

Contributions from your employer are yours to keep

Employer contributions

Employers are required to make contributions for each year that the SIMPLE IRA plan is maintained. All employer contributions are immediately vested.

An employer is required to make *one* of two kinds of contributions:

- Dollar-for-dollar match, up to 3% of an employee's pay, for eligible employees who make contributions,[†]

or

- A 2% nonelective contribution of pay to all eligible employees, regardless of whether they contribute to the plan.[‡]

Ask your employer about your plan.

The benefits of your SIMPLE IRA

- **Convenience** – You contribute through automatic payroll deductions.
- **Tax savings** – You make contributions on a pretax basis, reducing your current taxable income.
- **Tax-deferred growth potential** – You don't pay state and federal taxes on contributions and earnings until the money is taken out.

[†] Matching contributions may be reduced to 1% for two of every five calendar years.

[‡] Compensation on which the employer calculates the 2% contribution is limited to \$330,000 for 2023.



CAPITAL GROUP® | AMERICAN FUNDS®

Capital Group, home of American Funds, is a key provider for your retirement plan

- Since 1931, we have invested with a long-term focus and attention to risk.
- More than half of our 67 million investor accounts are retirement accounts.*

For more information, visit us at capitalgroup.com/retire.

* As of December 31, 2022.

All hypothetical examples assume an 8% average annual return compounded monthly and a 4% annual withdrawal rate after the accumulation period. These are point-in-time views and as such do not take into account any growth or loss during retirement. Without investment growth/loss during retirement, a 4% annual withdrawal rate would deplete retirement savings in 25 years. Examples are for illustrative purposes only and do not reflect the results of any particular investment, which may differ, or taxes that may be owed on tax-deferred contributions, including a potential 10% penalty for withdrawals taken before age 59½, which is increased to 25% for withdrawals taken within two years of participating in the SIMPLE IRA. Regular investing does not ensure a profit or protect against loss in a declining market.

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

All Capital Group trademarks mentioned are owned by The Capital Group Companies, Inc., an affiliated company or fund. All other company and product names mentioned are the property of their respective companies.

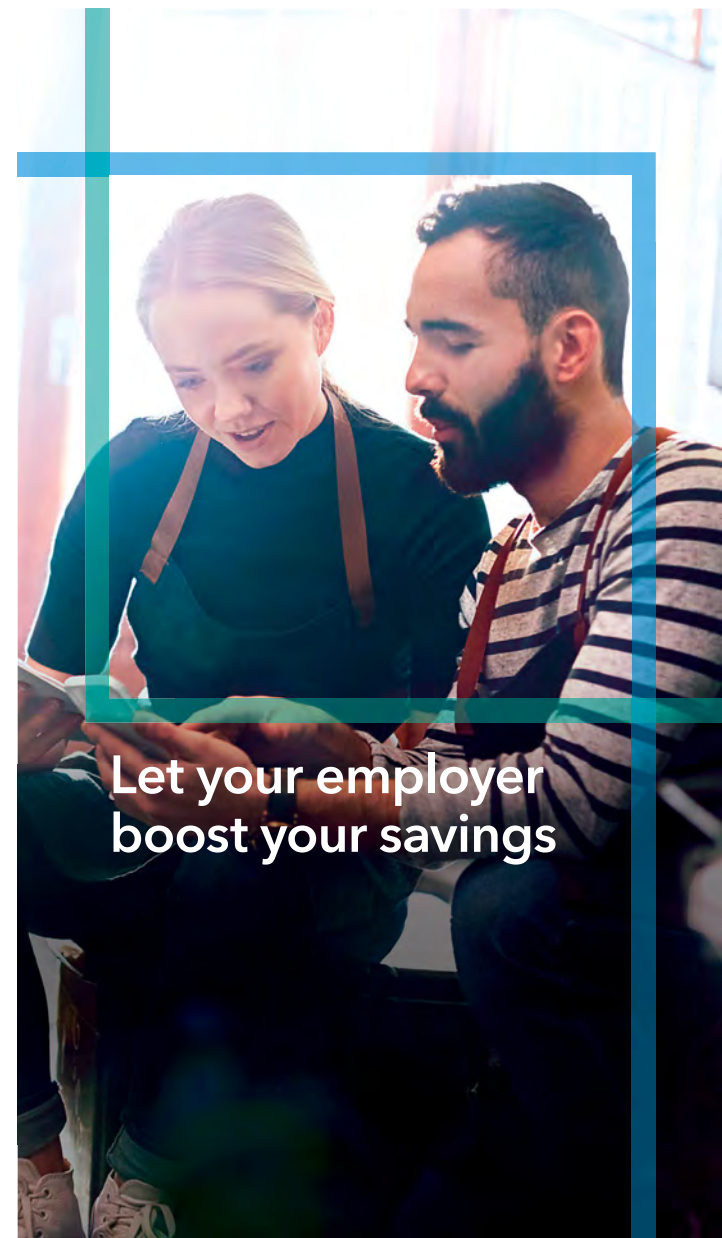
American Funds Distributors, Inc., member FINRA.



CAPITAL GROUP® | AMERICAN FUNDS®

SIMPLE IRA retirement plan

Take advantage of your employer's contributions



Lit. No. RFGEBR-143-0423P Printed in USA CGD/TM/9647-S90241 © 2023 Capital Group. All rights reserved.

A little extra can go a long way

Your employer gives you money just for contributing to your SIMPLE IRA retirement plan. With these extra contributions, your balance can grow faster, helping you move closer to your retirement goals.

Get rewarded for saving

Your SIMPLE IRA retirement plan may offer an incentive for your participation – an employer match. Your employer will add to what you contribute to bolster your savings.

If taking advantage of your employer's generosity sounds like a good way to help you save more for retirement, you're right. And all you have to do to receive the match is contribute to your plan.

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



Don't miss out

On an average salary,*
a 3% match
over 40 years could mean an **additional**
\$1,829/month
at retirement.

* Assumes a starting salary of \$50,000 and a 2% annual pay increase. Example is based on a common match formula: The employer matches dollar-for-dollar, up to 3% of pay. See the back cover for important information regarding hypothetical examples.

Need more information about your plan's match?

Contact the plan's financial professional and ask your employer for your plan's summary plan description (SPD).

Look at the difference an employer match can make over time

Sam and Sandra work for the same company and earn the same salary. Their SIMPLE IRA retirement plan offers a dollar-for-dollar match, up to 3% of pay. Notice how Sandra's monthly retirement withdrawals would be twice Sam's, because she saved 3% to get the full match.



Sam receives a **partial match**.

He saves 1.5% and gets a 1.5% employer match.



Sandra receives the **maximum match**.

She saves 3% and gets a 3% employer match.



Employee contributions (with earnings)

Employer match (with earnings)

These examples assume a starting salary of \$50,000, a 2% annual pay increase and a 40-year accumulation period. See the back cover for more hypothetical assumptions.