



# New York Life Investments SIMPLE IRA

A **SIMPLE IRA** (Savings Incentive Match Plan for Employees) Plan is a type of employer-sponsored retirement plan that allows for employee contributions into the plan to grow on a tax-deferred basis. This means the employees will not pay taxes on earnings or ordinary income for pre-tax contributions until they make a withdrawal from the plan.

Early withdrawal penalties of 10% may also apply if money is withdrawn prior to attaining age 59½. The penalty may be increased to 25% if the withdrawal is done within the first two years of SIMPLE IRA participation. Please be aware that SIMPLE IRA accounts are subject to the Required Minimum Distribution rules set by the IRS. At age 73,<sup>1</sup> SIMPLE IRA accounts are subject to the same minimum distribution requirements as Traditional IRAs.

Under IRS rules, employers who sponsor SIMPLE IRA Plans must elect to provide either a match of up to 3% of employee compensation or a 2% non-elective contribution to all eligible employees regardless of their participation in the plan.<sup>2</sup> The employer may reduce the 3% limit to a lower percentage, but not lower than 1%. The employer may not lower the 3% limit for more than two calendar years out of the five-year period ending with the calendar year the reduction is effective. (For more information regarding IRS plan rules, see: <https://www.irs.gov/retirement-plans/operating-a-simple-ira-plan>)

In 2025, SIMPLE IRA Plans allow for a maximum employee deferral amount of \$16,500 (plus \$3,500 for a catch-up contribution if age 50 or over).<sup>3,4</sup>

## For plan participants

The amount of money needed to retire comfortably is increasing due in large part to rising health care costs and longevity risk — the risk of running out of money too soon because people are living longer.

For many people, retirement plan assets represent the largest portion of their savings. It is important to consider participating in your employer-sponsored retirement plan (such as a SIMPLE IRA plan) and to get started as soon as you can — *the sooner you start, the more opportunity you have to grow your retirement savings.*

The money in SIMPLE IRAs are held tax deferred, which means:

1. taxes are not paid on any earnings until the money is withdrawn and
2. all contributions have the opportunity to compound more quickly.

The New York Life Investments SIMPLE IRA Plan may be a convenient and flexible way to help you save for retirement.



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## Employee eligibility requirements

Employees are eligible to participate if they:

- Earned at least \$5,000 in any two years preceding the current year (whether or not consecutive).
- Are expected to earn at least \$5,000 in the current calendar year.

Employer can reduce or eliminate earnings requirements for prior years and/or the current year.

## Maximum deferrals<sup>3,4</sup>

Year	Amount
2024	\$16,000
2025	\$16,500

## Catch-up contributions<sup>3,4</sup>

(participants age 50 and older)

Year	Amount
2024	\$3,500
2025	\$3,500

1. For distributions required to be made after December 31, 2022, the age when required minimum distributions must begin is now based on your "applicable age" as defined in the Internal Revenue Code. Your applicable age is 75 if you were born on or after January 1, 1960, age 73 if you were born on or after January 1, 1951 and prior to January 1, 1960, age 72 if you were born on or after July 1, 1949 and prior to January 1, 1951 and age 70½ if you were born prior to July 1, 1949.
2. Your employer who set up the SIMPLE IRA is required by law to match your contributions up to 3% of compensation (if the employer does not make non-elective contributions), and their contributions belong to you immediately. You can take them with you should you leave your employer. As of 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).
3. Maximum deferral amounts are subject to change by the IRS annually, based on inflation.
4. As of 2024, in the case of an employer with 25 or fewer employees, the SECURE 2.0 Act of 2022 increased the limits on employee contributions and catch-up contributions to a SIMPLE IRA plan to 110% of the limits that would otherwise apply for 2024. 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%).
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 pretax deferrals.
6. Maximum compensation on which 2025 contribution can be based is \$350,000 (\$345,000 for 2024).

## For employers

A SIMPLE IRA can be established by a company that:

- Has no more than 100 employees who earned at least \$5,000 in compensation from the company during the prior calendar year.
- Maintains no other qualified plans.
- Wants a retirement vehicle allowing employee contributions.

## SIMPLE IRA specifics

- No set-up costs (Depending on how your payroll is administered, there may be costs for setting up or maintaining salary deferrals).
- No IRS approval or annual Form 5500 reporting required (certain disclosures and notification must be provided to employees annually and to new employees).
- No minimum number of participants required.
- Plan may be terminated at the end of any calendar year without cost.
- Eligible employees may, but are not required to, contribute a portion of their compensation, up to the annual Maximum Deferral amount (with additional Catch-Up Contributions if eligible).<sup>5</sup>

## Required employer contributions

Companies must select from one of the following options:

- Matching contribution: 100% of salary deferral up to 3% of an employee's compensation (may be reduced to no less than 1% in two out of five years).
- Non-elective contribution: 2% of each eligible employee's compensation<sup>6</sup> (subject to IRS limits) regardless of whether they are deferring salary.

Any contributions made on behalf of plan participants are generally tax deductible by the employer.

# For employers and plan participants

## The power of a diversified portfolio

New York Life Investments SIMPLE IRA offers an array of investment options. Our SIMPLE IRA offers professional diversification and ongoing portfolio rebalancing all in one simple, convenient investment through our NYLI<sup>†</sup> Asset Allocation Funds, and NYLI Diversified Portfolio Series.

## Investment Options

New participants may select from Asset Allocation Funds.

NYLI Diversified Portfolio Series	NYLI Asset Allocation Funds
NYLI Conservative ETF Allocation Fund	NYLI Conservative Allocation Fund
NYLI Moderate ETF Allocation Fund	NYLI Moderate Allocation Fund
NYLI Growth ETF Allocation Fund	NYLI Growth Allocation Fund
NYLI Equity ETF Allocation Fund	NYLI Equity Allocation Fund

Asset Allocation Funds offer professional diversification and ongoing portfolio rebalancing all in one easy, convenient investment. See the prospectus for more information.

Following enrollment, participants have access to additional NYLI Funds once the minimum balance is attained.

The NYLI Funds listed below are available in the new SIMPLE IRA plans, effective August 31, 2020. The Funds are available in Simple (SI) shares class:

Asset Allocation Funds/ Mixed Asset Fund	Equity Funds
NYLI Conservative ETF Allocation Fund	NYLI MacKay S&P 500 Index Fund
NYLI Moderate ETF Allocation Fund	NYLI Winslow Large Cap Growth Fund
NYLI Growth ETF Allocation Fund	NYLI Epoch U.S. Equity Yield Fund
NYLI Equity ETF Allocation Fund	Fixed Income Funds/ Money Market
NYLI Conservative Allocation Fund	NYLI Short Term Bond Fund
NYLI Moderate Allocation Fund	NYLI MacKay High Yield Corporate Bond Fund
NYLI Growth Allocation Fund	NYLI MacKay Total Return Bond Fund
NYLI Equity Allocation Fund	NYLI Floating Rate Fund
NYLI Income Builder Fund	NYLI Money Market Fund

<sup>†</sup> Effective 8/28/24, the MainStay mutual fund family name was renamed the NYLI family of funds."

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 compensation on which 2024 contribution can be based is \$345,000 (\$330,000 for 2023).

Plans opened prior to 8/31/20 Class A/Investor (INV) Class shares available	Plans opened on and after 8/31/20 Simple (SI) Class shares available
New York Life Investments SIMPLE IRAs for plans established prior to August 31, 2020 and newly added plan participants to such plans will remain in their existing share class arrangement.	New York Life Investments SIMPLE IRAs for plans established on or after August 31, 2020 must utilize the new Simple (SI) Class. Class A and Investor Class are not available.
Investor Class will convert to Class A once minimums are met. Once converted, Class A will not convert back to Investor Class.	Simple Class will convert to Class A or Investor Class after being invested for 10 years, depending on the balance in each fund that you own. New plan contributions will continue to purchase Simple Class and will follow the 10-year conversion schedule.
<ul style="list-style-type: none"> <li>&gt; \$20 annual custodial fee</li> <li>&gt; \$20 low balance fee for accounts with less than \$1,000 after the first year of participation. The fee will be applied twice per year in increments of \$10</li> <li>&gt; No small account fee for participant balances invested in the NYLI Asset Allocation ETF Funds</li> </ul>	<ul style="list-style-type: none"> <li>&gt; \$20 annual custodial fee</li> <li>&gt; \$20 low balance fee for accounts with less than \$1,000 after the first year of participation. The fee will be applied twice per year in increments of \$10</li> <li>&gt; No small account fee for participant balances invested in the NYLI Asset Allocation ETF Funds</li> </ul>

## Fees

- No employer fees
- Annual fee is \$20 and deducted from participant balances in December
- After one year of participation, a small account fee of \$20 applies to each fund maintained with a balance under \$1,000 for the NYLI Asset Allocation Funds. The NYLI Asset Allocation ETF Funds is not subject to the small account fee.



## Plan services for participants

- **Toll-free telephone access:**  
1-800-624-6782, option 2
- **Online account access:**  
[newyorklifeinvestments.com](http://newyorklifeinvestments.com)
- Quarterly statements

## Plan enrollment and education materials

### Employer Enrollment Kit

New York Life Investments SIMPLE IRA Employer Guide

New York Life Investments SIMPLE IRA Fact Sheet

New York Life Investments Employer Set-Up Instructions

New York Life Investments SIMPLE IRA Employer Adoption Form

IRS Form 5304-SIMPLE

New York Life Investments Procedures for Withdrawals

### Employee Enrollment Kit

New York Life Investments SIMPLE IRA Fact Sheet

New York Life Investments SIMPLE IRA Plan Highlights

New York Life Investments SIMPLE IRA Custodial Agreement and Disclosure Statement

New York Life Investments SIMPLE IRA Application and Investor Profile

New York Life Investments Procedures for Withdrawals

New York Life Investments SIMPLE IRA Transfer/Rollover Form

**You could lose money by investing in the NYLI Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.**

**Mutual Funds are subject to market risk and will fluctuate in value.**

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 New York Life Investments 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 any 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](http://newyorklifeinvestments.com)



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"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. Securities distributed by NYLIFE Distributors LLC, 30 Hudson Street, Jersey City, NJ 07302, Member FINRA/SIPC.