



AMERICAN
FUNDS®

From Capital Group

Retirement Plan Services

SIMPLE IRA

Program Highlights

Save More for Retirement With a SIMPLE IRA.

Only 51% of workers in small companies have access to retirement benefits.* As a result, many have fallen behind in the pursuit of their retirement goals.

If you don't offer a retirement plan because you're not sure you have enough employees, or worry that such a program would be expensive or difficult to manage, consider a Savings Incentive Match Plan for Employees (SIMPLE) IRA. Designed especially for companies with 100 or fewer employees, a SIMPLE IRA provides many of the benefits associated with 401(k)s, but without the high cost or complexity.

Among its features:

- **Cost-effective plan** for you and your employees
- **Quality investments** to help employees build a diversified retirement portfolio
- **Easy, flexible design** so you can focus on your business, not plan management
- **Opportunity to save more** than you could through a traditional IRA

Cost-Effective Plan for You and Your Employees

If potential costs have held you back from offering a retirement plan, then a SIMPLE IRA may be the solution you've been seeking. American Funds \$10 per-participant setup and \$10 annual account maintenance fees are among the lowest in the industry and are usually paid for by the participants themselves.

Employer contributions are required, but qualify as a tax-deductible business expense.

Quality Investments to Help Your Employees Build a Diversified Retirement Portfolio

You can choose from the same quality investment options that large companies make available in their employer sponsored 401(k)s, including:

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

Easy, Flexible Design so You Can Focus on Your Business

- Easy setup with the help of your plan's financial professional
- Submit contributions and access plan information online
- No complex IRS reports to complete
- Limit your fiduciary liability since each employee controls their own account and makes their own investment decisions
- Get helpful reminders about important plan requirements
- Choose between two types of employer contributions and switch between those two options up to once a year if needed (see page 2 for more information)

*U.S. Bureau of Labor Statistics, *Employee Benefits in the United States - March 2015*

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.

For more information and assistance with SIMPLE IRAs, speak with your financial professional.

For more information about American Funds, visit americanfunds.com.

Save More Than You Could With a Traditional IRA

A SIMPLE IRA allows you and your employees to save more than is possible through a traditional IRA. And employees also benefit from required company contributions.

Once Your SIMPLE IRA is Set Up, Maximize the Value of the Plan

Your SIMPLE IRA is as valuable to you as a business owner as it is to your employees. By taking full advantage of the plan, you can more confidently:

- **Pursue a better retirement for yourself**
It's estimated that you'll need as much as 70% to 80% of your preretirement income to maintain your current lifestyle

in retirement. Chances are, a traditional IRA will not enable you to save enough to reach that goal. Through your SIMPLE IRA, you can invest more than double what you could through a traditional IRA.

- **Benefit from a bigger tax deduction**
When you and your employees maximize your participation in the plan, everybody wins. In addition to helping those who participate get closer to their retirement goals, you may be eligible to receive a business tax deduction for all matching contributions you make as an employer.
- **Meet the needs of your employees**
An employee retirement plan can be a powerful incentive to help you attract top-quality employees and retain your most valued ones.

SIMPLE IRAs – A Closer Look							
Deadline to Establish	Between January 1 and October 1 of current year, unless it's a plan for a new business that was established after October 1 of the SIMPLE IRA plan setup year						
Contributions	Pretax contributions by employees Plus a mandatory employer contribution of either: <ul style="list-style-type: none"> • Dollar-for-dollar match of up to 3% of compensation (in tougher times, you may reduce the match to as little as 1%, but for no more than two of every five consecutive years) or • Across-the-board 2% of compensation for all eligible employees 						
Contribution Limits	<table border="0"> <tr> <td>Annual maximum participant contribution limit:</td> <td style="text-align: right;">\$12,500</td> </tr> <tr> <td>Additional catch-up contribution: (for those age 50 and older)</td> <td style="text-align: right;">\$ 3,000</td> </tr> <tr> <td>Total contributions:</td> <td style="text-align: right;">\$25,000/\$31,000*</td> </tr> </table> Maximum participant and employer contributions combined; \$25,000 subject to 3% employer match limit or 100% of participant's compensation (\$31,000 with age-based catch-up contributions <i>and</i> employer match).	Annual maximum participant contribution limit:	\$12,500	Additional catch-up contribution: (for those age 50 and older)	\$ 3,000	Total contributions:	\$25,000/\$31,000*
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Total contributions:	\$25,000/\$31,000*						
Investment Decisions	Made by employee						
Vesting	Immediate						
Ongoing Maintenance	Annual notice to eligible employees (required)						
Annual Nondiscrimination Testing	Not required						

* To achieve the maximum contribution amount, participants must earn at least \$416,667 annually (\$516,667 when the maximum catch-up amount is included).