

FLEXIBLE CHOICE OF PLAN MAINTENANCE FEES

For all the services we've just reviewed, you can choose between two SIMPLE-IRA fee options. And you have an annual opportunity to change the pricing plan you have chosen.

Fee Option 1:

- More economical for smaller-business owners while still providing an important retirement benefit to employees.
- A \$25 annual fee per participant, regardless of the number of participants. The fee is collected from each participant's Fidelity SIMPLE-IRA; *or*

Fee Option 2:

- Maximum retirement benefit to employees if the business pays the SIMPLE-IRA plan fee.
- A \$350 annual fee per plan, regardless of the number of participants, is collected from the employer.

The Fidelity SIMPLE-IRA Plan also offers your plan participants significant cost savings, including:

- No minimum investment on Fidelity mutual funds and many no-load FundsNetwork® funds.
- No account liquidation fee.
- Discounted brokerage commissions for online stock trades.

TAKE ADVANTAGE OF OUR STREAMLINED CONTRIBUTION PROCESS

In an effort to simplify the contribution process, SIMPLE-IRA contributions will be electronically transferred to Fidelity through the Automated Clearing House (ACH) network. You may already be familiar with this process, as many small-business owners are using this system for direct deposit of employee paychecks or to submit their federal income taxes. If not, a Fidelity Retirement Representative will be happy to help you set up the appropriate links.

Although SIMPLE-IRA contributions must be transmitted electronically to Fidelity via the ACH network, Fidelity offers two options for transmitting funds from your company's bank account to your employees' SIMPLE-IRA accounts:

Option 1. The Fidelity PlanManager® electronic funding service, for the small-company owner who will actively manage the funding process.

Option 2. Bank- or payroll vendor–initiated services, which may be more attractive to the small-company owner who wants to outsource the monitoring of contributions and is willing to pay an incremental fee for such a service.

Please note: To use either of these services, your bank must be a member of the ACH network. ACH transactions are not the same as bank wires.

Option 1: Fidelity PlanManager®

The Fidelity PlanManager® Web site is designed specifically to enable you to make employee allocations quickly and accurately—and in a time frame that accommodates your busy schedule. Plan contribution information is entered via just a few Web screens.

Learn more at [Fidelity.com/simpleplanmanager](https://www.fidelity.com/simpleplanmanager).

The benefits of using PlanManager

- **Helps Prevent Overcontributions.** The PlanManager Web site displays year-to-date contribution information for each employee and is updated automatically each business day to help you guard against an inadvertent overcontribution.
- **Convenient to Use.** Using the Web site allows you to provide instructions any time during or after regular business hours and on weekends.
- **Gives You Greater Control.** With PlanManager, you can schedule contributions well in advance. PlanManager lets you review, modify, or cancel instructions until midnight two business days before your intended contribution date.
- **Gives You Confidence.** PlanManager displays a verification screen that lets you know immediately that Fidelity has received your instructions. You can print the screen to save with your records.

Next Step: To establish the Fidelity Electronic Funding Service, complete the forms in the back of this brochure.

Option 2: Bank- or Payroll Vendor–Initiated Services

Many banks and payroll vendors offer ACH services such as direct deposit that may be suitable for sending your SIMPLE-IRA contributions. To use one of these services, simply provide your bank or payroll vendor with the information required to process your ACH transaction, as illustrated in the Sample Contribution Table below. In addition, a Fidelity Retirement Representative is available to answer any questions from your bank or payroll vendor.

Be sure to request that your bank or payroll vendor send separate ACH transactions for each employee contribution and each corresponding employer contribution—for each contribution year. For example, if Jane Anderson makes a salary reduction contribution to her SIMPLE-IRA and your company matches that contribution, you will need to initiate two separate ACH transactions—one for Jane’s contribution and another for your company’s matching contribution.

There may also be times when you need to submit contributions for two tax years at the same time. For example, in January 2014 you might find yourself submitting contributions for 2013 and 2014. In the example of Jane Anderson, you would need to initiate four separate ACH transactions:

1. Jane’s contribution for December 2013
2. Jane’s contribution for January 2014
3. Your company’s contribution for Jane for December 2013
4. Your company’s contribution for Jane for January 2014

Next Step: If you choose a bank- or payroll vendor–initiated service, be sure to provide your vendor with a copy of the ACH instructions on this page. A Fidelity Retirement Representative is available to answer any questions from your bank or payroll vendor.

Sample Contribution Table			
1. Eligible Employee’s Name	2. Transit/Routing Number for Fidelity’s Bank (UMB Bank, N.A.)	3. Destination Information at UMB Bank, N.A.	4. Dollar Amount
Jane Anderson	101205681	395 12013 101234567	\$67.50
John James	n/a	n/a	n/a
Richard Jones	101205681	3951 (2013) (101567890)	\$312.50

Source Code² Year for which contribution is being made³ Employee’s SIMPLE-IRA account number⁴

²It is critical to use a Source Code digit of “1” for employee salary reduction contributions and of “2” for employer contributions.

³It is also critical to indicate the year for which the contribution is being made and to update the year designations annually.

⁴Fidelity will send you confirmation of account numbers for each participant. You will need to provide these to your bank or payroll vendor.

CONTRIBUTION WORKSHEET—ESTIMATING EMPLOYER CONTRIBUTIONS FOR YOUR SIMPLE-IRA PLAN

To help you estimate what it may cost your company to offer the SIMPLE-IRA plan, we've designed the following worksheet. After you complete it, you'll be able to estimate and compare the costs for the two employer contribution options. Note, too, that under the Employer Matching Contribution example, you can estimate the standard 3% match, as well as the 1% reduced match available in any two out of five years. Just keep in mind that your

actual contributions may vary each year depending on several variables, including the number of eligible employees, their compensation, the number of employees who elect to make salary reduction contributions, and the amount of their contributions. In addition, this worksheet does not reflect the effect of FICA, FUTA, RRTA, and state or local taxes on employee salary reduction contributions.

Option 1: Employer Matching Contribution		
	Example	Your Company
1. Average annual pretax compensation of eligible employees you expect will contribute to the plan	\$40,000	_____
2. Average % salary you estimate participants will defer to the plan	5%	_____
3. Average annual participant contribution (multiply Line 1 by Line 2; not to exceed \$12,000 for 2013 and \$12,000 for 2014) ⁵	\$2,000	_____
4. Total number of eligible employees you expect will contribute to the plan	10	_____
3% Match		
5a. Average annual employer matching contribution per eligible employee: 3% match (multiply Line 1 by 3%; not to exceed \$12,000 for 2013 and \$12,000 for 2014) ⁶	\$1,200	_____
5b. Total estimated annual employer matching contribution with 3% match option (multiply Line 4 by Line 5a); or	\$12,000	_____
1% Match		
6a. Average annual employer matching contribution: 1% reduced match ⁷ (multiply Line 1 by 1%)	\$400	_____
6b. Total estimated annual employer matching contribution with reduced 1% match option (multiply Line 4 by Line 6a)	\$4,000	_____
Option 2: Employer Nonelective Contribution		
1. Average annual pretax compensation of your eligible employees	\$40,000	_____
2. Average annual employer contribution per eligible employee (multiply Line 1 by 2%; not to exceed \$5,100 for 2013 and \$5,200 for 2014) ⁸	\$800	_____
3. Total number of eligible employees	10	_____
4. Total estimated annual employer contribution with 2% nonelective contribution option (multiply Line 2 by Line 3)	\$8,000	_____

Please note: You can switch between these two contribution options each year provided certain notification requirements are met.

⁵In both 2013 and 2014, employees age 50 and older (by the end of the year) may be able to make an additional \$2,500 elective deferred contribution annually.

⁶Maximum annual employer contribution limit per participating employee is 3% of an employee's compensation, up to \$12,000 for 2013 and \$12,000 for 2014 (\$14,500 for 2013 and \$14,500 for 2014 if age 50 or older during year of contribution). This worksheet assumes that the average percentage of salary deferred by employees is 3% or more.

⁷Available in any two out of five years.

⁸Maximum compensation on which employer nonelective contributions can be based is \$255,000 for 2013 and \$260,000 for 2014.