



# SIMPLE IRA PLAN

Business Owner Guidebook

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# WELCOME.

When you commit to saving for retirement, you want to invest with a company that shares your dedication to hard work and results. At T. Rowe Price, we've spent years developing a strategy that pursues competitive long-term returns while seeking to carefully manage risk.

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# PUT OUR RESOURCES AND INVESTMENT APPROACH TO WORK FOR YOUR RETIREMENT GOALS.

When you invest with T. Rowe Price, you can take advantage of:

- **Strong Commitment to Proprietary Research**

We believe strongly in independent research and have developed one of the largest and most respected teams in the industry.

- **Seasoned Managers and Analysts**

T. Rowe Price works hard to hold on to good people; our portfolio managers average more than 16 years\* of experience with the company.

- **Sophisticated Risk Management Process and Control**

Our investment style focuses on reduced risk where possible in an attempt to deliver consistent returns.

- **Strict Adherence to Investment Style**

We believe in our investment strategy and adhere to it in every market climate.

Retirement savings can be one of the most valuable assets for you and your employees, so it pays to think carefully before choosing your retirement plan provider. That's a good reason to invest with T. Rowe Price and enjoy our combination of experience and commitment to long-term investing.

## **Track our fund performance at a glance.**

Visit [troweprice.com/funds](https://troweprice.com/funds) to view our fund returns over various periods. Please remember that past performance cannot guarantee future results. All investments involve risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.

\*As of December 31, 2021.

**For more information on saving for retirement with a SIMPLE IRA, visit [troweprice.com/simple](https://troweprice.com/simple).**

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## START INVESTING FOR THE FUTURE.

Establishing a retirement plan is one of the most important steps you can take to help ensure a financially secure future. A SIMPLE IRA is a cost-effective plan that covers you and your employees. There are no setup costs or sales commissions, so you can keep your costs down.

A SIMPLE IRA can be a good choice for any small business owner who has 100 or fewer employees who earn \$5,000 or more in compensation from you during the year. These employees cannot be receiving contributions or accruing benefits in another employer-sponsored retirement plan (such as a 401(k) or SEP-IRA) maintained by the same employer in the same calendar year.

A SIMPLE IRA offers:

### ■ Tax savings

Employers can save in taxes while saving for retirement, and employer contributions generally are deductible as a business expense. Employers have the option of making nonelective contributions or matching contributions to employees' accounts. For matching contributions, salary reduction contributions are matched dollar for dollar, up to the first 3% of each employee's compensation.\* For nonelective contributions, you contribute an amount equal to 2% of each eligible employee's compensation.\*\*

### ■ Plan Sponsor Website (PSW)

PSW is a free, Web-based service that makes it easy to submit contributions through a secure server. You can use PSW to establish accounts for you and your employees and to download plan reports. You can also grant an agent or other third party access to PSW.

\*The match may be reduced to as little as 1% in no more than 2 out of 5 consecutive calendar years.

\*\*The maximum eligible compensation that can be used in determining nonelective contributions is \$330,000 for 2023.

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### ■ Voluntary participation

Employees choose if and how much they want to contribute to the plan, and there is no required level of participation. Employee contributions—up to \$15,500 in 2023 for participants under age 50 and \$19,000 for those age 50 and older—can lower a participant's current taxable income as well.

***Note:** Employer contributions may be required for all employees whether they participate or not; please refer to the instructions in the IRS form.*

### ■ Great service and investment education

Our client services representatives are available to help you and your employees review investment options. Participants can also check balances and make transactions on our participant website at **rps.troweprice.com**.

### **Low costs.**

There are no costs to start the plan, and we keep our mutual fund expenses low to help you save even more.

The \$20 account service fee is automatically waived for accounts that satisfy any of the following conditions as of the last business day in August: any accounts for which the shareholder has elected to receive electronic delivery of statements and confirmations,\*\* any accounts of a shareholder with at least \$50,000 in total assets with T. Rowe Price (for this purpose, total assets include investments through T. Rowe Price Brokerage and investments in T. Rowe Price Funds, except for those held through a retirement plan for which T. Rowe Price Retirement Plan Services provides record-keeping services); or certain accounts enrolled in the T. Rowe Price Summit Program. If the Participant Account is closed during the year, a \$20 closeout fee will be deducted automatically from the proceeds of the total redemption. However, the closeout fee is waived when an account service fee was previously assessed to the participant for that year or when the proceeds are being used for a rollover, transfer, or conversion to a T. Rowe Price retirement plan account or a T. Rowe Price IRA.

\*\*\*Participants can subscribe to paperless delivery via the T. Rowe Price website once their account is established.

## **GO PAPERLESS FOR SECURE ONLINE ACCESS**

Sign up for E-Delivery to view your statements and documents instantly.



# YOUR OPTIONS FOR RETIREMENT INVESTING.

Invest for retirement with a diversified fund series.

If you want a portfolio that automatically adjusts over time, you may want to consider investing in a pre-assembled T. Rowe Price target date fund that provides a diversified portfolio to—and through—retirement.

We offer three distinct types of T. Rowe Price target date funds:

## **Retirement Funds**

Retirement Funds are designed to provide you with an age-based diversified portfolio that you can carry to and through retirement—making them a one-stop approach to retirement investing. The Retirement Funds offer higher potential long-term growth and volatility by maintaining an emphasis on stocks before and after the target retirement date.

## **Target Funds**

Target Funds seek to reduce volatility as you near retirement and may better support withdrawals over a shorter time period. These funds offer lower volatility and lower potential long-term growth by emphasizing bonds near the target date.

## **Retirement Blend Funds**

Retirement Blend Funds leverage a substantially similar investment structure as our Retirement series, but with an increased use of passively managed underlying holdings to achieve lower fees. They are designed for those clients who are focused on growth for retirement but who place a greater emphasis on overall cost.

*The visual on page 8 shows the distinct characteristics of these fund series and how they progress over time. For more information on these funds, visit [troweprice.com/targetdatefunds](https://troweprice.com/targetdatefunds).*

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## **Individual investment.**

If your employees want to select and control their own investments, T. Rowe Price can help find the funds that best fit their retirement goals. We offer more than 100 professionally managed mutual funds, as well as investment education from our client services representatives. To get more information on SIMPLE IRA plans, call us at **1-800-638-3804**.

*Call 1-800-638-3804 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*

*All investments involve risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.*

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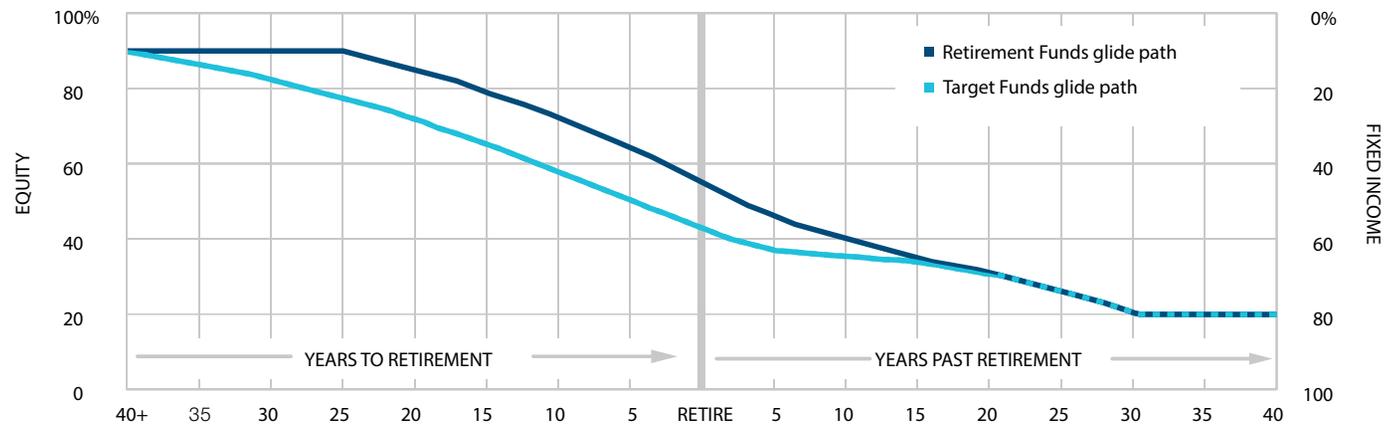
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## Comparing asset allocations for our target date funds.



This chart shows the neutral allocations for the funds as of 2022. The allocation for each fund may vary from the long-term neutral allocation. Call 1-800-541-8803 for the most current asset allocation.

The principal value of the Retirement Funds, Retirement Blend Funds and Target Funds (collectively, the “target date funds”) is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the fund. If an investor plans to retire significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor is retiring on or near the target date. The target date funds’ allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The Retirement Funds and Retirement Blend Funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term retirement withdrawal horizon.

The Target Funds emphasize asset accumulation prior to retirement, balance the need for reduced market risk and income as retirement approaches, and focus on supporting an income stream over a moderate postretirement withdrawal horizon. The target date funds are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. The key difference between the Retirement Funds/Retirement Blend Funds and the Target Funds is the overall allocation to equity; although they each maintain significant allocations to equities both prior to and after the target date, the Retirement Funds/Retirement Blend Funds maintain a higher equity allocation, which can result in greater volatility over shorter time horizons.

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## START YOUR SIMPLE IRA PLAN.

### Step 1—Determine which SIMPLE IRA plan is right for you.

When choosing a SIMPLE IRA plan, you have a few choices to consider:

- SIMPLE IRA plan with IRS [Form 5305-SIMPLE](#): Enter T. Rowe Price as the designated financial institution, and all contributions will be made into T. Rowe Price funds.
- SIMPLE IRA plan with IRS [Form 5304-SIMPLE](#): It allows each eligible employee to select the financial institution for his or her SIMPLE IRA contributions.

To establish your SIMPLE IRA with T. Rowe Price, you must first adopt a SIMPLE IRA plan by completing either the IRS Form 5305-SIMPLE or the IRS Form 5304-SIMPLE. **You don't need to file this plan document with the IRS.** Make a copy of the document and follow the instruction in Step 2 for returning the original IRS Form 5305-SIMPLE, or a copy of IRS Form 5304-SIMPLE, to T. Rowe Price.

You can establish your plan anytime between January 1 and October 1 (an exception applies for new businesses established after October 1). The document must be signed by the employer prior to October 1 for a plan that is to become effective in the current calendar year. The document must also be signed on or before the effective date of the plan.

If you have an existing employer-sponsored retirement plan or are making changes to your existing SIMPLE IRA plan, please contact a client services representative at **1-800-638-3804**.

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### **Determine your plan's eligibility requirements.**

In Article I of the IRS form, you must select your employee eligibility requirements. Generally, any employee who earned at least \$5,000 during any two prior calendar years and who is also expected to earn \$5,000 in the current year is eligible to participate. You can allow employees with less than \$5,000 in earnings to participate or make the calendar year requirement less restrictive, but you cannot make the requirements more restrictive (for example, you cannot require that employees earn \$10,000 before they can join the plan).

You may choose to exclude union employees who are eligible for retirement benefits under a collective bargaining agreement.

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## **Step 2—Complete the Information and Services Agreement.**

Please review the [T. Rowe Price SIMPLE IRA Disclosure Statement and Custodial Agreement](#) before completing the [Information and Services Agreement](#).

Fill out the [Information and Services Agreement](#) and mail it back to us at the address listed below.

Return the original IRS Form 5305-SIMPLE or a copy of IRS Form 5304-SIMPLE and the original Information and Services Agreement to T. Rowe Price. Keep the *Model Notification to Eligible Employees* and the *Model Salary Reduction Agreement* forms. You are required to notify all eligible employees of the opportunity to contribute to the plan before its effective date.

If you establish your plan using IRS Form 5305-SIMPLE, we'll complete the acknowledgment of designated financial institution and will return the form to you for your records.

Return completed forms here:

T. Rowe Price  
P.O. Box 17350  
Baltimore, MD 21297-1479

### **Express delivery only:**

T. Rowe Price  
Mail Code 17350  
4515 Painters Mill Road  
Owings Mills, MD 21117-4903

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### **Step 3—Notify each eligible employee of his or her right to participate.**

Once your SIMPLE IRA has been established with T. Rowe Price, you should notify each eligible employee of his or her right to participate (refer to Article I of the IRS form for the plan's eligibility requirements) by providing each with:

1. A copy of the completed IRS Form 5305-SIMPLE or 5304-SIMPLE.
2. The Model Notification to Eligible Employees form detailing the employer contribution election for the calendar year.
3. The Model Salary Reduction Agreement form to allow employees to enter into a salary reduction agreement.
4. A notice of an enrollment period (generally 60 days) during which employees can join the SIMPLE IRA plan and elect their salary deferral amounts. This period must include either the date your employees become eligible to join the plan or the day before that date.
5. Once the plan is established, provide a copy of the following to eligible employees:
  - [SIMPLE IRA Employee Guidebook](#)
  - [SIMPLE IRA Summary and Agreement](#)
  - [Participant Application](#)

We offer more than 100 professionally managed mutual funds, as well as investment education from our client services representatives. To get more information on SIMPLE IRA plans, call us at **1-800-638-3804**.

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## **Step 4—Begin using Plan Sponsor Web (PSW) to administer your plan online.**

PSW login information will be mailed to the plan sponsor once T. Rowe Price has established the SIMPLE IRA plan. There's no fee for this service, and online administration allows you to make changes when it's convenient for you.

Features include:

- Real-time contributions
- Set up new accounts and participants
- Perform updates and maintenance on accounts
- Research important plan information
- Access on-demand reports

Representatives are available to walk you through the enrollment process or answer any questions you have about PSW. Call us at **1-800-492-7670** Monday through Friday from 8 a.m. to 8 p.m. ET.

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## GENERAL INFORMATION.

The IRS requires that you submit your employees' salary deferral contributions as soon as possible but no later than 30 days after the end of the month in which the money normally would have been paid to the employee. For example, an employee's contribution for a pay period ending June 30 must be remitted as soon as possible but never later than July 30.

Employer contributions can be made either each pay period or in a lump sum, as long as the contributions are deposited before your business tax filing deadline (including extensions). You'll be using PSW to submit contributions to T. Rowe Price via the Automated Clearing House.

Remember, if you want all participants to direct their contributions to T. Rowe Price, you should establish your plan using IRS Form 5305-SIMPLE. If you establish your plan using IRS Form 5304-SIMPLE, participants can choose which financial institution they want their plan contributions invested with.

Employees are immediately 100% vested in their current account balances in the plan.

A retirement account should be considered a long-term investment. Retirement accounts generally have expenses and account fees, which may impact the value of the account. Early withdrawals are subject to taxes and possible penalties. For more detailed information about taxes, consult a tax or legal professional.

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