



# LORD ABBETT SIMPLE IRA PLAN

A Savings Incentive Match Plan for Employees (SIMPLE) plan is a low-cost retirement plan designed for small-business owners with 100 or fewer employees. Under a SIMPLE IRA plan, employees may choose to make pretax salary-reduction contributions, and the employer makes annual matching or nonelective contributions.\*

## ADVANTAGES OF A LORD ABBETT SIMPLE IRA:

**Tax deduction:** Employer contributions are federally tax deductible.

**Tax-advantaged contributions:** Owners and employees may contribute up to \$13,000 in 2019 through pretax contributions, plus an additional catch-up contribution of \$3,000 for individuals age 50 or older.

**No government testing or filings:** A SIMPLE IRA plan is not subject to nondiscrimination or top-heavy testing that applies to 401(k) plans, nor is the plan required to file Form 5500.

## HOW DO YOU ESTABLISH A LORD ABBETT SIMPLE-IRA?

Establishing a Lord Abbett SIMPLE IRA is easy: simply follow the steps in our SIMPLE IRA Plan Sponsor Guide available at lordabbett.com or call our IRA specialists at 888-522-2388.

## WHAT TYPE OF BUSINESS WOULD BENEFIT?

- Has 100 or fewer employees
- Does not sponsor a retirement plan
- Looking to attract and retain employees by offering a substantial retirement benefit
- Wants a low-cost plan with minimal administrative requirements
- Has a 40(k), but is not passing nondiscrimination testing

## WHY A LORD ABBETT SIMPLE IRA?

### EASY ON YOUR WALLET



- No annual custodial fees<sup>†</sup>
- No account setup charges
- No charges for paper statements
- Free overnight shipping

### FAST ACCOUNT SETUP



- User-friendly electronic applications
- Online enrollment

### SIMPLE INVESTMENT SELECTION



- 30+ equity, fixed-income, and multi-asset capabilities
- Single-fund allocation strategies
- Plan-level breakpoints

### OUTSTANDING CLIENT SERVICE



- Our IRA specialists guide plan sponsors through the setup process
- Award-winning service team<sup>‡</sup>

\* A SIMPLE IRA nonelective contribution is an employer contribution to all eligible employees equal to 2% of pay upon the first \$280,000 of earnings whether or not the employee makes any payroll investments.

<sup>†</sup> Lord Abbett will waive (or otherwise pay) the yearly \$10.00 custodial fee that would be charged each year on an ongoing basis to every new IRA account and therefore will not assess a custodial account fee in 2019 or any year afterward. Additionally, the Federal Express (FedEx) charges are currently absorbed by the broker/dealer to submit paperwork to DST to open a Lord Abbett IRA account. Fund-level fees and expenses are still applicable. Please see a fund's current prospectus.

<sup>‡</sup> In 2014, Lord Abbett was recognized as a leader in customer service by Dalbar.

# SIMPLE IRA PLAN

## HOW MUCH CAN YOU CONTRIBUTE?

SIMPLE IRA PLAN: HYPOTHETICAL EXAMPLE	ANNUAL WAGE	CONTRIBUTION TO SIMPLE IRA <sup>1</sup>	FULLY VESTED 3% MATCH
Owner	\$60,000	\$13,000	\$1,800
Owner's Spouse	\$15,000	\$13,000	\$450
Employee 1	\$25,000	\$750	\$750 <sup>2</sup>
Employee 2	\$25,000	\$750	\$750 <sup>2</sup>
Employee 3	\$25,000	\$750	\$750 <sup>2</sup>
Total Eligible Payroll	\$150,000		
Total Contribution by Owner			\$30,500 <sup>3</sup>
Total Dollars to Owners			\$28,250
Total Dollars to Employees			\$2,250
<b>Total Percentage to Owners<sup>4</sup></b>			<b>93%<sup>4</sup></b>

<sup>1</sup>Both owner and spouse are able to defer \$13,000 (in 2019) into a SIMPLE IRA. The owner and spouse will receive an additional match of 3% of compensation if they each defer at least 3% of their wages into the SIMPLE IRA. The match and deferral bring their contributions to \$27,250. If any participant is age 50 or older, an additional \$3,000 may be contributed through a catch-up contribution. This illustration does not include any catch-up contributions.

<sup>2</sup>Employees will receive a 3% matching contribution from the owner if they each defer at least 3% of their wages into the SIMPLE IRA. In this illustration, the matching contribution totals **\$2,250**.

<sup>3</sup>Total employer allocation includes owner's deferral but excludes employees' deferrals.

<sup>4</sup>If everyone participated, the owner would receive **approximately 93%** of the owner's contribution deposited into the plan.

The information provided is not directed at any investor or category of investors and is provided solely as general information about Lord Abbett's products and services and to otherwise provide general investment education. None of the information provided should be regarded as a suggestion to engage in or refrain from any investment-related course of action as neither Lord Abbett nor its affiliates are undertaking to provide impartial investment advice, act as an impartial adviser, or give advice in a fiduciary capacity. If you are an individual retirement investor, contact your financial advisor or other fiduciary about whether any given investment idea, strategy, product or service may be appropriate for your circumstances.

The information is being provided for general educational purposes only and is not intended to provide legal or tax advice. You should consult your own legal or tax advisor for guidance on regulatory compliance matters. Any examples provided are for informational purposes only and are not intended to be reflective of actual results and are not indicative of any particular client situation.

To comply with Treasury Department regulations, we inform you that, unless otherwise expressly indicated, any tax information contained herein is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed under the Internal Revenue Code or any other applicable tax law, or (ii) promoting, marketing, or recommending to another party any transaction, arrangement, or other matter.

### FOR MORE INFORMATION:

Lord Abbett Client Service: 888-522-2388 | Visit us at: [lordabbett.com](http://lordabbett.com)

Copyright © 2018 by Lord, Abbett & Co. LLC. All rights reserved.  
90 Hudson Street, Jersey City, NJ 07302-3973

NOT FDIC INSURED—NO BANK GUARANTEE—MAY LOSE VALUE