

SIMPLE IRA Plus fact sheet

Financial professional version



CAPITAL GROUP® | **AMERICAN FUNDS**®



SIMPLE IRA Plus:

A plan-level option for your small-business retirement plan practice

We're here to help

Have questions about **SIMPLE IRA Plus** or other retirement plan solutions? Reach out to your retirement plan sales team at **(800) 421-9900** or visit capitalgroup.com.

- **Opportunity:** More than 16 million U.S. companies are classified as small businesses.¹ 41% of small-business employees do not have access to a retirement plan to help them prepare for the future.²
- **Solution:** **SIMPLE IRA Plus** can provide you with yet another way to reach and serve even more employees and manage your small-business retirement plan practice. And it comes from Capital Group, home of American Funds, a plan provider and investment manager you already know and trust.

Key benefits and features of SIMPLE IRA Plus include:

A 401(k)-style experience at a SIMPLE IRA price

SIMPLE IRA Plus expands a traditional SIMPLE IRA program by offering 401(k) features – without the higher 401(k) price tag. These include:

- Select online enrollment capabilities
- Customizable fund menus comprised of American Funds, including the American Funds Target Date Retirement Series®
- A qualified default investment alternative (QDIA) that can help improve outcomes when participants don't select their investments
- Administration efficiencies, including plan-level reporting and online contribution submission

A practice-friendly model

SIMPLE IRA Plus makes it easier for you to build your small-plan practice. Enrollment is streamlined and more time-efficient. As a result, you may be able to help more clients without putting a strain on your business model.

Transparent, flexible service pricing

SIMPLE IRA Plus offers a service fee structure that your clients can easily understand. Depending on the broker-dealer, the program is available in class R-3 shares for commissionable business and class R-5E shares for fee-based business.

¹ Number of U.S. businesses with 99 or fewer employees. North American Industry Classification System, March 2023, naics.com/business-lists/counts-by-company-size/

² As of March 2023. U.S. Bureau of Labor Statistics, National Compensation Survey.

For financial professionals, third-party administrators and institutional consultants only. Use of this single sheet is subject to approval by your home office.

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

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.

Compare the features and benefits of our small business retirement solutions

	SIMPLE IRA	SIMPLE IRA Plus	401(k)
Service model	<ul style="list-style-type: none"> Financial professional provides individual advice on investment selection Trading may be done by the participant and, at the participant's request, by the financial professional 	<ul style="list-style-type: none"> Financial professional serves the plan, with access to plan-level reports, and may provide general education and enrollment guidance to participants All trading done by the participant 	<ul style="list-style-type: none"> Financial professional serves the plan with access to plan-level reports, and may provide general education and enrollment guidance to participants All trading done by the participant
Pricing	<ul style="list-style-type: none"> A one-time \$10 setup fee and a \$10 annual fee per participant Pricing varies by plan size (A share breakpoints), sequencing of investments and share class (A, C or F-2) A and C shares for commissionable models (A shares for non-levelized compensation) F-2 shares for fee-based models 	<ul style="list-style-type: none"> A one-time \$25 setup fee and a \$25 annual fee per participant R-3 shares for commissionable models, and R-5E for fee-based models Levelized compensation 	<ul style="list-style-type: none"> Recordkeeping and, depending on the plan, third-party administrator fees paid by plan and/or participants All R shares available, depending on plan type Levelized compensation
Investments	All American Funds (except tax-exempt funds), including the American Funds Target Date Retirement Series	Customizable fund menus comprised of American Funds (except tax-exempt funds), including the American Funds Target Date Retirement Series	Customizable fund menus comprised of American Funds (except tax-exempt funds), including the American Funds Target Date Retirement Series and may include fund options from outside investment managers
Plan default investment option	A plan default investment option is not available	A qualified default investment alternative (QDIA) is available	A qualified default investment alternative (QDIA) is available
Enrollment	Financial professional facilitates enrollment for each participant	Select online enrollment capabilities and simplified enrollment forms to streamline the enrollment process	Online and automatic enrollment, depending on solution and plan document
Contributions	Pretax	Pretax and Roth*	Pretax and Roth
Maximum participant contributions	\$16,000 (\$19,500 ¹ if age 50 or older)	\$16,000 (\$19,500 ¹ if age 50 or older)	\$23,000 (\$30,500 if age 50 or older)
Employer contributions^{1,2}	Mandatory; either: <ul style="list-style-type: none"> Dollar-for-dollar match of up to 3% of compensation for all eligible employees,³ or Across-the-board 2% of compensation for all eligible employees⁴ 	Mandatory; either: <ul style="list-style-type: none"> Dollar-for-dollar match of up to 3% of compensation for all eligible employees,³ or Across-the-board 2% of compensation for all eligible employees⁴ 	Discretionary, except for plans that qualify for a safe harbor
Maximum contributions (employer and employee)	\$32,000 (or \$39,000 with catch-up contributions) ⁴	\$32,000 (or \$39,000 with catch-up contributions) ⁴	\$69,000 (or \$76,500 with catch-up contributions)
Plan testing and reporting	None	None	Multiple tests (nondiscrimination, coverage, etc.), including Form 5500, may be necessary, depending on type and/or size of plan

* Only employee Roth deferrals are available at this time.

¹ For smaller employers (plans with no more than 25 employees who received compensation of at least \$5,000 in the preceding year), higher annual salary deferral and catch-up contribution limits generally apply (\$17,500 and \$3,500 for 2024). Larger employers (plans with more than 25 employees who received compensation of at least \$5,000 in the preceding year) qualify for the higher limits, but only if they provide a dollar-for-dollar matching contribution of 4% or a non-elective of 3% (up from regular requirements of 3% and 2%, respectively). The IRS has not announced the higher deferrals and catch-up 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 rounding rules do not apply, the limits would be higher.

² Employers (both smaller and larger) have the option to make additional nonelective contributions above required matching or non-elective contributions. This additional contribution must be made to all eligible employees and cannot exceed the lesser of 10% of compensation or \$5,000.

³ Matching contributions may be reduced to a minimum of 1% for two of every five calendar years.

⁴ Compensation on which the employer calculates the contribution is limited to \$345,000 for 2024.

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