

## Retirement plan services

SIMPLE IRA program highlights



**CAPITAL  
GROUP®**

**AMERICAN  
FUNDS®**

# Save more for retirement with a SIMPLE IRA

Only 57% of workers in small companies have access to retirement benefits.\* As a result, many have fallen behind in the pursuit of their retirement goals.

If you don't offer a retirement plan because you're not sure you have enough employees, or worry that such a program would be expensive or difficult to manage, consider a Savings Incentive Match Plan for Employees (SIMPLE) IRA from Capital Group, home of American Funds. Designed especially for companies with 100 or fewer employees, a SIMPLE IRA provides many of the benefits associated with 401(k)s, but with less complexity and typically at a lower cost.

Among its features:

- **Cost efficiency** for you and your employees
- **Quality investments** to help employees build a diversified retirement portfolio
- **Opportunity to save more** than you could through a traditional IRA
- **Easy, flexible design** so you can focus on your business, not plan management

### Cost efficiency for you and your employees

If potential costs have held you back from offering a retirement plan, then a SIMPLE IRA may be the solution you've been seeking. Our \$10 per-participant setup and \$10 annual account maintenance fees are among the lowest in the industry and are usually paid for by the participants themselves.

Employer contributions are required, but qualify as a tax-deductible business expense.

### Quality investments to help your employees build a diversified retirement portfolio

You can choose from the same quality investment options that large companies make available in their employer-sponsored 401(k)s, including:

- The full menu of American Funds that have helped investors pursue their long-term goals for more than 90 years
- The American Funds Target Date Retirement Series®
- The American Funds Portfolio Series

### Save more than you could with a traditional IRA

A SIMPLE IRA allows you and your employees to save more than is possible through a traditional IRA. And employees also benefit from required company contributions.

### Easy, flexible design so you can focus on your business

- Easy setup with the help of your plan's financial professional
- Submit contributions and access plan information online
- No complex IRS reports to complete
- Limit your fiduciary liability, because each employee controls their own account and makes their own investment decisions
- Get helpful reminders about important plan requirements
- Choose between two types of employer contributions and switch between those two options up to once a year if needed (refer to page 2 for more information)

### Are you using another provider?

Regardless of where you open your plan, ask for American Funds and our target date retirement series.

\*As of March 2023. U.S. Bureau of Labor Statistics, National Compensation Survey.

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

## Once your SIMPLE IRA is set up, maximize the value of the plan

Your SIMPLE IRA is as valuable to you as a business owner as it is to your employees. By taking full advantage of the plan, you can more confidently:

- **Meet the needs of your employees**

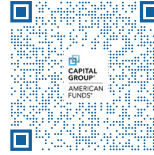
A retirement plan can be a powerful incentive to help retain your most valued employees and attract top-quality hires. To make it easier to start saving, employees can elect to enroll in an age-appropriate target date fund without having to make an investment selection.

- **Pursue a better retirement for yourself**

Through your SIMPLE IRA, you can invest more than double what you could through a traditional IRA, potentially getting you closer to achieving your retirement goals.

- **Take advantage of tax benefits**

Offering a plan can be a win-win for you and your employees. In addition to helping participants meet their retirement goals, the contributions you make as an employer qualify as a tax-deductible business expense. Plus, you may qualify for a federal tax credit on those contributions for the first five years of the plan, as well as other credits available for startup plans.



Scan this QR code to learn more about the tax credits available for startup plans.

### SIMPLE IRAs – a closer look

<b>Deadline to establish</b>	Between January 1 and October 1 <sup>1</sup>	<b>Ongoing maintenance</b>	Required annual notice to eligible employees	
<b>Investment decisions</b>	Made by employee	<b>Annual nondiscrimination testing</b>	Not required	
<b>Vesting</b>	Immediate	<b>Taxes on contributions</b>	Contributions may be made pretax or, if the plan and provider allow, Roth after-tax	
			<b>Employers with 25 or fewer employees</b>	<b>Employers with 26-100 employees<sup>2</sup></b>
<b>Employee contributions</b>	2024 maximum employee contributions:		<b>\$17,500<sup>3</sup></b>	<b>\$16,000 OR \$17,500<sup>3</sup></b>
	Additional catch-up contributions for those age 50 and older <sup>4</sup> :		<b>\$3,500<sup>3</sup></b>	
<b>Mandatory employer contributions</b>	Dollar-for-dollar match of employee contributions up to: <b>OR</b> Nonelective contribution <sup>5</sup> of:		<b>3% of compensation</b>	<b>4% of compensation</b>
			<b>2% of compensation</b>	<b>3% of compensation</b>
<b>Optional additional employer contributions</b>	Above mandatory contributions, employers can elect to make additional nonelective contributions to each eligible employee in a uniform manner, up to:		<b>10% of compensation, not to exceed \$5,000</b>	

<sup>1</sup> May be established after October 1 for a new business formed after October 1 of the year in which the SIMPLE IRA plan is established.

<sup>2</sup> The 2024 employee contribution limit for employers with 26-100 employees who earned at least \$5,000 in the prior year is \$16,000 if the employer makes matching contributions of 3% of compensation or a nonelective contribution of 2%. A higher employer contribution limit of \$17,500 applies if the employer elects to increase matching contributions to 4% or nonelective contributions to 3%.

<sup>3</sup> The IRS has not announced the higher deferral and catch-up contribution limits for SIMPLE IRAs for 2024. The statute is unclear as to whether the 2024 limits are rounded down to the nearest \$500 increment. We are showing the limits as if the rounding rules apply. If the rounding rules do not apply, the limits would be higher.

<sup>4</sup> If permitted by the plan.

<sup>5</sup> The percentage of mandatory employer nonelective contributions is applied on up to \$345,000 of compensation for 2024. Therefore, the maximum mandatory nonelective employer contribution amount per employee for 2024 is \$6,900 at 2% or \$10,350 at 3%.



For more information and assistance with SIMPLE IRAs, speak with your financial professional.

For more information about us, visit [capitalgroup.com](https://capitalgroup.com).

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.**

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