



Your roadmap to moving your SIMPLE IRA





SIMPLE IRA plans operate on a calendar-year basis, so most major changes can only be made once a year, effective January 1.* That's why it's so important to understand the timing and deadlines to amend and restate a SIMPLE IRA.

* Starting with plan years beginning after 2023, employers can replace SIMPLE IRA plans with safe harbor 401(k) plans at any time of the year.

Whether moving a SIMPLE IRA from another provider or between Capital Group platforms, we offer flexible solutions with a range of features to meet a variety of needs:

- ✓ **SIMPLE IRA**, a simple, low-cost solution
- ✓ **SIMPLE IRA Plus**, which provides a 401(k)-like experience at a SIMPLE cost
- ✓ **RecordkeeperDirect®**, a high-quality solution designed to provide smaller plans fundamental value
- ✓ **PlanPremier®**, a full-featured solution designed to provide larger plans the services and flexibility they need

To give you a general idea of the scope and timing of SIMPLE IRA moves, the **following pages summarize timelines and action items when moving a SIMPLE IRA to Capital Group.**

SIMPLE IRA terms and details to know

- The **effective date** is the date a plan begins. After the first year, every SIMPLE IRA plan year begins January 1.
- Each year, employees can change their contribution levels during the plan's **election period**. This election period must be at least 60 days long, and employees must receive prior notice about the upcoming opportunity. Established SIMPLE IRA plans must at least have an annual election period that extends from November 2 to December 31; additional election periods are optional.
- When a SIMPLE IRA plan is **"moving"** or **"converting,"** remember that assets aren't automatically transferred from the old plan to the new plan. The sponsor is choosing a new plan provider or program for deferrals and employer contributions, so new accounts will typically need to be set up.

Participants have a number of options when deciding what to do with the assets in their old accounts:

- Keep assets in the SIMPLE IRA.
- Roll assets into a traditional IRA.†
- Move assets into a new plan.†
- Cash out (may be subject to taxes and penalties).

† Transfers from one SIMPLE IRA into another can be made tax-free. Participants who first participated in the old SIMPLE plan at least two years before can transfer SIMPLE assets into other IRAs or employer-sponsored plans tax-free; transfers into a plan type other than a SIMPLE IRA within the first two years of participation are considered withdrawals and are subject to taxes and early withdrawal penalties.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.



1 Move any existing SIMPLE IRA to a Capital Group SIMPLE IRA or SIMPLE IRA Plus plan

Timeline

	October	November	December	January
	Plan establishment paperwork	Notify eligible employees about plan enrollment	60-day election period	Plan begins (effective date)
Date/deadline	By the amended effective date for most plans October 23[‡] for SIMPLE IRA Plus plans (10 days before election period begins on November 2)	Before November 2	November 2 to December 31	Starting January 1
Action items	<ul style="list-style-type: none"> Obtain, complete and submit Capital Group SIMPLE plan establishment paperwork. 	<ul style="list-style-type: none"> Provide enrollment materials and disclosures to eligible employees. Consider hosting an enrollment meeting. 	<ul style="list-style-type: none"> Collect completed employee applications. For SIMPLE IRA plans, submit completed applications to Capital Group. For SIMPLE IRA Plus plans, set up participant accounts on the sponsor website. 	<ul style="list-style-type: none"> Begin submitting contributions online. For SIMPLE IRA plans, complete the Contributions Agreement. For SIMPLE IRA Plus plans, complete the SIMPLE IRA Plus Plan Specifications.

‡ Paperwork may be accepted after this date if all employee disclosure requirements are met.

If you'd like more information about our retirement plan solutions or to download plan forms, visit capitalgroup.com.

2 Move any existing SIMPLE IRA to a Capital Group 401(k) plan

Timeline – SIMPLE IRA termination...

	November	December	January	
	Notify current SIMPLE IRA provider about termination	Notify eligible employees about SIMPLE IRA termination	Continue SIMPLE IRA contributions	Termination date (plan ends)
Date/deadline	November 2[‡] (60 days before new plan year would have started on January 1)	Before November 2 (the start of the enrollment period)	Until all contributions for the current year are made	January 1
Action items	<ul style="list-style-type: none"> Inform the current plan provider that the sponsor will be terminating the SIMPLE IRA. The provider can provide more details; e.g., whether notification can be verbal or in writing, etc. 	<ul style="list-style-type: none"> Notify eligible employees that the SIMPLE IRA will be terminated 12/31. 	<ul style="list-style-type: none"> Continue making required contributions. 	<ul style="list-style-type: none"> Keep in mind that contributions might be required after the termination date.



...followed by RecordkeeperDirect or PlanPremier implementation

	Submit plan paperwork	Work with Capital Group
Date/deadline	60 days before new plan start date	Through plan implementation
Action items	<ul style="list-style-type: none"> Obtain, complete and submit the <i>Next steps</i> page from the retirement plan proposal or installation paperwork. 	<ul style="list-style-type: none"> Within a few days of submitting paperwork, a Capital Group implementation coordinator (IC) will contact the financial professional, sponsor and TPA, set up a meeting and help all parties understand and fulfill their responsibilities, such as plan setup, participant enrollment and communication, etc.

‡ Paperwork may be accepted after this date if all employee disclosure requirements are met.

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