

**Sanibel Public Library  
Employee Handbook**

**32 PENSION PLAN**

**32.1** The Library has established a "Simplified Employee Pension-Individual Retirement Account Plan" referred to as a SEP-IRA.

**32.2** As a condition of employment, individuals must agree to participate in the plan when they become eligible to do so.

**32.3** Eligibility requirements include:

- .1** Must be at least 21 years of age.
- .2** Full-time staff must have been employed by the Library at least 24 months of the immediately preceding five years.
- .3** Part-time employees must have worked in at least two of the immediately preceding five years and must meet requirements as stated in IRS Form 5305-SEP.

**32.4** The Plan provides for the following:

- .1** All eligible employees shall receive a copy of IRS Form 5305--SEP for their records and review.
- .2** The Library contributions to the Plan are based on the employee's annual income, and it can range from 0% to the maximum rate allowed by the IRS.
- .3** All contributions are made directly to the trustee of the IRA of the employee's choice.
- .4** All contributions to an employee's IRA remain the property of the employee from inception of the contribution.
- .5** All contributions to the employees SEP by the Library shall be made effective at the end of the Library's fiscal year. For those employees whose eligibility date occurs after the start of any given fiscal year, the contribution for that year shall be made pro-rata for those months of eligibility remaining before start of a new fiscal year.

(Example: An employee who began work on July 1 becomes eligible to participate in the plan July 1 two years later, would receive contributions for July, August and September based on the rate established for that year.)

- .6** The Sanibel Public Library District has the right to terminate this Plan at any time. Termination requires a majority vote of the Board of Directors.
- .7** Upon separation/termination of employment, the final distribution of any SEP contribution shall be made effective of the end of the Library's fiscal year. Contribution calculations will cease with the date of termination of employment.