be subject to a 6% excise tax for each year they remain in your SIMPLE IRA.

If you don't withdraw the earnings on excess deferrals by the deadline, they may be subject to a 10% additional tax (25% if withdrawn within the first two years of participation) on early distributions. See "IRS Publication 590-B, Distributions from Individual Retirement Arrangements" for more specific information.