

ERISA Fiduciary Bond Form

Plan Name: _____

Federal Law requires Plan Administrators and Plan Fiduciaries to be bonded in the amount of at least 10 percent of the Plan's assets or \$1,000 minimum if the plan has at least 95 percent qualifying assets. The individuals to be bonded are those people who handle funds or property of the plan.

However, if the plan has non-qualifying assets, the bonding requirement for the plans is increased to 100 percent of the total non-qualifying asset. Non-qualifying assets include investments such as limited partnerships, coins, diamonds, works of arts and real estate interests held by parties that are not regulated financial institutions. Please let us know if you have any non-qualifying assets.

You are required to disclose details of the bonding to the IRS and the Department of Labor each year on the Annual Report 5500 we prepare for you.

If the appropriate bonding is not obtained, the plan is subject to the audit requirement annually. This requirement will cost the plan or the employer an extra fee of at least \$3,000.00 annually. The bonding requirement expense will be considerably less.

Employee Incentive Plans, Inc. can obtain the required Bond for you through Colonial Surety Company. Below we have outlined the premium options using the minimum coverage for new plans or, if applicable, existing plan assets. Please send a check in the amount indicated for EIP to obtain appropriate coverage.

If you will use your existing property and casualty insurance broker to provide coverage, please send contract pages that indicate the company providing the coverage and the amount of coverage.

NEW PLAN: Premium Amount: 5 Years* \$_____ 1 Year \$_____

PLANS WITH EXISTING ASSETS: Total Asset Value at last valuation date: \$_____

Premium Amount: 5 Years* \$_____ 1 Year \$_____

*Premium includes an automatic extension of coverage as the assets increase over the next five years. This will allow your plan assets to increase with no additional premium.

*Attach check for amount indicated above, payable to
Surety Underwriters Agency, sign form and mail to EIP with this form
OR
provide information indicating coverage.(Copy of Policy Info.)*

I am interested in obtaining additional Fiduciary Bond Coverage information for individuals involved with the plan.

Plan Administrator's Signature

Date