



MFS ADVISOR EDGE™

# Plan for Success

A SIMPLE retirement  
option for you



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MFS® Retirement Strategies  
Employee guide

ASSESS YOUR NEEDS

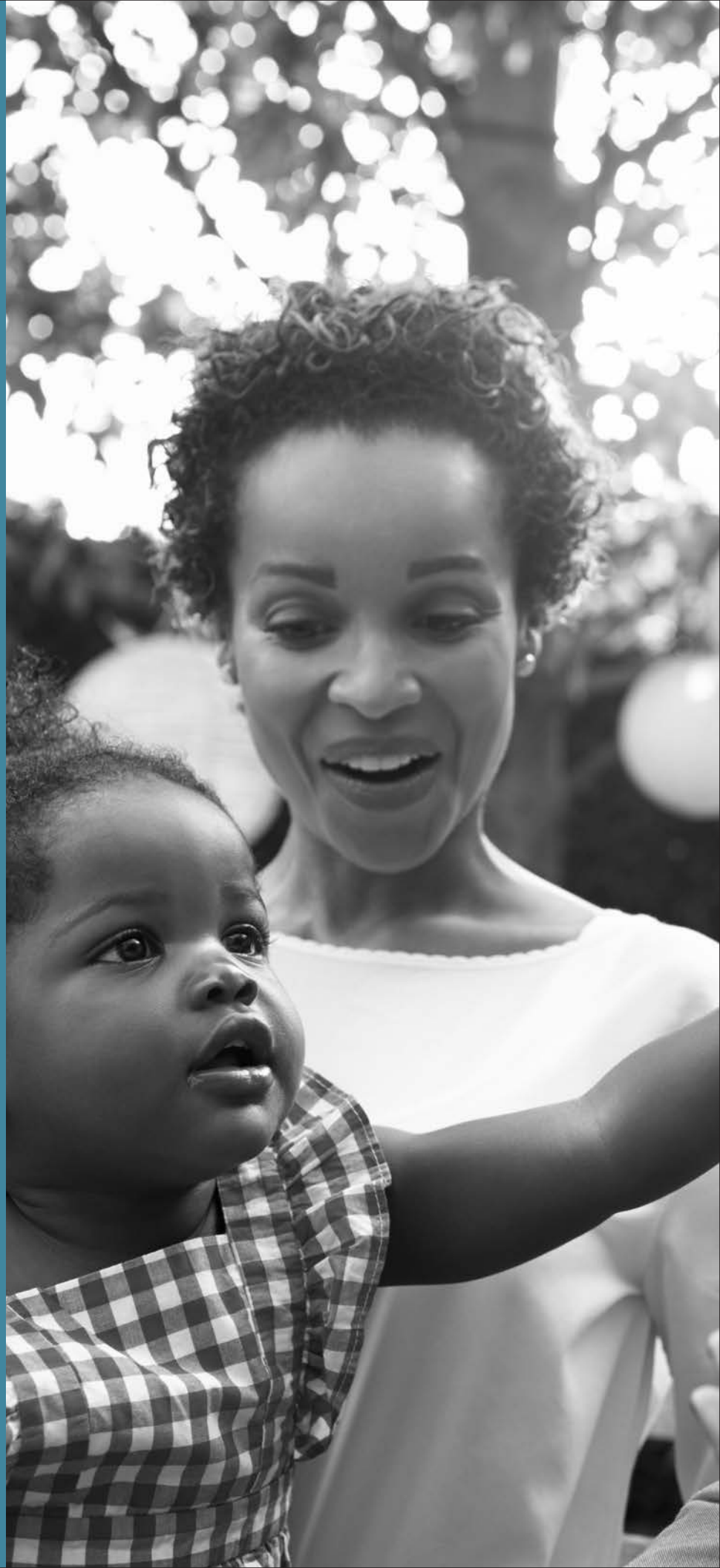
## A focus on your future

At work, job priorities demand your time. At home, your attention shifts to your busy life outside work. Trying to meet retirement goals requires the same level of focus and commitment. Now it is easier for you to keep that focus because your employer has started an MFS® SIMPLE IRA plan.

The SIMPLE IRA plan — the Savings Incentive Match Plan for Employees of Small Employers — is a flexible workplace retirement plan. With many features of a 401(k) and a built-in employer contribution, an MFS SIMPLE IRA plan offers you a great way to work toward your retirement goals.

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NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE





## SIMPLE rules

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For you to participate in your company's plan, you may have to meet the following requirements:

- expect to earn \$5,000 in the calendar year when the plan is offered
- have earned \$5,000 in any two preceding years

See your employer for the specific eligibility requirements of your plan.

If you are an eligible employee, you may

- defer up to 100% of compensation up to annual contribution limits (see table)
- enroll in the plan whether you contribute or not; even if you choose not to contribute, you may be eligible to receive employer contributions
- discontinue contributions at any time; you may have to wait until reenrollment to resume contributions

## SIMPLE IRA limits

CALENDAR YEAR	CONTRIBUTION LIMIT	CATCH-UP CONTRIBUTION
2024	\$16,000	Age 50+: \$3,500
2025	\$16,500	Age 50+: \$3,500 Ages 60-63: \$5,250

Source: irs.gov

## Here is how easy it is to get started

1. Set up your own MFS SIMPLE IRA.
2. Choose your investments.
3. Decide how much of your pay to contribute.

After you set up your account, your employer will automatically deduct the specified amount from each paycheck and invest it directly in your SIMPLE IRA. Then your employer will make an annual contribution to the account on your behalf. It's that simple.

## Little time. Big goals.

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Meeting deadlines. Pleasing clients. Enjoying your life. Retirement can seem like it will never come. But we all need to set aside money for retirement. An MFS SIMPLE IRA can be a big part of your investing strategy. Like a 401(k), an MFS SIMPLE IRA plan gives you these valuable benefits that can make a big difference over the long term — if you take advantage of them.

### SIMPLE advantages

<b>pretax contributions</b>	<b>tax-deferred growth</b>	<b>generous contribution limits</b>	<b>employer contribution</b>	<b>diversified selection of investments</b>
No income taxes are withheld, so your contributions actually reduce your current taxable income.	Your investments and any earnings are not taxed until you withdraw them.	Limits are expected to rise to keep pace with inflation.	Every year, your employer contributes to the SIMPLE plan.	The MFS Family of Funds® covers a wide range of asset classes.

And you manage your own account, so you have the flexibility to revise your retirement investments to match your financial needs, goals and risk tolerance.

Keep in mind that all investments, including mutual funds, carry a certain amount of risk, including the possible loss of the principal amount invested.

### Sources of retirement income

For retirees, Social Security benefits can provide a foundation, but most people need to supplement these benefits with other sources of retirement income. Depending on your needs, a SIMPLE IRA plan can play an important role in generating additional income.

## Erica Blair needs to start investing today

Let's say Erica's annual compensation is \$30,000, and her employer matches her contribution of 3% of her salary per month to her SIMPLE IRA each year. Here is how her contribution and her employer's contribution may grow over 35 years.

	APPROX. MONTHLY	ANNUAL	35 YEARS LATER
Erica's contribution	\$75	\$900	\$31,500
Employer's match	\$75	\$900	\$31,500
Total contribution	\$150	\$1,800	\$63,000
Account value (assuming a 6% annual return)			<b>\$214,775</b>

**If Erica were to keep investing 3% and receive a 3% employer contribution — and assuming a 6% annual return compounded monthly — in 35 years she would accumulate an estimated \$214,775 (before taxes) toward retirement.**

The hypothetical example included here shows how one employee's needs might be addressed by a SIMPLE IRA plan. The investments you choose should correspond to your financial needs, goals and risk tolerance. For assistance in determining your financial situation, please consult a financial professional.

An employer may choose a matching contribution or flat contribution methodology to contribute to the plan. The amount of the contribution may vary from year to year.

An IRA allows you to draw on the money for whatever reason as long as you are willing to pay a federal tax penalty of 10% in addition to regular income taxes on the withdrawal amount. The penalty is 25% during the first two years of participation in a SIMPLE plan. Penalty-free withdrawals are allowed after age 59½ and in case of death or disability as well as for certain other expenses, such as funding a qualified education expense or buying a first home. For more information about IRA withdrawal, talk with your financial professional or tax advisor.

## The power of tax deferral

With a SIMPLE IRA plan, potential earnings grow tax deferred until withdrawn. Earnings can compound faster than they would with a comparable taxable investment because they are not being eroded each year by taxes. Compare a taxable investment with a tax-deferred investment. You will see that after 35 years, even if you were to take a lump-sum distribution and pay the taxes owed, you would still have more than you would have with a comparable taxable investment.

TAXABLE INVESTMENT

**\$159,408**

TAX-DEFERRED INVESTMENT

**\$214,775**

TAX-DEFERRED INVESTMENT AFTER LUMP-SUM WITHDRAWAL, NET OF TAXES (\$47,250)

**\$167,525**

### ASSUMPTIONS

- hypothetical monthly investment: \$150
- number of years invested: 35
- total amount invested: \$63,000
- income tax rate: 22%
- annual growth rate: 6%, compounded monthly

Hypothetical results are for illustrative purposes only and are not intended to represent the future performance of any MFS product. Rates of returns will vary over time, particularly for long-term investments. There is no guarantee the selected rate of return can be achieved. The performance of the investments will fluctuate with market conditions. If there are no earnings, the account will not grow. Taxable account illustrations and the lump-sum distribution assume a 22% tax rate.

## Many reasons to get started

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Investing for retirement through an MFS SIMPLE IRA plan is easy.

**It's affordable.** Contributing just 1% or 2% of your salary can add up over time. The important thing is to get started.

**It's flexible.** You can change your contribution amount and your investments to meet your needs.

**It's portable.** IRA money can now be transferred into and out of a variety of retirement plans. So if you change jobs, you can take your money with you. Keep in mind that you must have money in your SIMPLE IRA for a minimum of two years before you can move it.

### Key MFS service features

- quarterly account statements
- automated phone access 24/7/365
- customer service representatives available any business day at 1-800-637-1255
- Internet account access at [mfs.com](https://mfs.com) through Individual Investor>Resources>Access My Accounts>MFS® Access

### Next steps

- Set up your own MFS SIMPLE IRA account.
- Working with your financial professional, choose your investments from the MFS Family of Funds.

**November 2 to December 31:** 60-day period for annual enrollment or change to existing elections

**Enrollment:** The enrollment period is 60 days prior to the start of the plan year (January 1). During this period, you may also change an existing election. Newly eligible employees may enroll as soon as they become eligible.

Additional fees and charges may apply to IRA transfers.







In 1924, MFS launched the first US open-end mutual fund, opening the door to the markets for millions of everyday investors. Today, as a full-service global investment manager serving financial professionals, intermediaries and institutional clients, MFS still serves a single purpose: to create long-term value for clients by allocating capital responsibly. That takes our powerful investment approach combining collective expertise, thoughtful risk management and long-term discipline. Supported by our culture of shared values and collaboration, our teams of diverse thinkers actively debate ideas and assess material risks to uncover what we believe are the best investment opportunities in the market.



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