



# SEP-IRA Application - Employer

## Saturna Capital Simplified Employee Pension (SEP) Individual Retirement Account Application and Custodial Agreement

For office use only

Reg# \_\_\_\_\_  
SBS# \_\_\_\_\_

To be completed by each eligible participating employee.  
Return completed forms and contributions to your company's plan administrator.

If you have questions or need help filling out this form, call us toll-free any time at **1-800-SATURNA (1-800-728-8762)**. Be sure you complete all steps or your application cannot be processed.

Mail completed forms and contributions to:  
*(Email or fax is not accepted)*

**Saturna Capital**  
**P.O. Box N**  
**Bellingham, WA 98227-0596**

### Section A. Funding

#### Initial Funding Source:

- Check - *Must be imprinted with name of account owner*
- Employer Plan Rollover - provide firm name:

### Section B. Account Holder Information

#### Primary Owner

Full Legal Name

Preferred Salutation (optional):  Mr.  Mrs.  Ms.  Dr.

#### Citizenship

- US Citizen
- US Resident Alien

Single  Married  Divorced  Widowed

Social Security Number or Tax ID Number

Date of Birth (MM-DD-YYYY)

ID Type:  Driver's License  Passport  State ID  Other Government ID

State/Country of Issuance

*A legible photocopy of the Primary Owner's driver's license, passport, or other government-issued identity document is required.*

#### Address

Physical / Street Address (Required - P.O. boxes are not accepted)

City

State

Zip

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Mailing Address (optional)

City

State

Zip

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Preferred Phone

Alternate Phone

<input type="text"/>	<input type="text"/>
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Email:

**Section C. Beneficiary Designation**

Make a copy of this page if you wish to add more beneficiaries. **Note: You may not name yourself as beneficiary.**

**Primary Beneficiary(ies):**

Primary Beneficiary Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Relationship
<input type="text"/>		<input type="text"/>
Social Security Number or Tax ID Number	Date of Birth (MM-DD-YYYY)	
<input type="text"/>	<input type="text"/>	
Address	Percentage	
<input type="text"/>	<input type="text"/> %	
City	State	Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Preferred Phone	Alternate Phone	
<input type="text"/>	<input type="text"/>	

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Primary Beneficiary Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Relationship
<input type="text"/>		<input type="text"/>
Social Security Number or Tax ID Number	Date of Birth (MM-DD-YYYY)	
<input type="text"/>	<input type="text"/>	
Address	Percentage	
<input type="text"/>	<input type="text"/> %	
City	State	Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Preferred Phone	Alternate Phone	
<input type="text"/>	<input type="text"/>	

**Secondary Beneficiary(ies):**

Secondary Beneficiary Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Relationship
<input type="text"/>		<input type="text"/>
Social Security Number or Tax ID Number	Date of Birth (MM-DD-YYYY)	
<input type="text"/>	<input type="text"/>	
Address	Percentage	
<input type="text"/>	<input type="text"/> %	
City	State	Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Preferred Phone	Alternate Phone	
<input type="text"/>	<input type="text"/>	

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Secondary Beneficiary Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Relationship
<input type="text"/>		<input type="text"/>
Social Security Number or Tax ID Number	Date of Birth (MM-DD-YYYY)	
<input type="text"/>	<input type="text"/>	
Address	Percentage	
<input type="text"/>	<input type="text"/> %	
City	State	Zip
<input type="text"/>	<input type="text"/>	<input type="text"/>
Preferred Phone	Alternate Phone	
<input type="text"/>	<input type="text"/>	

You may wish to consult your legal adviser to ensure that this form complies with your will and with your state's laws of testamentary disposition. If you have any questions about this form, please contact Saturna Capital Corporation at 1-800-SATURNA (1-800-728-8762).

**Section D. Trusted Contact** *(optional)*

In the event of suspected financial exploitation or fraud, Saturna Capital and its affiliates are authorized to contact the Trusted Contact person and disclose information about this account to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by regulations.

Full Legal Name	Preferred Salutation <i>(optional)</i> : <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	SSN or Tax ID <i>(optional)</i>
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Email	Date of Birth (MM-DD-YYYY)	
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	
Address		
<input style="width:100%;" type="text"/>		
City	State	Zip
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Preferred Phone	Alternate Phone	
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	

**Section E. Investment Selection**

**Investment Selection Instructions**

**Step 1:** Choose the funds in which you want to invest.

**Step 2:** Indicate the dollar amount or percentage for each fund selection.

**Step 3:** Make separate checks payable to each selection. If selecting Self-directed Brokerage, make check payable to "Pershing LLC" and continue to Section E. For all other selections, continue to Section F.

**Investment Allocation**

**Affiliated Funds\***

<input type="checkbox"/> <b>Amana Growth</b> <i>Institutional</i>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Amana Developing World</b> <i>Institutional</i>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Amana Income</b> <i>Institutional</i>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Amana Participation</b> <i>Institutional</i>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Growth Z Shares</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna International Z Shares</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Core</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Global High Income</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Short-Term Bond</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Bond Income</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Sustainable Equity</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
<input type="checkbox"/> <b>Saturna Sustainable Bond</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %

**Non-affiliated Funds\*\***

<input type="checkbox"/> <b>Self-directed Brokerage</b>	\$ <input style="width:100%;" type="text"/>	or	<input style="width:100%;" type="text"/> %
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\* To link a bank account and/or set up automatic investment, complete the Saturna *Electronic Funds Transfer Form* (found on [www.saturna.com/forms#/saturna-capital](http://www.saturna.com/forms#/saturna-capital))  %

\*\* To link a bank account to your self-directed brokerage account, complete the Pershing ACH Authorization Agreement (found on [www.saturna.com/forms#/saturna-brokerage](http://www.saturna.com/forms#/saturna-brokerage))

## Section F. Brokerage Applicants

Complete the following steps only if you are opening a self-directed brokerage option within your IRA.

### Disclosures Required Under the USA PATRIOT Act

Is this account for a Foreign Financial Institution (e.g., non-US bank; branch of a US bank; broker-dealer; futures merchant; commodities introducing broker; mutual fund; money transmitter or currency exchange?)  Yes  No

### Step 1. Broker-Dealer Affiliations

Are you an employee of Saturna Brokerage Services?  Yes  No

Are you related to an employee of Saturna Brokerage Services?  Yes  No

Employee Name:	Relationship
<input type="text"/>	<input type="text"/>

Are you an employee at another broker-dealer?  Yes  No

Broker-Dealer Name:

Are you related to an employee at another broker-dealer?  Yes  No

Broker-Dealer Name:	Employee Name:	Relationship:
<input type="text"/>	<input type="text"/>	<input type="text"/>

Are you maintaining any other brokerage accounts?  Yes  No

Name of firm(s):	Years of investment experience:
<input type="text"/>	<input type="text"/>

Are you or any member of your immediate family affiliated with or employed by a member of a stock exchange or the Financial Industry Regulatory Authority?  Yes  No

*Employer authorization is required. Please list affiliations:*

Are you a senior officer, director, or 10% or more shareholder of a public company?  Yes  No

Company Name:

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### Step 2. Cash Management

The sweep program consists of sweep options, which include money market mutual funds. The options available to you are subject to change – you should contact Saturna Brokerage Services for additional information on the products available to you through your sweep program.

Once a sweep option is elected, any free credit balance in your brokerage account will be automatically invested into the sweep product selected and any debits in your brokerage account will also be covered automatically by redemptions, to the extent you have a balance in the sweep product sufficient to cover the debit balance.

Saturna may receive distribution assistance payments or other fees from products made available on the cash sweep platform.

*(Select only one)*

#### Money Market Fund:

- Dreyfus Treasury & Agency Cash Management (DTVXX)
- Dreyfus Government Cash Management (DGVXX)

#### Other:

- Cash
- Dreyfus FDIC Insured Deposit (DIDE)

## Section G. Signature

**The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.**

BY SIGNING THIS DOCUMENT, I ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE, IN PARAGRAPHS 12 AND 13 ON PAGE 6. I HEREBY ACKNOWLEDGE RECEIPT OF THIS NEW ACCOUNT AGREEMENT WITH PREDISPUTE ARBITRATION CLAUSE THEREIN.

By signing this document, I certify that:

- I have full right, power, authority and legal capacity to establish a SEP-Individual Retirement Account and to make the investments selected.
- I understand and agree to all terms and conditions set forth in this Saturna Capital SEP-Individual Retirement Account Application and Custodial Agreement.
- I have read and understood the Employer-Sponsored IRA Brochure (Disclosure Statement) at least seven days prior to my signing this document.
- I authorize Saturna Capital and/or its affiliates (Saturna Trust Company, Saturna Brokerage Services, Saturna Investment Trust, and/or Amana Mutual Funds Trust, together "Saturna") to verify my identity through an identity verification service and to use information provided by that service to determine whether to establish my account, or, once my account is opened, whether to maintain my account or limit services. If, after making reasonable efforts, Saturna is unable to verify my identity, I understand Saturna is authorized to take any action permitted by law, including closing my account and redeeming my account at the net asset value calculated the day the account is closed.
- I authorize telephone and/or internet exchange and redemption services to be automatically activated when my account is opened. I will contact Saturna in writing to terminate these services. Additional documents may be required.
- I authorize Saturna and its employees to act on any instructions believed to be genuine for any service authorized on this form. Saturna has reasonable procedures to verify the identity of the shareowner and when these procedures are followed, Saturna and its employees are not liable for losses that may occur from acting on such instructions.
- I have read and agree to be bound by the terms of the Prospectus(es) or Summary Prospectus(es) of the mutual fund(s) I have selected.
- I understand that my property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.
- I understand no share certificates will be issued.
- I certify, under penalties of perjury, that my Social Security Number is correct and that I am not subject to backup withholding under the provisions of § 3406(a)(1)(C) of the Internal Revenue Code.

### TO: FINANCIAL ORGANIZATION AND ITS ASSIGNS

#### 1. PROVISIONS IN THE EVENT OF FAILURE TO PAY OR DELIVER

Whenever I do not, on or before the settlement date, pay in full for any security purchased for my account, or deliver any security sold for such account, you are authorized (subject to the provisions of any applicable statute, rule, or regulation):

A. Until payment or delivery is made in full, to pledge, repledge, hypothecate, or rehypothecate, without notice, any or all securities which you or your clearing agent may hold for me, separately or in common with other securities or commodities or any other property, for the sum then due or for a greater or lesser

sum and without retaining in your possession and control for delivery a like amount of similar securities.

B. To sell any or all securities which you or your clearing agent may hold for me, to buy any or all securities required to make delivery for my account, or to cancel any or all outstanding orders or commitments for my account.

#### 2. CANCELLATION PROVISIONS

You are authorized, in your discretion, should I die or should you for any reason whatever deem it necessary for your protection, without notice, to cancel any outstanding orders in order to close out my accounts, in whole or in part, or to close out any of the commitments made on my behalf.

#### 3. GENERAL PROVISIONS

Any sale, purchase, or cancellation authorized hereby may be made according to your judgment and at your discretion on the exchange or other market where such business is then usually transacted, at public auction, or at private sale without advertising the same and without any notice, prior to tender, demand, or call. You may purchase the whole or any part of such securities free from any right of redemption, and I shall remain liable for any deficiency. It is further understood that any notice, prior to tender, demand, or call, from you shall not be considered a waiver of any provision of this agreement. I shall include any person executing this agreement. With my signature on this document, I authorize any free credit balance in my account to be automatically invested into the sweep product elected, unless I instruct my Broker-Dealer differently. Pershing LLC is further authorized to rely on instructions that I give to my financial organization regarding my sweep elections. I agree, that my sweep option may be changed, including changes between money market funds and bank deposit products, with prior notification to me.

#### 4. SUCCESSORS

This agreement and its provisions shall be continuous, and shall inure to the benefit of your present organization, and any successor organization or assigns, and shall be binding upon me and/or the estate, executors, administrators, and assigns of my account.

#### 5. AGE

I, if an individual, represent that I am of full age.

#### 6. INTEREST IN ACCOUNT

No one except me has an interest in any of my accounts with you unless such interest is revealed in the title of such account, and in any case, I have the interest indicated in such title.

#### 7. ORDERS AND STATEMENTS

Reports of the execution of orders and statements of my account shall be conclusive if not objected to in writing, the former within two days and the latter within 10 days, after forwarding by you to me by mail or otherwise.

#### 8. EXTRAORDINARY EVENTS

You shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, government restrictions, exchange, or market rulings, or other conditions beyond your control.

1. FEES AND CHARGES

I agree to the fees and charges on the fee schedule received by me. You may change the fee schedule from time to time.

2. ADDRESS

Communications may be sent to me at my current address which is on file at your office, or at such other address as I may hereafter give you in writing. All communications so sent, whether by mail, electronically, or otherwise, shall be deemed given to me personally, whether actually received or not.

3. RECORDING CONVERSATIONS

I understand and agree that for our mutual protection you may electronically record any of my telephone conversations.

12. ARBITRATION DISCLOSURES

THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

- ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS, AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD, UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.

- THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

13. ARBITRATION AGREEMENT

ANY CONTROVERSY BETWEEN YOU OR PERSHING (SATURNA'S CLEARING BROKER) AND SATURNA BROKERAGE SERVICES SHALL BE SUBMITTED TO ARBITRATION BEFORE AND ONLY BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY. NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PREDISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL; (I) THE CLASS CERTIFICATION IS DENIED; (II) THE CLASS IS DECERTIFIED; OR (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN. THE LAWS OF THE STATE OF WASHINGTON GOVERN.

Primary Owner or Custodian

Print Name

Date (MM-DD-YYYY):

Signature

Please note: Saturna cannot accept digital signatures.

For Broker-Dealer Use Only

Investment Professional Printed Name

Date (MM-DD-YYYY):

Signature

Principal Printed Name

Date (MM-DD-YYYY):

Signature

**Simplified Employee Pension—Individual  
Retirement Accounts Contribution Agreement****(Under section 408(k) of the Internal Revenue Code)****Do not file  
with the Internal  
Revenue Service**

\_\_\_\_\_ makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.  
(Name of employer)

**Article I—Eligibility Requirements** (check applicable boxes—see instructions)

The employer agrees to provide discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees who are at least \_\_\_\_\_ years old (not to exceed 21 years old) and have performed services for the employer in at least \_\_\_\_\_ years (not to exceed 3 years) of the immediately preceding 5 years. This simplified employee pension (SEP)  includes  **does not** include employees covered under a collective bargaining agreement,  includes  **does not** include certain nonresident aliens, and  includes  **does not** include employees whose total compensation during the year is less than \$450\*.

**Article II—SEP Requirements** (see instructions)

The employer agrees that contributions made on behalf of each eligible employee will be:

- A.** Based only on the first \$205,000\* of compensation.
- B.** The same percentage of compensation for every employee.
- C.** Limited annually to the smaller of \$41,000\* or 25% of compensation.
- D.** Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

\_\_\_\_\_  
Employer's signature and date\_\_\_\_\_  
Name and title**Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

Do not file Form 5305-SEP with the IRS. Instead, keep it with your records.

For more information on SEPs and IRAs, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

**Instructions to the Employer**

**Simplified employee pension.** A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income. Under a SEP, you can contribute to an employee's traditional individual retirement account or annuity (traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model traditional IRA established on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter. You may not make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

**When not to use Form 5305-SEP.** Do not use this form if you:

1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.

2. Have any eligible employees for whom IRAs have not been established.

3. Use the services of leased employees (described in section 414(n)).

4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.

5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

**Note.** SEPs permitting elective deferrals cannot be established after 1996.

**Eligible employees.** All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

**Excludable employees.** The following employees do not have to be covered by the

SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than \$450\* in compensation during the year.

**Contribution limits.** You may make an annual contribution of up to 25% of the employee's compensation or \$41,000\*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$205,000\*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of \$41,000\* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

**Deducting contributions.** You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the

\* For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at [www.irs.gov](http://www.irs.gov).

SEP are deductible for your tax year with or within which the calendar year ends. Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

**Completing the agreement.** This agreement is considered adopted when:

- ? IRAs have been established for all your eligible employees;
- ? You have completed all blanks on the agreement form without modification; and
- ? You have given all your eligible employees the following information:

1. A copy of Form 5305-SEP.
2. A statement that traditional IRAs other than the traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.
3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.
4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in *Instructions to the Employer and Information for the Employee*, are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

**Information for the Employee**

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

**Simplified employee pension.** A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (traditional IRA). Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation greater than \$205,000\*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

**Contribution limits.** Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of \$41,000\* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

**Tax treatment of contributions.** Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

**Employee contributions.** You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

**SEP participation.** If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could cause adverse tax consequences for the participating employees.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

**SEP-IRA amounts—rollover or transfer to another IRA.** You can withdraw or receive funds from your SEP-IRA if, within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

**Withdrawals.** You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals

occur before you reach age 59½, you may be subject to a tax on early withdrawal.

**Excess SEP contributions.** Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP-IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

**Financial institution requirements.** The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.
  2. The tax consequences of various options concerning your IRA.
  3. Participation eligibility rules, and rules on the deductibility of retirement savings.
  4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
  5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
  6. Financial disclosure that provides the following information:
    - a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
    - b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
    - c. States the sales commission for each year expressed as a percentage of \$1,000.
- In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

**Paperwork Reduction Act Notice.** You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	1 hr., 40 min.
<b>Learning about the law or the form</b> . . . . .	1 hr., 35 min.
<b>Preparing the form</b> . . . . .	1 hr., 41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.





# SEP Contribution Allocation (Employers)

For office use only

Reg# \_\_\_\_\_  
SBS# \_\_\_\_\_

Thank you for choosing a Saturna SEP. This form should be filled out by employers to allocate employer contributions to employees' IRAs. Please enclose the Saturna IRA Applications for all employees who are opening new IRAs at this time.

If you have questions or need help filling out this form, call us toll-free any time at **1-800-SATURNA (1-800-728-8762)**. Be sure you complete all steps or your application cannot be processed.

Mail completed forms and contributions to:  
(Email or fax is not accepted)

**Saturna Capital**  
**P.O. Box N**  
**Bellingham, WA 98227-0596**

## Employer Information

Full Legal Name Preferred Salutation (optional):  Mr.  Mrs.  Ms.  Dr. Company / Firm Name

Mailing Address

City State Zip

Preferred Phone Alternate Phone

Email:

## Employer SEP Contributions

Please tell us the total amount of the contribution that you are sending with this form. Contributions are coded for the tax year in which we receive them.

Total Amount Remitted

\$ \_\_\_\_\_

Please enclose a check made payable to: **Saturna Capital Corporation Trustee**

## Allocation of SEP Contribution to Employees' IRAs

Please identify each employee who is covered by this contribution. Indicate the amount of the total contribution that is allocated to each employee's IRA, along with investment instructions. If the instructions are on the employee's Saturna IRA Application (which needs to accompany this form), check box A. If the contribution is for the employee's existing Saturna IRA, check box B and provide complete investment instructions.

**NOTE:** Saturna cannot accept any contributions without investment instructions. (Even if you have a "one person company," please complete Section 1 (Employer Information) above and this section, noting yourself as an employee.)

Full Legal Name Preferred Salutation (optional):  Mr.  Mrs.  Ms.  Dr. Date of Birth (MM-DD-YYYY)

Social Security Number or Tax ID Number Total SEP Contribution

\$ \_\_\_\_\_

## Investment Instructions (Check one.)

- Employee Saturna IRA Application and investment instructions enclosed, or
- Deposit to existing employee Saturna IRA as follows:

Fund Name	Account Number	Amount
		% Or \$
		% Or \$
		% Or \$
		% Or \$

To allocate funds for more than one employee, please see reverse side.

Total \_\_\_\_\_

Please continue to Investment Selection on next page.

**Allocation of SEP Contribution to Employees' IRAs (Continued)**

Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Date of Birth (MM-DD-YYYY)
Social Security Number or Tax ID Number	Total SEP Contribution	
	\$	

**Investment Instructions (Check one.)**

- Employee Saturna IRA Application and investment instructions enclosed, or
- Deposit to existing employee Saturna IRA as follows:

Fund Name	Account Number	Amount
		% Or \$
		% Or \$
		% Or \$
		% Or \$
		Total

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Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Date of Birth (MM-DD-YYYY)
Social Security Number or Tax ID Number	Total SEP Contribution	
	\$	

**Investment Instructions (Check one.)**

- Employee Saturna IRA Application and investment instructions enclosed, or
- Deposit to existing employee Saturna IRA as follows:

Fund Name	Account Number	Amount
		% Or \$
		% Or \$
		% Or \$
		% Or \$
		Total

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Full Legal Name	Preferred Salutation (optional): <input type="radio"/> Mr. <input type="radio"/> Mrs. <input type="radio"/> Ms. <input type="radio"/> Dr.	Date of Birth (MM-DD-YYYY)
Social Security Number or Tax ID Number	Total SEP Contribution	
	\$	

**Investment Instructions (Check one.)**

- Employee Saturna IRA Application and investment instructions enclosed, or
- Deposit to existing employee Saturna IRA as follows:

Fund Name	Account Number	Amount
		% Or \$
		% Or \$
		% Or \$
		% Or \$
		Total