

Retirement plan services
SIMPLE IRA and SIMPLE IRA Plus



CAPITAL GROUP® | **AMERICAN FUNDS®**



**Understand your
SIMPLE IRA options**



Offer lower costs and less complexity

With SIMPLE IRAs, you can provide many of the benefits associated with 401(k)s, but without the high cost or complexity. Moreover, investors can save more with a SIMPLE IRA than a traditional IRA.

An opportunity to help more investors

16.3 million small businesses operate in the U.S.*

89% of all companies in America are small businesses.*

43% of companies with fewer than 100 employees do not offer retirement benefits.†

Take advantage of tax benefits

Employers may qualify for a new federal tax credit that reimburses small businesses for a portion of the amount of employer contributions made. (It's important to note that there is no deduction for the portion of employer contributions that qualify for the credit).



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

Two solutions give you greater flexibility

We offer two types of SIMPLE IRAs to help meet your needs:

SIMPLE IRA

A collection of individual IRAs with a participant-level financial professional relationship.

SIMPLE IRA Plus

A 401(k)-style experience with a plan-level financial professional relationship.

The same benefits are at the core of each solution

- **Designed for small businesses** with up to 100 employees.
- **Easy plan design** with no complex IRS forms to complete.
- **Lower administration costs** than a 401(k) plan.
- **Tax-deductible business expenses** for mandatory employer contributions.
- **Higher contribution limits** compared to a traditional IRA.
- **Immediate vesting** of employee and employer contributions.
- **Quality investments options** from American Funds, including the American Funds Target Date Retirement Series®.

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

† U.S. Bureau of Labor Statistics, *Retirement benefits: Access, participation, and take-up rates*, March 2023.

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

Choose the solution that's right for you

SIMPLE IRA



"I primarily work with individual investors. So, **SIMPLE IRAs** are usually the right solution for my small-business clients."

- **An individual relationship** with each plan participant.
- **Flexible pricing** with Class A and C shares for commissionable models and Class F-2 shares for fee-based models.
- **A broad range of investments** that include American Funds and the American Funds Target Date Retirement Series.
- **An easy enrollment process** that's facilitated by the financial professional.

SIMPLE IRA Plus



"I've been building a 401(k) retirement plan side to my practice and I've found that **SIMPLE IRA Plus** suits the needs and budgets of many of my clients."

- **An institutional retirement plan model** that allows the financial professional to serve the plan and access plan-level reports.
- **Flexible pricing** with Class R-3 shares for commissionable models and Class R-5E shares for fee-based models.
- **Customizable fund menus** comprised of American Funds and the American Funds Target Date Retirement Series.
- **A default investment option** can help improve outcomes when participants don't select their investments.
- **Streamlined enrollment** through select online capabilities and simplified forms.

We're here to help

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

Are you using another plan provider?

Plan outcomes are critically important. No matter which provider you choose, consider offering the American Funds Target Date Retirement Series.

Compare the features and benefits of SIMPLE IRAs

	SIMPLE IRA	SIMPLE IRA Plus
Service model	<ul style="list-style-type: none"> Financial professional may provide 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 is done by the participant
Pricing	<ul style="list-style-type: none"> A one-time \$10 setup fee and \$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 \$25 annual fee per participant R-3 shares for commissionable models and R-5E for fee-based models 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
Plan default investment option	A plan default investment option is not available	A qualified default investment alternative (QDIA) is available
Enrollment	Financial professional generally facilitates enrollment for each participant	Select online enrollment capabilities and simplified enrollment forms to streamline the enrollment process
Employee contribution limit for 2024¹	\$16,000 (\$19,500 ¹ if age 50 or older)	\$16,000 (\$19,500 ¹ if age 50 or older)
Employer contributions for 2024^{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
Plan testing and reporting	None	None

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).

² Employers (both smaller and larger) have the option to make additional nonelective contributions above required matching or nonelective 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.

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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Although the target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met. Investment professionals manage the portfolio, moving it from a more growth-oriented strategy to a more income-oriented focus as the target date gets closer.

The target date is the year that corresponds roughly to the year in which an investor is assumed to retire and begin taking withdrawals. Investment professionals continue to manage each portfolio for approximately 30 years after it reaches its target date.

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