



You play a key role in your plan's success

Your SIMPLE IRA retirement plan is one of your business's most valuable benefits. That's why it's so important to fulfill your roles and responsibilities as a plan sponsor. This list highlights many of the most important ones. For a complete list, review your plan documents, contact your financial professional or visit the IRS website.

Eligibility

❓ Does your business still qualify for a SIMPLE IRA?

To qualify for a SIMPLE IRA, your business must have 100 or fewer employees who've earned \$5,000 or more during the previous calendar year. When counting employees who've met the \$5,000 earnings threshold, don't forget to include full-time, part-time, seasonal and leased employees. *Note:* A two-year grace period may apply if you maintained your plan for at least one year before you exceeded the 100-employee limit.

Tip: If the grace period has expired, you must stop making new contributions to the plan; however, you may be able to file a Voluntary Correction Plan application with the IRS to request that contributions made for previous years (in which you met the requirements) remain in the plan. Also, you may wish to consider installing another plan type, such as a 401(k).

❓ Do you sponsor any other retirement plans?

If you sponsor a SIMPLE IRA *and* another plan type, such as a 401(k), you must cease all contributions to the SIMPLE plan. A SIMPLE IRA generally cannot be funded in the same calendar year in which participants receive an allocation from another plan sponsored by the same employer.

Tip: You may be able to file a Voluntary Correction Plan application with the IRS to request that contributions made for previous years (in which you maintained more than one plan) remain in the employees' SIMPLE IRAs.

❓ Are all eligible employees able to participate in the SIMPLE IRA?

Generally, any employee who earned at least \$5,000 in any two preceding years *and* is expected to earn at least \$5,000 in the current year is eligible to participate in your SIMPLE IRA plan. Review the participation status of all your employees each year by comparing past payroll information with a listing of those participating in the plan.

Tip: If you discover you've inadvertently excluded an eligible employee, you must make up for the employee's "missed deferral opportunity" and missed employer contribution by making corrective contributions, plus earnings.

Notifications

❓ Have you met your SIMPLE IRA employee notification requirements?

Prior to the start of each 60-day annual election period (generally, November 2 to December 31), you must provide written notice to all eligible employees informing them that they may define or change their salary reduction amount. You must also provide them with access to a Summary Plan Description and announce your intention to make a contribution to the plan and specify how much.

Tip: We offer *SIMPLE IRA Plan Sponsor Guide* that includes a sample Notification to Eligible Employees, a Summary Plan Description, a Salary Deferral Election form, a SIMPLE IRA Contributions Agreement and a SIMPLE IRA Adoption Agreement.

SIMPLE IRA

Plan sponsor roles and responsibilities

Contributions

Are you calculating salary deferrals and employer contributions correctly?

Review the calculations for the elective deferrals and employer contributions to ensure they match the method cited in your plan document. Make sure to count all compensation, including base compensation, bonuses, overtime and commissions.

Tip: If you discover you've inadvertently made an error, you must make up for any missed deferrals or employer contributions.

Are you depositing contributions into participant accounts on time?

Deposit elective deferrals into each participant's SIMPLE IRA as of the earliest date on which those contributions can reasonably be separated from the business's general assets, but no later than the close of the 30-day period following the last day of the month in which the money was withheld.

To reduce your potential liability, you may wish to take advantage of the seven-day safe harbor rule, under which contributions are considered timely if deposited no later than the seventh business day following receipt or withholding by the employer. Matching or nonelective contributions must be made no later than your tax-filing deadline, including extensions.

Tip: You submit investments electronically through our Online Group Investments website. This simplifies the contribution process and offers the following advantages:

- **An electronic paperless process.** Remit contributions from your firm's bank account with a single click. Access transactional history and update participant information at any time.
- **More timely contributions.** Meet funding deadlines more easily with an online process, since it eliminates mailing and delivery time.
- **Security.** Keep transactions secure with our Web data protection; avoid lost mail.
- **Flexibility.** Choose the payroll roster creation method that suits your needs and work schedule.

Are you contributing to accounts of terminated employees who were eligible to receive contributions during the plan year?

Matching or nonelective contributions must be made to all eligible employees. With a SIMPLE IRA plan, employees do not need to be employed on a specific day, such as the last day of the year, to receive matching or nonelective contributions.

Tip: Review employee payroll information to confirm that contributions were made to covered employees terminated during that plan year.



Have questions about your SIMPLE IRA plan?

Speak with your plan's **financial professional** or visit [irs.gov](https://www.irs.gov).

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