

Retirement plan services

SEP IRA program highlights

Choose the **small business plan** with **low cost** and **high contribution potential**

A Simplified Employee Pension Individual Retirement Account (SEP IRA) from Capital Group, home of American Funds®, focuses on your needs as a small business owner while enabling you to help your employees save for retirement. Easy to set up and maintain, a SEP IRA provides a number of benefits, including:



High contribution limits for you and your employees



Cost efficiency that includes tax advantages for your business



Ability to control your plan according to your needs and preferences



Investments to help participants build a diversified retirement portfolio



Quality service for enhanced convenience and support

High contribution limits for you and your employees

A SEP IRA allows you to invest far more than would be possible through a traditional or Roth IRA, or even a SIMPLE IRA plan. In fact, because of the plan's high contribution limits, SEP IRAs tend to be particularly attractive to business owners looking to maximize their retirement savings.

Contributions can be made by the employer on a discretionary basis. So you decide how much you'd like to invest for both yourself and your employees.

When you choose to make contributions to your retirement plan account, you also must contribute the same percentage of compensation for all eligible employees to each participant account. But all of those contributions are a tax-deductible business expense.

All contributions are immediately vested.

Cost efficiency that includes tax advantages for your business

In contrast to high contribution limits, administration costs for a SEP IRA are quite low. We charge only \$10 to set up each account and an annual \$10 maintenance fee. You can choose to pass these expenses on to your participants or have your company pay for them.

As a plan sponsor, you may be eligible for a tax credit up to \$5,000 per year for the first three years to help offset the cost of starting a SEP IRA plan. In general, the available credit allows \$250 a year for each eligible non-highly compensated employee up to the annual limit of \$5,000.

Are you using another provider?

Regardless of where you open your plan, ask for American Funds and our target date retirement series.

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

Ability to control your plan according to your needs and preferences

A SEP IRA allows you to decide how the plan will be run. For example:

- Contributions are not required; you decide when and how much you'd like to contribute to the plan (so your plan can function more like a profit-sharing plan, if you wish)
- The plan can be established anytime before your tax-filing deadline (including extensions) – ideal for small businesses that may not know their financial condition until year-end
- The plan operates with a minimum amount of paperwork and requires no complex reporting to the IRS, allowing you to focus on what's really important – your business
- You can limit your fiduciary liability since each employee controls their own account and investment decisions
- While most employees generally are eligible, you decide whether or not to cover certain workers, including:
 - Employees with annual earnings below \$800 for 2026.
 - Union members with a collective bargaining agreement
 - Nonresident alien employees with no U.S. source of income
 - Employees under the age of 21

- Employees who have worked for your company less than three of the immediately preceding five years
- You can terminate the plan at any time

Investments to help participants build a diversified retirement portfolio

With a Capital Group SEP IRA, you can choose from the same quality investment options that larger companies make available in their employer-sponsored 401(k)s, including:

- The full menu of equity and fixed income mutual funds offered by American Funds that has helped investors pursue their long-term goals for more than 90 years
- The American Funds Target Date Retirement Series®
- The American Funds Portfolio Series

Quality service for enhanced convenience and support

We provide you and your employees with:

- 24/7 online account access
- Online resources and information about retirement planning and the investments in your plan
- Over-the-phone support and answers to your questions about the plan

SEP IRAs – a closer look

Deadline to establish	By employer's tax filing deadline (including extensions)
Contributions	By employer only on a discretionary basis
Contribution limits	Lesser of 25% of participant's compensation* or \$72,000; must be the same percentage of compensation for all employees up to the stated maximums
Investment decisions	Employee
Vesting	Immediate
Ongoing maintenance	No annual filings or disclosures required
Annual nondiscrimination testing	Nondiscrimination testing not required; top-heavy rules apply

Footnote:

* The 2026 compensation limit is \$360,000 when determining maximum contributions. Contribution percentages are calculated based on the compensation limit; for example, for 2026, a 5% contribution would be capped at \$18,000 even if a participant makes more than \$360,000.



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

For more information about us, visit capitalgroup.com.

Although 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.

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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