

# Getting started with PlanPremier®

TPA

## Follow these four easy steps:

### 1. Gather the facts

Use a *Retirement Plan Prospect Interview* to gather important information about the plan and plan sponsor. Next, complete a *Retirement Plan Fact Finder*, and check the box in Section 4 to choose PlanPremier (TPA). Both documents are available at [americanfunds.com/401k](http://americanfunds.com/401k) (keywords: “prospect interview” and “fact finder,” respectively) or call **800/421-9900, ext. 3**.



### 2. Help the plan sponsor select a share class

Find the appropriate share class in the table below. Not all share classes are available to every broker-dealer firm; consult your home office for details.

Run the **Price-it tool<sup>SM</sup>** in the online Adviser Center for help selecting the right plan solution and share class. Then print a preliminary estimate of the total costs in a report you can share with clients. Visit [americanfunds.com/401k](http://americanfunds.com/401k) (keyword: “price it”).

Share class	Plan size (assets)				
	Less than \$3 million	At least \$3 million but less than \$5 million	At least \$5 million but less than \$10 million	At least \$10 million but less than \$20 million	\$20 million or more
R-1	Not available for PlanPremier				
R-2	No restrictions	50 or more participants required	100 or more participants required	Not available	Not available
R-3	No restrictions	No restrictions	50 or more participants required	100 or more participants required	350 or more participants required*
R-4	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions
R-5	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions
R-6	No restrictions	No restrictions	No restrictions	No restrictions	No restrictions

\* Additional restrictions may apply for certain plan sizes.

### 3. Identify your compensation

Identify your compensation in the table below. PlanPremier provides a level payout across all investment options in the program — for the American Funds *and* funds from our alliance fund families. This structure makes tracking your compensation easier. It can also help protect you from any perception of bias or conflict of interest if you help sponsors choose plan investments. Your annual compensation is included in the funds’ expense ratios; there are no additional investment-related fees.

Share class	Annual adviser compensation <sup>1</sup>	Average expense ratio <sup>2</sup>
R-2	0.65%	1.42%
R-3	0.35%	1.02%
R-4	0.20%	0.74%
R-5	Paid separately; set by fee-based adviser	0.46%
R-6		0.41%

<sup>1</sup> Compensation is paid quarterly on all plan assets except self-directed brokerage accounts and other nonstandard investment options. Although the American Funds Money Market Fund has 12b-1 plans for some share classes, the fund is currently suspending certain 12b-1 payments in this low-interest-rate environment. Should payments commence, the fund’s investment results will be lower.

<sup>2</sup> The average expense ratio (including dealer compensation) for each share class is based on the average daily net assets of all American Funds, excluding tax-exempt funds, as of their prospectus available at the time of publication. Accordingly more weight is given to funds with more assets and less weight to those with fewer assets. (The American Funds Target Date Retirement Series® is not included in the average expense ratios.) Although American Funds Money Market Fund® Class R-2, R-3 and R-4 shares have a 12b-1 plan, payments are currently being suspended in this low-interest-rate environment. For funds that are available to qualified retirement plans, the actual expense ratios as of December 31, 2011, range from: 0.66% to 1.86% for R-2; 0.50% to 1.41% for R-3; 0.43% to 1.07% for R-4; 0.32% to 0.77% for R-5; and 0.27% to 0.72% for R-6. For the most recent expense ratios, please see [americanfunds.com/401k](http://americanfunds.com/401k).

**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

## 4. Order a proposal

To order a *Your American Funds Retirement Plan* proposal, visit [americanfunds.com/401k](http://americanfunds.com/401k) (keyword: “order proposal”) or call **800/421-9900, ext. 3**. First, familiarize yourself with what American Funds has to offer, and then use the proposal to present PlanPremier to your client and close the sale. If you have not already selected an authorized third-party administrator (TPA),<sup>1</sup> we can help you find one.

The fee quote in the proposal (which can also include the TPA’s schedule of fees) reflects PlanPremier’s transparent pricing model (for American Funds services) to help plan sponsors identify and understand all plan fees and revenues, as shown below.

One-time setup fee	
New plan	\$ 500
Conversion of existing plan	1,000

Gross recordkeeping fees (standard ongoing fees, <i>not</i> including setup or TPA fees)			
Number of participants with account balances	Base fee		Per participant
1–25	\$2,200	+	\$100
26–300	2,200	+	60
301–500	3,700	+	55
501–1,000	6,200	+	50
More than 1,000	8,200	+	48

Then, a credit, which is already included in the funds’ expense ratios, is applied as shown in the table below. Any remaining net credit is either allocated to participant accounts each quarter or to a plan-level holding account from which other plan expenses can be paid.

Share class	Approximate annual credit rate <sup>2</sup>
R-2	0.45%
R-3	0.30%
R-4	0.15%
R-5	Variable (0.05% for the American Funds)
R-6	0.00%

Below is one example of how a plan’s annual pricing would be calculated (not including setup or TPA fees).

50 participants/\$2.5 million in plan assets			
	R-2	R-3	R-4
Gross recordkeeping fees	\$ 5,200	\$5,200	\$5,200
Annual credit rate x plan assets	(11,250)	(7,500)	(3,750)
Net fees (credit)	(\$ 6,050)	(\$2,300)	\$1,450

<sup>1</sup> TPAs must be authorized to provide services for an American Funds retirement plan solution. Authorization for one solution does not signify authorization for any other solution, as the requirements for individual programs may differ.

<sup>2</sup> Credits are applied quarterly on all plan assets except self-directed brokerage accounts and other nonstandard investment options.



To order a proposal or to view a sample, visit [americanfunds.com/401k](http://americanfunds.com/401k) (keyword: “order proposal”).

For more information, call **800/421-9900, ext. 3**.

Use of our website and materials is subject to home office approval.

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.

Visit us at [americanfunds.com/401k](http://americanfunds.com/401k)

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The Capital Group Companies

American Funds

Capital Research and Management

Capital International

Capital Guardian

Capital Bank and Trust