**Automatic Contribution Arrangement Notice**

***[Instructions to Employer: This sample notice is provided to assist you in preparing the required Automatic Enrollment notification. The plan’s documents control the plan provisions and should be matched carefully with this notice. This notice should be sent on company letterhead. Customize the content in brackets in the text below with the appropriate information for your plan. Delete all instructional headings as appropriate.]***

***[Date]***

This notice describes the automatic contribution feature applicable to the SIMPLE IRA plan offered by ***[company name]***. This means that eligible employees are enrolled automatically in the plan to make contributions through convenient payroll deductions (unless they make a different election or opt out) which will be invested in the default investment option for the plan (unless they choose other investment options).

**Automatic enrollment feature**

If you don’t opt out or make an affirmative salary deferral election, you will be automatically enrolled in the plan. This means that***[Automatic Enrollment default rate]*** of your eligible compensation will be withheld on a before-tax basis and contributed to the plan as an employee contribution. This will start as soon as practical following the effective date of the automatic enrollment feature or, if later, when you first become eligible to make employee contributions, but in no event earlier than 60 days from the date of this notice.

***[Select and customize, if necessary, for plans electing to use the automatic escalation provision]***

This initial rate continues until the end of the calendar year in which the automatic contribution first begins. Following this, your contribution rate is increased by***[enter percentage]*** each calendar year until your rate of contribution is ***[enter percentage]***of your plan compensation.

**Does the plan’s automatic enrollment feature apply to me?**

The plan’s automatic enrollment feature is effective ***[insert effective date]***and applies to eligible participants as follows:

***[Select and customize, if necessary, one of the following according to your plan terms.]***

***[1] [For plans where automatic enrollment applies only to new participants (i.e. employees who enter the plan on or after the automatic enrollment effective date)]*** The plan’s automatic enrollment feature applies to you if you become eligible to make employee contributions on or after the automatic enrollment feature effective date.

***[2] [For plans where automatic enrollment applies to all participants – regardless of whether they already made a contribution election prior to the effective date of the feature]*** The plan’s automatic enrollment feature applies to you, regardless of any existing salary deferral election in effect prior to the automatic enrollment feature effective date.

However, if on or after the effective date of the automatic enrollment feature, you choose not to contribute or to contribute at a rate other than the plan’s automatic enrollment percentage, the automatic enrollment feature will no longer apply to you.

**What if I do not want to be automatically enrolled in the plan or want to change my contribution rate?**

If you do not want to be automatically enrolled in the plan, or you want to select a contribution rate different from (either more or less than) the automatic enrollment rate, take the following action within a reasonable time after receipt of this notice, and before the first automatic contribution to which this notice applies. Your election will be effective as soon as it can reasonably be implemented after receipt.

* Obtain an enrollment/change form from ***[name/department]***.
* Make your salary deferral election on the enrollment/change form.
* Return the completed enrollment/change form to ***[name/department]***.

You can choose not to contribute or contribute at a rate other than the default rate by taking action as described above.

**Transfers**

Capital Bank and Trust Company (CB&T) is the designated financial institution of the SIMPLE IRA Plan. You may transfer your contributions (both your salary deferrals and your employer’s contributions) to another trustee or custodian without cost or penalty by notifying CB&T when your SIMPLE IRA account is initially established, or at any other time, by completing the *SIMPLE IRA Plus Transfer Election*. CB&T will process this request without cost or penalty, provided you meet certain transfer requirements.

**How will my plan account be invested?**

***[For plans using the American Funds Target Date Retirement Series:]***

Unless you choose or have already chosen another investment, your contributions will, or will continue, to be invested entirely in the default option for the plan. The default option for the plan is the American Funds Target Date Retirement Series. Unless you’ve been notified otherwise, the default fund is the fund in the series that is available at the time you are first defaulted that most closely matches the year you will turn 65.

***[For plans using an American Funds default investment other than the American Funds Target Date Retirement Series:]***

Unless you choose or have already chosen another investment, your contributions will, or will continue, to be invested entirely in the default option for the plan. The default option for the plan is the ***[default investment option name]***.

**Changing how your investments are being invested**

You can change your investment allocation at any time or you can make an exchange from the default investment into any other investment available for the plan by visiting **www.americanfunds.com/retire** or by calling

**(800) 421-6621, ext. 40**.

For more information about other investment options available under the plan, visit **www.americanfunds.com/retire** or call **(800) 421-6621, ext. 40**.

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