

SIMPSON MANUFACTURING CO INC /CA/
Form 11-K
June 27, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13429

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Simpson Manufacturing Co., Inc. 401(k) Profit Sharing Plan for Salaried Employees

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Simpson Manufacturing Co., Inc.

5956 W. Las Positas Blvd.

Pleasanton, CA 94588

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Simpson Manufacturing Co., Inc.

401(k) Profit Sharing Plan for Salaried Employees

Financial Statements as of

December 31, 2012 and 2011

and for the Years Then Ended

Supplemental Schedule as of December 31, 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrative Committee of the

Simpson Manufacturing Co., Inc. 401(k)

Profit Sharing Plan for Salaried Employees

Pleasanton, California

We have audited the accompanying statements of net assets available for benefits of the Simpson Manufacturing Co., Inc. 401(k) Profit Sharing Plan for Salaried Employees (the Plan) as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Plan's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2012, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Armanino LLP
ArmaninoLLP
San Ramon, California

June 27, 2013

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

	2012	2011
Assets		
Investments, at fair value	\$ 73,564,925	\$ 62,407,659
Total investments	73,564,925	62,407,659
Receivables		
Employer contributions	3,516,627	3,162,875
Other	27,247	189
Total receivables	3,543,874	3,163,064
Net assets available for benefits	\$ 77,108,799	\$ 65,570,723

The accompanying notes are an integral part of these financial statements.

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2012 and 2011

	2012	2011
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 5,106,694	\$ (972,965)
Interest and dividends	1,531,608	1,284,828
Total investment income	6,638,302	311,863
Contributions		
Participant	1,867,010	1,096,357
Employer	4,599,243	4,125,977
Total contributions	6,466,253	5,222,334
Total additions	13,104,555	5,534,197
Deductions		
Benefits paid to participants	1,559,260	3,742,454
Fees	7,219	5,476
Total deductions	1,566,479	3,747,930
Net increase	11,538,076	1,786,267
Net assets available for benefits		
Beginning of year	65,570,723	63,784,456
End of year	\$ 77,108,799	\$ 65,570,723

The accompanying notes are an integral part of these financial statements.

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Notes to Financial Statements

December 31, 2012 and 2011

1. Plan Description

The following is a brief description of the Simpson Manufacturing Co., Inc. 401(k) Profit Sharing Plan for Salaried Employees (the Plan) and is provided for general informational purposes only. Participants should refer to the Plan document, as amended, for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan that Simpson Manufacturing Co., Inc. and its United States subsidiaries (the Company) established in 1956 to provide benefits to eligible salaried employees, as provided in the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent laws.

Effective May 1, 2011, the Plan was restated in its entirety to (a) permit participants to contribute amounts to the Plan on a pre-tax basis as an elective deferral pursuant to Code section 401(k), (b) establish a safe-harbor 401(k) plan in which the Company will make an annual non-elective contribution for each participant equal to 3% of such participant's eligible compensation, (c) permit in-service distributions and (d) change the name of the Plan to the Simpson Manufacturing Co., 401(k) Profit Sharing Plan for Salaried Employees.

Plan administration

The Company is the administrator of the Plan and, as such, carries out the duties imposed by ERISA. The Company has delegated certain responsibilities for the operation and administration of the Plan. Trustee services are provided by Charles Schwab Trust Company (Schwab). Recordkeeping and investment management services are provided by Milliman, Inc.

Certain administrative expenses of the Plan were paid directly by the Company for the years ended December 31, 2012 and 2011. Investment fees, which may vary according to the individual investment funds selected, are paid out of the assets of the Plan and are included in net appreciation (depreciation) in fair value of investments. Participants should refer to the prospectus of the individual investment funds for further

details on individual investment fees.

Eligibility

All employees, except employees working under the terms of a collective bargaining agreement, non-resident aliens, hourly employees, and employees with contractual exclusion from participation under the Plan, are eligible to participate in the Plan once they have attained the age of 18 and reached the entry date. Effective May 1, 2011, employees age 18 or older can enter the Plan upon commencement of employment for purposes of employee elective deferrals and employer safe-harbor contributions. For purposes of employer discretionary contributions, employees enter the Plan on the first day of the Plan Year after attaining age 18.

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Notes to Financial Statements

December 31, 2012 and 2011

1. Plan Description (continued)

Contributions

Effective May 1, 2011, participants may elect to contribute through payroll deductions amounts up to 100% of their annual compensation, as defined by the Plan on a tax-deferred basis, up to a maximum amount allowed by the Internal Revenue Code (IRC). Maximum allowed deferral amounts were \$17,000 for 2012. Employees over the age of 50 may also contribute an additional \$5,500 to the Plan for 2012. Contributions withheld are invested in accordance with the participant s direction into various investment options offered by the Plan.

Effective May 1, 2011, the Company provides a safe harbor non-elective contribution equal to 3% of the participant s compensation, as defined by the Plan. The Company may also contribute to the Plan a discretionary amount, approved by its Board of Directors (the Board), limited to the maximum amount deductible for federal income tax purposes. The Company s discretionary contribution is allocated to the account of each participant who has completed at least 1,000 hours of service during the Plan year and is employed on the last day of the year based upon a percentage of the participant s annual eligible compensation to total eligible compensation. The discretionary employer contribution amounted to 7% of eligible compensation for each participant for the plan years ended December 31, 2012 and 2011. The Company safe harbor non-elective contribution and discretionary contribution amounted to \$1,450,954 and \$3,148,289, respectively, in 2012. The Company safe harbor non-elective contribution and discretionary contribution amounted to \$1,282,240 and \$2,843,737, respectively, in 2011.

Employer contributions are invested in accordance with the participant s direction into various investment options offered by the Plan. During 2011, the investment options offered by the Plan changed. An investment option transition mapping was followed for those participants who had not made a change to their investment allocation by a designated date. If a participant fails to choose an investment option for the contributions to his or her Plan account, such funds automatically are invested in the Default Fund until he or she selects a different investment option available under the Plan. Effective May 1, 2011, the Plan s designated default investment option (the Default Fund) changed from age based portfolios consisting of Plan investment options as selected by the Administrative Committee to the designated Vanguard Target Retirement Fund that has a target retirement date closest to the year in which the applicable participant might retire, based on the participant s date of birth and assuming a retirement age of 65.

Participant accounts

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Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings (net of investment related expenses). Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Notes to Financial Statements

December 31, 2012 and 2011

1. Plan Description (continued)

Vesting

Participants are immediately vested in their voluntary contributions and the Company safe harbor non-elective contribution, plus actual earnings thereon. Vesting in the Company's discretionary contributions plus earnings thereon is based on years of continuous service, as defined by the Plan. Participants are 100% vested after 6 years of credited service.

Forfeitures

As of December 31, 2012 and 2011, forfeited nonvested accounts totaled \$146,413 and \$106,336, respectively. Forfeitures are allocated to the account of each eligible participant based upon a percentage of the participant's annual eligible compensation to total eligible compensation. Forfeitures are generally allocated to participants subsequent to year-end based upon compensation received in the same plan year in which the forfeiture occurred in accordance with the provisions of the Plan.

Payment of benefits

Distributions and withdrawals are payable upon retirement at age 60 or after, termination, financial hardship, disability or death. If a participant's account balance is equal to or less than \$1,000, the balance is distributed immediately in a lump-sum cash payment unless a direct rollover into an IRA or other qualified benefit plan is requested. If the account balance is over \$1,000, the participant can consent to either a distribution paid in the form of a lump-sum cash payment, a direct rollover into an IRA or other qualified plan or postpone payment to a later date and remain in the Plan as described in the Plan documents.

Reclassification

Certain 2011 balances have been reclassified to conform to the 2012 financial statement presentation.

2. Summary of Significant Accounting Policies and Basis of Presentation

Basis of accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Notes to Financial Statements

December 31, 2012 and 2011

2. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Valuation of investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 5 for discussion of fair value measurements.

Purchases and sales of securities are reflected on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The statements of changes in net assets available for benefits present the net appreciation or depreciation in the fair value of investments which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Payment of benefits

Benefits are recorded when paid.

Subsequent events

Subsequent events have been evaluated in connection with the issuance of the financial statements.

Recent accounting pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 converges the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards (IFRSs). Some amendments clarify the application of existing fair value measurement requirements and others change a particular principle for measuring fair value for disclosing fair value measurement information. In addition, ASU 2011-04 requires additional fair value disclosures. The Plan 's adoption of ASU 2011-04 as of January 1, 2012 did not have a material effect on the Plan 's net assets available for benefits or changes in net assets available for benefits.

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SIMPSON MANUFACTURING CO., INC.

401(k) Profit Sharing Plan for Salaried Employees

Notes to Financial Statements

December 31, 2012 and 2011

3. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter, dated October 28, 2011, that the Plan is qualified and the trust established under the Plan is tax exempt under the appropriate sections of the Internal Revenue Code (IRC).

U.S. GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon an examination by the Internal Revenue Service. No uncertain positions have been identified that would require the recognition of a tax liability or disclosure in the financial statements as of December 31, 2012 and 2011. The Plan is subject to routine audits by applicable taxing jurisdictions. There is currently an audit for the 2011 Form 5500 in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for 2008 and prior years.

4. Investments

The following investments represent 5% or more of the Plan's net assets as of December 31:

	2012	2011
Simpson Manufacturing Co., Inc. Common Stock	\$ 7,170,222	