

10/31/2025



## 2026 SIMPLE IRA

### Summary Plan Description and

L & M Underground, Inc. (the Employer) has adopted a “5304 Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)” Plan for the benefit of eligible employees as outlined in this Summary Plan Description (SPD). As it is only a summary of the Plan and not a substitute for the Plan itself, the 5304-SIMPLE IRA Plan document elections made by L&M Underground, Inc. will rule if there are any inconsistencies between this summary here and the Plan document. A copy of the 5304-SIMPLE IRA Plan document is available from the employer upon request.

### General Plan Information:

Effective Date: 01/15/2005

Employer’s right to amend the plan: The employer retains the right to amend the plan. The Plan does not create any kind of employment contract between the employer and its employees. Amendment of the Plan will have no effect on amounts already contributed to your account.

### Eligibility Requirements:

The employer permits salary reduction contributions to be made in each calendar year to a SIMPLE individual retirement account or annuity (SIMPLE IRA) for each eligible employee who meets the following requirements:

Current Compensation – Eligibility is limited to employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year and;

Prior Compensation – Employees who have received at least \$5,000 in compensation during any 2 calendar years preceding the calendar year.

## Employee Salary Reduction Arrangements:

The maximum contribution amount an employee may defer is limited to the lesser of 100% of earned income up to the contribution limit for each calendar year:

Contribution Year	Contribution Limit	Catch-up (age 50-59 and 64+)	Catch-up (age 60-63)
2025	\$16,500	\$3500	
2026 projected	\$17,000	\$4000 *	\$5,250

\*subject to any change by IRS

## Salary Reduction Election Periods:

First time elections period:	For the year in which an employee becomes eligible to make salary reduction contributions, the period during which the employee may make or modify the election is a 60-day period that includes either the date the employee becomes eligible or the day before.
Annual election period	For a calendar year, an eligible employee may make or modify a salary reduction election during the 60-day period immediately preceding January 1 <sup>st</sup> of that year by completing a Salary Reduction Agreement Form provided by the employer.
Other election periods	In addition to the election periods above, eligible employees may make salary reduction elections or modify prior elections monthly on the 1st of the month.
Terminating Salary reductions	An employee may terminate a salary reduction election at any time during the calendar year by completing a Salary Reduction Agreement Form provided by the employer.
Resuming Salary Reductions	An employee who terminates a salary reduction election at any time during the calendar year may resume salary reduction contributions during the same calendar year.
Deposits of your Salary Contributions	The amount by which your employer agrees to reduce your pay will be deposited into your SIMPLE IRA established at the financial institution of your choice no later than the end of the month following the month it was withheld from your pay.

## Employer Contributions and Vesting:

Deposits of Employer Contributions	The adopting employer shall determine annually in its sole discretion whether to make a matching or nonelective contribution to each eligible employee IRA account set up under Section 408(a) and 408(p) by no later than the due date of the employer's tax return, including extensions, for the taxable year that includes the last day of the calendar year for which the contributions are made. Employer contributions for the Plan Year shall be allocated among eligible employees in the manner specified in the "Employer Contribution Election" section of this document.
Vesting	All contributions (employee and employer) are fully and immediately vested, and are nonforfeitable.

## Distributions:

No distribution restrictions	The employer may not require the employee to retain any portion of the contributions in their SIMPLE IRA or otherwise impose any distribution restrictions.
Effects of distributions	Distributions from a SIMPLE IRA are subject to IRA rules and generally are includable in income for the year received. Early distributions for persons under the age of 59 ½ generally are subject to a 10% additional penalty. However, the additional penalty is increased to 25% if assets are distributed within 2 years of the first contribution.
How to request a distribution	To request a distribution of cash or assets the employee will need to contact their SIMPLE IRA trustee/custodian.

## Rollovers and Transfers:

Rollovers	Rollover contributions can be made from one SIMPLE IRA into another SIMPLE IRA. A rollover contribution from a SIMPLE IRA to a traditional IRA, qualified plan, tax-sheltered annuity or 457(b) governmental plan can be made only after a 2-year participation in the SIMPLE IRA. See IRS Publications 560 and 590 for additional rules regarding rollover contributions.
Transfers	Generally, transfers can only be made from one SIMPLE IRA to another SIMPLE IRA. However, a transfer from a SIMPLE IRA to a traditional IRA can be made after a 2-year participation in the SIMPLE IRA plan.
How to request a Transfer	To request a transfer of cash or assets to a SIMPLE IRA or IRA with another trustee/custodian, the employee must initiate the transfer request with the trustee/custodian that will be receiving the transfer assets. Transfer procedures may vary by trustee/custodian.

## Definitions of employee for purposes of this plan:

Employee	“Employee” means a common-law employee of the employer. The term employee also includes a self-employed individual and leased employee described in IRC Section 414(n), but does not include a non-resident alien who received no earned income from the employer that is considered income from sources within the United States.
Eligible Employee	An “Eligible Employee” means an employee who satisfies the eligibility conditions outlined in the “Eligibility Requirements” section and is not excluded from participation as indicated in the plan.

## Employer Contribution Selections:

For the calendar year 2026, L & M Underground, Inc. has elected to make a matching contribution equal to the eligible employee’s salary reduction contributions up to a limit of 3% of the employee’s compensation for the calendar year.

The employer cannot choose a percentage less than 3% for more than two years during any five-year period.

If the employee chooses to start or change their salary reduction agreement, they must complete a Salary Reduction Agreement Form and return it to company HR representative by December 31, 2025.