



# New York Life Investments SIMPLE IRA

RETIREMENT PLAN FOR SMALL BUSINESSES



INVESTMENTS

# New York Life Investments

With \$716 billion in Assets Under Management<sup>1</sup> as of December 31, 2023, New York Life Investments is comprised of the affiliated global asset management businesses of our parent company, New York Life Insurance Company (New York Life). We offer clients access to specialized, independent investment teams through our family of affiliated boutiques. We remain committed to our clients through a combination of the diverse perspectives of our boutiques and a long-lasting focus on sustainable relationships.

## New York Life Insurance Company

New York Life Insurance Company is one of the largest and oldest mutual life insurance companies in the United States. New York Life has the highest ratings for financial strength currently awarded to any life insurer by the four major ratings agencies (including a AAA rating<sup>2</sup>) and has consistently paid annual dividends\* to our policyholders since 1854.

\*Dividends are not guaranteed. Please refer to Page No. 4 of this Guide for footnotes #1 and #2.



# Benefits of offering a retirement plan

Small businesses who offer a retirement plan to their employees have a competitive advantage over those who do not, especially when it comes to recruiting and employee retention.

There are numerous benefits that a retirement plan can provide to your employees as participants, and some secondary benefits you will enjoy as a business owner.



## Benefits of a retirement plan to you, the employer

- ✓ Competitive advantage over other employers
- ✓ Assists in recruiting and retaining of employees
- ✓ Tax advantages
- ✓ Protection from creditors if bankruptcy occurs (if in a qualified plan)
- ✓ Boosts morale



## Benefits of a retirement plan to your employees

- ✓ Contributions can be made pre-tax
- ✓ Opportunity for tax deferred growth
- ✓ Advantage of using payroll deduction
- ✓ Variety of professionally managed investment options
- ✓ Builds retirement savings
- ✓ Protection from creditors for participant balances

One of the most popular retirement plans is a SIMPLE IRA. A SIMPLE IRA plan is simple to setup and to manage on an ongoing basis.

### The details of a SIMPLE IRA<sup>3,4</sup>

- Mandatory employer contributions (must select one)
  - 3% Employer matching contribution (may reduce to as low as 1% two out of every five years
  - OR
  - 2% Non-elective contribution\*
- Immediate vesting for employee contributions and employer match contributions
- No IRS approval, reporting, or annual testing
- Loans are not allowed
- Low annual cost

\*Please refer to the fact sheet for the 2% non-elective contribution maximum compensation amount limit.

3. Starting in 2024, the SECURE 2.0 Act of 2022 generally permits employers to make additional non-elective contributions to SIMPLE IRA plans of up to 10% of pay, not to exceed \$5,000 (indexed for inflation).

4. Starting in 2024, in the case of an employer with 25 or fewer employees, the SECURE 2.0 Act of 2022 increases the limits on employee contributions and catch-up contributions to a SIMPLE IRA plan to 110% of the limits that would otherwise apply. The 110% amounts will be adjusted for inflation. SIMPLE IRA plans with 26 employees or more may elect to apply the higher limits above but would be required to provide an increased matching of up to 4% (instead of 3%) or a non-elective contribution of up to 3% (instead of 2%).



# What is a SIMPLE IRA Plan?

A SIMPLE IRA plan is a retirement program designed to meet the needs of small businesses. Offering many of the features of a big-company retirement plan like a 401(k), but made simple, easy, and affordable. SIMPLE IRA plans are appropriate for companies with no more than 100 employees that want to allow employee contributions.

## Advantages of a SIMPLE IRA Plan

Unlike other retirement programs, a SIMPLE IRA takes little time to administer and maintain. We provide everything you need to set up your plan quickly and easily.

- Low cost
- Easy setup and administration
- No complex government reporting
- No plan tax filings with the IRS
- No complicated testing requirements
- Employees can contribute on a pre-tax basis to their own accounts
- Employer contribution is flexible and is generally tax deductible
- No Annual Nondiscrimination Testing required

## A closer look

- You may establish a SIMPLE IRA if your company has no other retirement plan in place and has 100 or fewer employees. The plan may be terminated at the end of any calendar year without cost.
- Employees are eligible if they earned at least \$5,000 during any two preceding years (whether or not consecutive), and are expected to earn at least \$5,000 in the current calendar year. The employer may reduce or eliminate the earnings requirement for prior years and/or the current year.
- There are no annual testing or IRS filing requirements and very little bookkeeping. There is no charge to set up or administer your plan, and our web-based service center will make your SIMPLE IRA easy to maintain. Depending on how your payroll is administered, you may incur costs for setting up or maintaining salary deferrals. Consult your payroll administrator for details.
- The employer will be a fiduciary to the SIMPLE IRA plan under the Employee Retirement Income Security Act of 1974 (ERISA). Employers should consult with their own tax and legal advisors before establishing a SIMPLE IRA plan.

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Certain considerations - A SIMPLE IRA may not be suitable if the employer does not want to match their employees' contributions or is looking for a loan option in the plan. SIMPLE IRAs require immediate 100% vesting.

1. Assets under management (AUM) includes assets of the investment advisers affiliated with New York Life Insurance Company, other than Kartesia Management, and Tristan Capital Partners, as of 12/31/2023. As of 12/31/2022 New York Life Investments changed its AUM calculation methodology, and AUM now includes certain assets, such as non discretionary AUM, external fund selection, and overlay services, including ESG screening services, advisory consulting services, white labeling investment management services, and model portfolio delivery services, that do not qualify as Regulatory Assets Under Management, as defined in the SEC's Form ADV. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 12/31/2023. This total AUM figure is less than the sum of the AUM of each affiliated investment adviser in the group because it does not count AUM where the same assets can be counted by more than one affiliated investment adviser.
2. The "highest ratings currently awarded" refers to the highest ratings currently awarded to any U.S. life insurer, individual independent rating agency commentary: Standard & Poor's (AA+), affirmed 8/10/23; Fitch Ratings (AAA), affirmed 10/6/23; A.M. Best (A++), affirmed 10/19/23; Moody's Investors Service (Aaa), affirmed 11/17/23. Dividends are not guaranteed.

The financial strength of New York Life Insurance Company applies only to its insurance products and not to investment products which are subject to market risk and fluctuation in value.



## Employee Contributions

A SIMPLE IRA offers many attractive features for you and your employees.

- Participants can elect to defer part of their salary on a pre-tax basis via convenient payroll deduction<sup>5</sup>.
- Salary deferrals provide a disciplined approach to saving for retirement that is easy and convenient.
- Pretax contributions lower participants' current taxable income.
- Tax-deferred compounding of earnings helps participant investments grow faster.
- Participants direct their own investments to accommodate their individual needs and objectives.
- SIMPLE IRAs allow larger contributions than traditional IRAs.

### **Contribution Limits: Maximum Annual Salary Deferral Contributions<sup>6</sup>**

Employees' salary deferrals must be transferred to their SIMPLE IRA accounts no later than the 30th day of the month following the month that they are withheld from pay.

Employees who participate in a SIMPLE IRA are considered active participants for purposes of determining the deductibility of a regular IRA contribution. Depending on the employee's income level, this may limit the amount of the employee's traditional IRA contribution that is deductible.

Please ask your registered representative for the SIMPLE IRA Fact Sheet which has the current contribution limits.

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5. The SECURE 2.0 Act, which was enacted into law on December 29, 2022, allows for SIMPLE IRA plans to offer elective deferrals on either a pre-tax or after-tax Roth basis. However, New York Life Investments' SIMPLE IRA currently only accepts employee pre-tax deferrals.

6. Maximum deferral amounts are subject to change by the IRS annually, based on inflation.



## Rollovers

At any time, a participant's account assets may be rolled over tax-free from one SIMPLE IRA to another. After two years of participation in a company's SIMPLE IRA, a participant's account assets may be rolled over tax-free from a SIMPLE IRA to a traditional IRA, to an employer's qualified plan, or converted to a Roth IRA. Please consult with your tax professional regarding your own personal circumstance. As a reminder, all IRAs, regardless of type, are subject to one rollover per 12 months.



## Distributions

Distributions from SIMPLE IRAs are generally included in income and taxed in the year received. Withdrawals prior to age 59½ are generally subject to a 10% penalty tax. However, if a distribution is made within the first two years of plan participation, the penalty tax is increased to 25%. Please be aware that SIMPLE IRA accounts are subject to the Required Minimum Distribution rules set by the IRS.

Loans are not permitted from SIMPLE IRAs.



## Required Employer Contributions

Employer contributions made to participant accounts are flexible and generally tax-deductible.

- Required employer contributions are a dollar-for-dollar match on employee salary deferrals up to 3% of pay.<sup>7</sup>
- Two out of every five years, the match can be reduced as low as 1%.
- Alternatively, the company can contribute 2% for all eligible employees regardless of who has made salary deferrals.
- Company contributions are based on W-2 earnings or self-employment income, plus salary deferrals.
- SIMPLE IRAs run on a calendar year. Company contributions can be made with each payroll, at convenient intervals (e.g., monthly, quarterly), or all at once, by the due date of the company's tax return for the year, including extensions. These contributions are deductible for the SIMPLE IRA calendar year ending within the company's tax year.

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<sup>7</sup>Maximum deferral amounts are subject to change by the IRS annually, based on inflation.



# Investments – the Jargon

A common issue we are seeing is people not understanding the jargon. The three main terms of jargon in investing are stocks, bonds, and cash.

**Assets = Stocks + Bonds + Cash**



## Stocks

- Equities
- Aggressive



## Bonds

- Fixed Income
- Moderate



## Cash

- Conservative

This example is for illustrative purposes only and does not represent an actual investment. The solutions presented are not appropriate for all investors.

- **Stocks** are sometimes called equities. A stock is direct ownership of a company. Generally, the more a portfolio is weighted towards equities, the more aggressive it is.
- **Bonds** are also known as fixed income, and a bond is a loan.
- The third asset is **cash** which is very conservative. This is usually in a bank account or money market account.

## Types of Asset Allocation

- Conservative – least stocks
- Moderately Conservative
- Moderate/Balance
- Moderately Aggressive
- Aggressive/Growth – Most Stocks

When you think about asset allocation, think about pies, there are certain pies for certain situations. It's important for you to pick the right asset pie for your goals.

When your employees invest in the New York Life Investments SIMPLE IRA, they have the option to invest into our pre-constructed portfolios that offer complete diversification within a single fund. With exposure to equities in varying levels, they provide a great way for investors to get into the equity market.

When selecting a pre-constructed portfolio, your employees can be assured their money is actively managed and rebalanced with the best weightings at any given time. Although participants remain responsible for their investment choices, our investment specialists, averaging over 20 years of experience, oversee asset class exposure in the funds.



# Investment Capabilities

## MainStay Funds

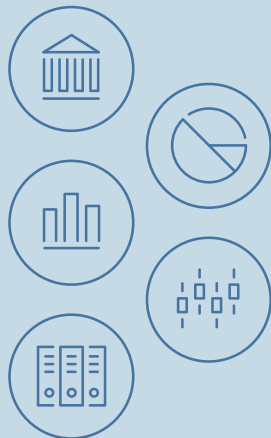
We understand the complexities of investing for retirement. Through MainStay Funds, we provide plan participants with investment options designed to make retirement investing easy.

The MainStay Diversified Portfolio Series and the MainStay Asset Allocation Funds offer professional diversification and ongoing portfolio rebalancing all in one easy, convenient investment. These funds enable participants to select an investment based on the amount of risk they feel comfortable taking. Each of these funds invest primarily in a distinct mix of investment products. Please refer to the SIMPLE IRA Fact Sheet:\* for the funds under the MainStay Diversified Portfolio Series and the MainStay Asset Allocation Funds.

Following enrollment, participants will have the opportunity to purchase additional MainStay Funds once they meet the applicable investment minimums. Please refer to the fact sheet\* and prospectuses for additional details concerning the funds.

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\* Please ask your registered representative for the SIMPLE IRA Fact Sheet for details.



*These funds enable participants to select an investment based on the amount of risk they feel comfortable taking.*

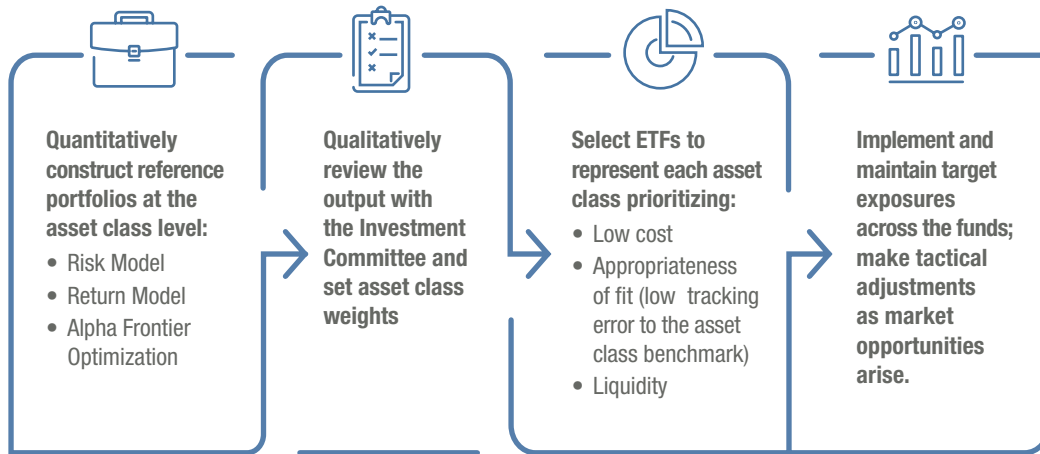


# Experienced hands at the helm

New York Life Investments' Multi-Asset Solutions team (MAS) oversees the day-to-day portfolio management services for the Funds.

The team's process prioritizes risk mitigation and consistent performance through strategic asset allocation and portfolio construction. The team controls style drift, manages various risks, and provides thorough diversification all while emphasizing those underlying investments with the most compelling current return opportunities.

The MAS team manages the MainStay Diversified Portfolio Series through a robust investment process as described below:



The investment managers in the Multi-Asset Solutions team are seasoned investment professionals bringing an average of over 20 years of industry experience to the helm of the MainStay Diversified Portfolio Series and the MainStay Asset Allocation Funds.



**Jonathan Swaney**  
Managing Director,  
Senior Portfolio  
Manager



**Jae Yoon, CFA**  
Chief Investment Officer,  
New York Life Investment  
Management



**Poul Kristensen, CFA**  
Managing Director,  
Economist, Portfolio  
Manager



**Amit Soni, CFA**  
Director,  
Portfolio Manager



# Client Service

Customer service is more than important. It's integral to our business. We strive to provide service to all of our clients and plan participants.

- The Employer SIMPLE Set-Up Instructions will help guide you through the plan set-up and annual maintenance.
- Our web site provides an easy-to-use interface to help administer your plan and send contributions. It also provides plan participants with round-the-clock account access.
- Our service center provides you with toll-free access to account information and a knowledgeable staff ready to answer any account-related questions.

## Plan Services for Participants

Employee communications are another hallmark of our commitment to quality service. Each eligible employee receives an Employee Enrollment Kit containing important information and guidance on setting up a SIMPLE IRA account. Our web site, quarterly statements, and newsletters keep participants well-informed. In addition, employees can call our toll-free number to speak with a representative.



## Next steps:

### It's easy to set up

Follow the Employer Set Up Guide. It contains everything you need to establish and maintain a SIMPLE IRA plan. You'll find step-by-step instructions to guide you through each stage of your plan. Refer to the fact sheet for details on the New York Life Investments SIMPLE IRA Plan.

## Get started today

Refer to our web site for a list of investment options available.  
Online account access: [newyorklifeinvestments.com/accounts](http://newyorklifeinvestments.com/accounts)

Call our toll-free number to speak with a representative

1-800-624-6782, option 2  
Weekdays from 8:30am to 5 pm EST

**Call your financial professional to set up your SIMPLE IRA plan today.**



# The New York Life Investments Difference

Focus on delivering ongoing value for our clients



<sup>8</sup> The products and services of New York Life Investments' boutiques are not available in all jurisdictions or regions where such provision would be contrary to local laws or regulations. New York Life Investments does not offer insurance nor annuity products, both of which are available through our parent, New York Life Insurance Company and one of its insurance affiliates.



# Before you invest

## About risk

**Before considering an investment in the Funds, you should understand that you could lose money.**

All mutual funds are subject to market risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.

The Funds' performance depends on the subadvisor's skill in determining the asset class allocations and the mix of underlying Funds, as well as the performance of those underlying Funds. The underlying Funds' performance may be lower than the performance of the asset class which they were selected to represent. The Funds are indirectly subject to the investment risks of each underlying Fund held. The Funds may invest more than 25% of its assets in one underlying Fund, which may significantly affect the NAV of the Funds.

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**The principal risks of investing in the Fund are summarized below.**

**Asset Allocation Risk:** Although allocation among different asset classes generally limits the Fund's exposure to the risks of any one class, the risk remains that New York Life Investments may favor an asset class that performs poorly relative to the other asset classes. For example, deteriorating economic conditions might cause an overall weakness in corporate earnings that reduces the absolute level of stock prices in that market. Under these circumstances, if the Fund, through its holdings of Underlying ETFs, were invested primarily in stocks, it would perform poorly

relative to a portfolio invested primarily in bonds. The Underlying ETFs selected by New York Life Investments may underperform the market or other investments. Moreover, because the Fund has set limitations on the amount of assets that normally may be allocated to each asset class, the Fund has less flexibility in its investment strategy than mutual funds that are not subject to such limitations. In addition, the asset allocations made by the Fund may not be ideal for all investors and may not effectively increase returns or decrease risk for investors.

**New Fund Risk:** The Fund is a new fund which may result in additional risk. There can be no assurance that the Fund will grow to an economically viable size, in which case the Fund may cease operations. In such an event, investors may be required to liquidate or transfer their investments at an inopportune time.

**Exchange-Traded Fund ("ETF") Risk:** The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF's shares could result in the market price of the ETF's shares being more volatile than the value of the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold by the Fund could result in losses on the Fund's investments in ETFs. ETFs also have management fees that increase their costs versus the costs of owning the underlying securities directly.

## Principal Risks of the Underlying ETFs

**Equity Securities Risk:** Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate such changes that can adversely affect the value of a Fund's holdings.

**Debt Securities Risk:** Funds that invest in bonds are subject to interest rate risk and can lose principal value when interest rates rise. Bonds are also subject to credit risk which is the possibility that the bond issuer may fail to pay interest and principal in a timely manner.

**Derivatives Risk:** Derivatives often involve a high degree of financial risk in that a relatively small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable as well as favorable, in the price of the derivative instrument. Investments in derivatives may increase the volatility of a fund's net asset value and may result in a loss to the fund.

**Foreign Securities Risk:** Foreign securities can be subject to greater risks than U.S. investments, including currency fluctuations, less liquid trading markets, greater price volatility, political and economic instability, less publicly available information, and changes in tax or currency laws or monetary policy. These risks are likely to be greater for emerging markets than in developed markets.

**High Yield Risk:** High yield securities (junk bonds) have speculative characteristics and

present a greater risk of loss than higher quality debt securities. These securities can also be subject to greater price volatility.

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## About fees and expenses

The term "fund of funds" is used to describe mutual funds that pursue their investment objectives by investing in other types of funds. By investing in the Fund, you will indirectly bear fees and expenses charged by the underlying funds in which the Fund invests in addition to the Fund's direct fees and expenses. Your cost of investing in the Fund, therefore, may be higher than the cost of investing in a mutual fund that invests directly in individual stocks and bonds. Additionally, the use of a fund-of-funds structure could affect the timing, amount, and character of distributions to you and therefore may increase the amount of taxes payable by you. You should consult your tax and financial professionals regarding these matters.

**New York Life and its affiliates do not render tax, legal, or accounting advice. Please consult your financial professional regarding your own personal circumstances.**

# Notes

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**New York Life and its affiliates do not provide legal, tax or accounting advice. Before considering a SIMPLE IRA plan, you should consult with your own professional legal and tax advisors regarding your individual circumstances.**

For more information about MainStay Funds®, call 800-624-6782 for a prospectus or summary prospectus. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus or summary prospectus contains this and other information about the investment company. Please read the prospectus or summary prospectus carefully before investing.

**For more information**

800-624-6782

[newyorklifeinvestments.com/agency](http://newyorklifeinvestments.com/agency)



**INVESTMENTS**

"New York Life Investments" is both a service mark, and the common trade name, of certain investment advisors affiliated with New York Life Insurance Company. New York Life Investments, New York Life Insurance Company, and its affiliates and representatives do not provide legal, tax or accounting advice. Clients should consult their own legal and tax advisors. New York Life Trust Company ("NYLTC"), an indirect, wholly-owned subsidiary of New York Life Insurance Company. The MainStay Funds® are managed by New York Life Investment Management LLC and distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, a wholly owned subsidiary of New York Life Insurance Company.