Stay on track with your retirement goals

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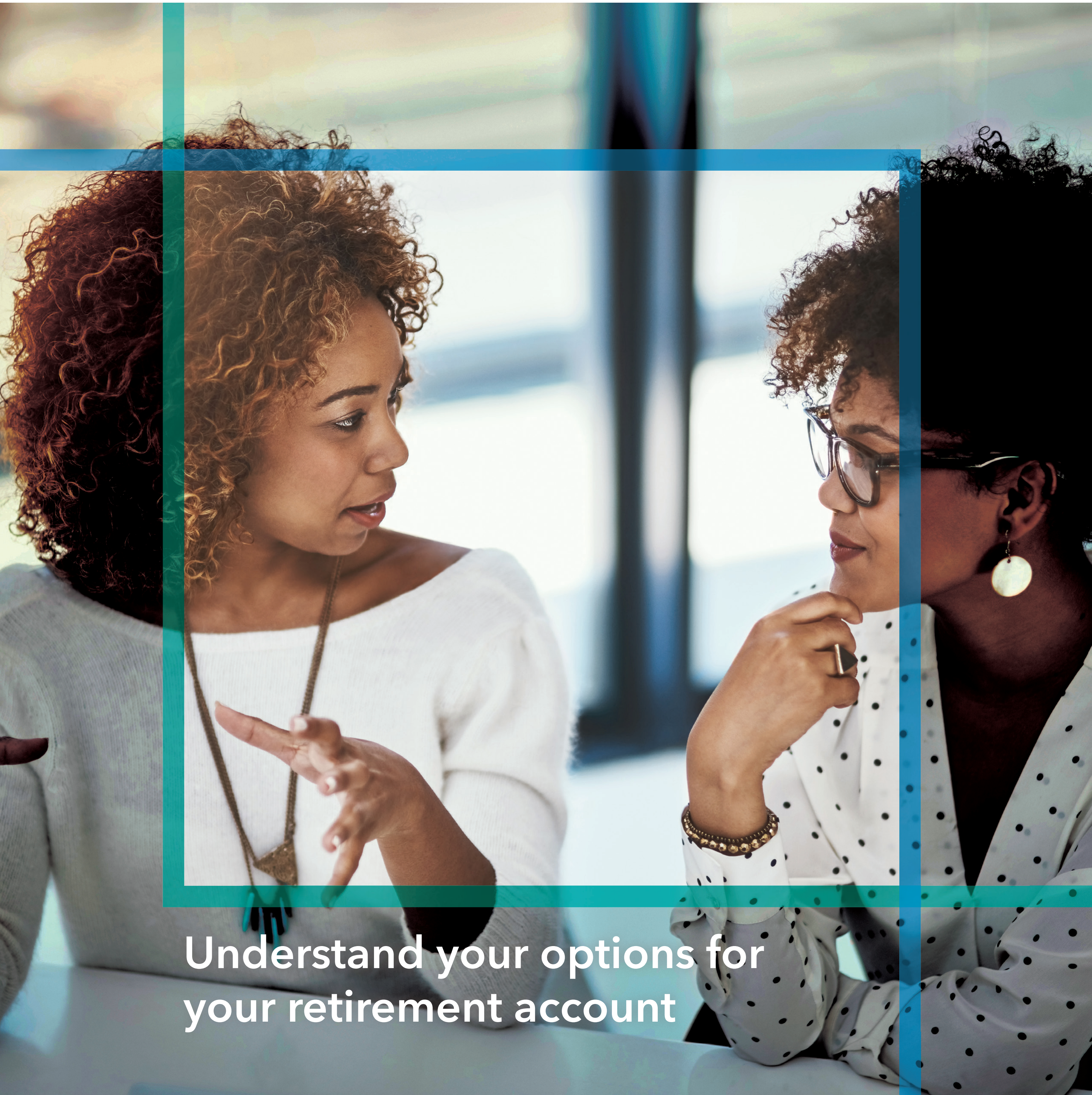

Understand your options for your retirement account

You’ve been planning for your future and saving for retirement. Now that you’re leaving your job, you’re faced with an important financial decision: What to do with your savings to stay on track with your retirement goals.

It’s a big decision and one that could have an impact on your future. Use this brochure to learn about your options. Then talk to your plan’s financial professional for additional information.

Where do you go from here?
The choice is yours.

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.

For current information and month-end investment results, visit capitalgroup.com (IRAs), americanfundsretirement.com or the web address on your statement (retirement plans), or ask your plan’s financial professional or your employer.

This content, developed by Capital Group, home of American Funds, should not be used as a primary basis for investment decisions and is not intended to serve as impartial investment or fiduciary advice.

Tax issues involving IRAs can be complex. Please consult with your tax or legal advisor before making any decisions.

Roll over to an IRA

To help keep your retirement savings invested with the potential for growth, you can roll the money into an individual retirement account (IRA). Rolling your savings into an IRA offers a number of tax and other advantages:

Greater flexibility

With an IRA, you typically have fewer restrictions when accessing your money than you would in an employer's retirement plan. For example, you can generally take out any amount you want, whenever you want (called "ad hoc distributions"). Many retirement plans don't offer ad hoc distributions.

In addition, penalty-free early withdrawals are allowed for a qualified first-home purchase (up to $10,000), for qualified higher education expenses, and for the payment of certain health insurance and medical bills. By contrast, withdrawals made for the same reasons from your retirement plan may be subject to tax penalties.

An IRA often offers you a wider range of investment choices than is available in your employer's plan. When considering an IRA rollover, you should take into account the objectives, risks, results and expenses of these investments, as well as fees and expenses for the IRA.

Please note: You must begin taking required minimum distributions (RMDs) from a traditional IRA when you reach age 73. Amounts held in a Roth IRA are exempt from lifetime minimum distribution rules.

Tax considerations

Rolling over to an IRA provides the same tax-deferred growth advantage that you received through your employer's retirement plan. If you have additional retirement plan accounts from other former employers, you may want to consider consolidating them into an IRA as well.

You can roll your pretax savings directly into a traditional IRA and your Roth 401(k) savings into a Roth IRA without penalty. If you prefer, you can roll pretax savings into a Roth IRA, but it is important to be aware that there will be tax implications.

Unsure what to do?

To learn more about your options, contact your plan's financial professional, and visit **americanfundsretirement.com.** There you'll find information that can help you evaluate your options. Because tax issues can be complex, please consult your tax advisor before making decisions.

Remain in the plan

You may not be ready to make a decision about your retirement plan savings now. If you'd feel more comfortable waiting, or if you think remaining in your plan might be a better alternative, you can usually leave your retirement plan balance where it is.

Tax benefits

Staying in your plan offers the same tax-deferred growth potential that you've had to date. You also may be able to take penalty-free withdrawals from your plan if you leave your job between the ages of 55 and 59½.

Investments

You can remain invested in your current investments.

- Leaving your assets in the plan limits you to the investment options made available by your former employer.
- The plan investment menu is overseen by a fiduciary, who is required to follow high standards when selecting and monitoring the plan's investment options, including acting solely in the interest of plan participants and beneficiaries.
- Investment expenses for options within a plan may be lower than those charged for investments in an IRA.

Important factors

Before you decide whether to stay in your plan, there are a few additional things to consider:

- You cannot make additional contributions to your plan's account.
- You must follow the plan's rules for making exchanges and withdrawing your money.
- The plan may charge administration and/or management fees to maintain the account.
- Plan assets are typically protected from creditors; IRA asset protection is generally subject to state law and is available only in bankruptcy.
- Evaluate the services you receive under the plan compared to those offered under an IRA.
- Some retirement plans don't allow for ad hoc distributions.
- If you have $1,000 or less, your previous employer may have the option to close your account and distribute the amount to you in the form of a check. If your vested balance is between $1,000 and $7,000, your employer may have the option of rolling your savings into a traditional IRA with a provider of their choice (Roth 401(k) funds would be rolled into a Roth IRA). In that case, your employer must first give you the opportunity to make other arrangements for the funds, such as rolling the funds into an IRA on your own. Talk to your former employer or check the summary plan description (SPD) to find out if the plan has an automatic cashout/rollover rule.

Unsure what to do?

Contact your plan's financial professional for more information.

Transfer to your new plan

Moving your money to a new employer's plan is easy. If your new plan allows it, you can transfer your account balance directly from your former employer's plan to the new one.

Tax benefits

Moving your money to your new employer's plan offers the same potential for tax-deferred growth that you had in your former employer's plan.

Important factors

There are a few things to keep in mind when moving your savings into a new employer's plan:

- You're limited to the investment options in the new plan, which may be different from those you've invested in up to now. On the other hand, you'll have the convenience of being able to manage all your investments in one place.
- The plan investment menu is overseen by a fiduciary, who is required to follow high standards when selecting and monitoring the plan's investment options, including acting solely in the interest of plan participants and beneficiaries.
- There are generally withdrawal restrictions, such as not being able to take ad hoc distributions, in your new plan. Check the summary plan description (SPD) or plan document for more information.
- As a new employee, you may have a waiting period before you can move your money into the new plan.
- If you transfer your vested balance into your new employer's plan, you may be able to delay taking required minimum distributions on the money until you actually retire, unless you're a 5% owner of the company.
- Consider the results, risks and expenses of the funds available in the plan as well as plan administrative expenses, if any.

The Roth option

If you made Roth contributions to your 401(k), 403(b) or 457(b) retirement plan account and your new plan accepts Roth contributions, you may be able to transfer your Roth account balance into it.

Unsure what to do?

Contact your plan's financial professional for more information.

Cash out of the plan

Circumstances may prompt you to consider cashing out your retirement account balance. But if you do, you could lose about a third of your before-tax savings to income taxes and possible penalties. You'll also miss out on the long-term potential for tax-deferred growth offered by employer plans and IRAs.

Weigh this option carefully

If you cash out your before-tax retirement account balance and you're under age 59½, you could pay an additional 10% penalty on the distribution – on top of paying federal and possibly state income taxes as well. There are a few special circumstances when this early withdrawal penalty doesn't apply:

- You are or will be at least age 55 in the year you leave your job.
- You take your distributions in substantially equal payments. The payments must be taken for at least five years or until you reach age 59½, whichever is longer.
- You become disabled, have certain medical expenses or pass away.

Important factors

If you have a financial emergency, it's a good idea to consider your other options before you cash out your retirement savings. You may want to take out only what you need and roll the rest into an IRA or your new employer's plan.

The chart on the right shows what could happen if you cashed out your entire account. Let's say you're 35 years old and you have a $20,000 retirement account balance that's fully taxable. Think you'll have a $20,000 payday? Think again.

The high cost of cashing out

$20,000 — You have a $20,000 account balance before cashing out.

$15,000 — Your employer withholds 20% in federal taxes. The IRS will take another percentage based on how your income is taxed. For this example, let's say these actions cost you another 5%, bringing you to $15,000.

$13,000 — If you separate from service prior to age 55, you'll have to pay the IRS a 10% early withdrawal penalty on the original sum, leaving you with $13,000 – $7,000 less than what you started with.

In addition to taxes, keep in mind that you'll lose out on potential interest and earnings that would otherwise accumulate over time. This could have a meaningful impact on your retirement.

This hypothetical example is intended for illustrative purposes. Your experience may be different. All taxes are based on a $20,000 lump-sum cash withdrawal for an investor under age 59½. Retirement plan distributions are subject to ordinary income tax and, if applicable, to an additional 10% federal tax penalty on early withdrawals. Many states will charge additional taxes and possible penalties, reducing your bottom line even further.

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Get the guidance you need

After you've explored your options, you may still have questions about what to do with your retirement plan money. Help is available.

Talk with your plan's financial professional about your options. He or she can explain rollovers in detail, including any fees associated with them.

If you'd like to move your retirement plan money into your new employer's plan, contact your employer.

Rollover specialists are available to answer any questions you may have about rolling over into an American Funds IRA at **(800) 421-9923,** Monday through Friday, from 8 a.m. to 7 p.m. Eastern time.

The Capital Advantage®

Since 1931, Capital Group, home of American Funds, has helped investors pursue long-term investment success. Our consistent approach – in combination with The Capital System™ – has resulted in superior outcomes.

Aligned with investor success

We base our decisions on a long-term perspective, which we believe aligns our goals with the interests of our clients. Our portfolio managers average 28 years of investment industry experience, including 22 years at our company, reflecting a career commitment to our long-term approach.[1]

The Capital System

The Capital System combines individual accountability with teamwork. Funds using The Capital System are divided into portions that are managed independently by investment professionals with diverse backgrounds, ages and investment approaches. An extensive global research effort is the backbone of our system.

American Funds' superior outcomes

Equity-focused funds have beaten their Lipper peer indexes in 84% of 10-year periods and 97% of 20-year periods.[2] Relative to their peers, our fixed income funds have helped investors achieve better diversification through attention to correlation between bonds and equities.[3] Fund management fees have been among the lowest in the industry.[4]

[1] Investment industry experience as of December 31, 2023.

[2] Based on Class F-2 share results for rolling monthly 10- and 20-year periods starting with the first 10- or 20-year period after each mutual fund's inception through December 31, 2023. Periods covered are the shorter of the fund's lifetime or since the comparable Lipper index inception date (except Capital Income Builder and SMALLCAP World Fund, for which the Lipper average was used). Expenses differ for each share class, so results will vary. Past results are not predictive of results in future periods.

[3] Based on Class F-2 share results as of December 31, 2023. Thirteen of the 18 fixed income American Funds that have been in existence for the three-year period showed a three-year correlation lower than their respective Morningstar peer group averages. S&P 500 Index was used as an equity market proxy. Correlation based on monthly total returns. Correlation is a statistical measure of how a security and an index move in relation to each other. A correlation ranges from -1 to 1. A positive correlation close to 1 implies that as one moved, either up or down, the other moved in "lockstep," in the same direction. A negative correlation close to -1 indicates the two have moved in the opposite direction.

[4] On average, our mutual fund management fees were in the lowest quintile 55% of the time, based on the 20-year period ended December 31, 2023, versus comparable Lipper categories, excluding funds of funds.

Class F-2 shares were first offered on August 1, 2008. Class F-2 share results prior to the date of first sale are hypothetical based on the results of the original share class of the fund without a sales charge, adjusted for typical estimated expenses. Results for certain funds with an inception date after August 1, 2008, also include hypothetical returns because those funds' Class F-2 shares sold after the funds' date of first offering. Refer to **capitalgroup.com** for more information on specific expense adjustments and the actual dates of first sale.

Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

On or around July 1, 2024, American Funds Distributors, Inc. will be renamed Capital Client Group, Inc.

Lit. No. IRGEBR-003-0424P Litho in USA CGD/SC/8156-S96128 Printed on recycled paper.