AMERICAN FUNDS®
From Capital Group

Retirement Plan Services

Payroll Deduction IRA

Program Highlights

Giving Your Employees Another Way to Save Can Be Easy.

For small business owners seeking an easy way to help their employees save for retirement, a payroll deduction IRA program offers the following benefits:

- **No-cost retirement program** to enhance your benefits package
- **Easy setup and maintenance** so you can focus on your business
- **Quality investments** to help your employees build a diversified portfolio
- **Convenient features** to help your employees pursue retirement goals

No-Cost Retirement Program to Enhance Your Benefits Package

Payroll deduction IRAs are an easy way for many business owners to initiate a retirement program at their companies, or augment their existing one.

- No cost for you to set up and maintain, unless your payroll provider charges to establish a payroll bridge. Employees pay all account costs, including a $10 setup fee, $10 annual maintenance fee and fund expenses.
- Funded directly from employee paychecks
- No employer contributions

Easy Setup and Maintenance so You Can Focus on Your Business

Your financial professional can help you establish a payroll deduction IRA program. Once it's set up, there's little required of you.

- Contributions automatically deducted from employee paychecks
- No IRS reports to complete
- Discontinue the program at any time without penalty
- No fiduciary liability because it's not an employer-sponsored retirement plan

Quality Investments to Help Your Employees Build a Diversified Portfolio

- The full menu of American Funds that has helped investors meet their long-term goals for over 80 years
- American Funds Target Date Retirement Series®
- American Funds Portfolio Series℠

Convenient Features to Help Your Employees Pursue Retirement Goals

- The option to choose between a traditional or a Roth IRA
- No service length requirements
- Ability to determine how much and how often to invest
- Immediately vested contributions means the money is theirs to keep
- The convenience of automating contributions through payroll deduction
- An additional retirement saving option when the maximum contribution to the company 401(k) plan has been made
- No rollover required after a job change, and account owners can continue to make contributions (since accounts are not part of an employer plan)

Employees Choose the IRA That's Right for Them

Your payroll deduction IRA program allows employees to invest in either a traditional or Roth IRA, assuming they meet income and age requirements. It is up to each employee to determine which type of IRA best suits his or her needs.

	Payroll Deduction	
	Traditional IRA	**Roth IRA**
Contribution Limits	Employees can contribute up to $5,500 per year, $6,500 for those age 50 and older.	Employees can contribute up to $5,500 per year, $6,500 for those age 50 and older (unless limited by tax-filing status and income requirements).
Age Limit for Contributions	Employees may contribute if they're younger than age 70½.	Contributions may be made at any age.
Tax Deductibility	Employees may qualify for a tax deduction on their contributions if their household income doesn't exceed certain limits.	Contributions are made with after-tax money and aren't tax-deductible.
Saver's Credit	The maximum credit is 50% of the employee's annual contribution, not to exceed $2,000.	The maximum credit is 50% of the employee's annual contribution, not to exceed $2,000.
Tax-Deferred/Tax-Free Growth	Earnings grow tax-deferred until withdrawn.	Earnings grow tax-free if certain conditions are met (see below).
Withdrawals	Withdrawals are taxable and, if made before age 59½, are subject to a 10% federal tax penalty unless the employee qualifies for *one* of these exceptions: • They're disabled • Withdrawals are taken as substantially equal periodic payments • The withdrawal is for payment of certain unreimbursed medical bills • The withdrawal is for payment of health insurance premiums during a period of unemployment lasting at least 12 weeks • The withdrawal is for payment of qualified higher education expenses • The withdrawal is for the purchase of a first home (up to $10,000 lifetime maximum) Withdrawals made by beneficiaries are *not* subject to a 10% tax penalty.	Withdrawals of contributions can be made at any time without taxes or penalty. Withdrawals of earnings will be tax-free *and* penalty-free if it's been at least five years since the initial contribution to the account, and the employee meets *one* of the following: • They're age 59½ or older • They're disabled • The withdrawal is for the purchase of a first home (up to $10,000 lifetime maximum) Withdrawals made by beneficiaries (after the five-year investment period) are *not* subject to taxes or a 10% federal tax penalty.
Required Minimum Distributions (RMDs)	Employees must begin taking RMDs no later than April 1 of the year following the year in which they reach age 70½.	Employees are *not* required to take RMDs during their lifetime.

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.