

Small-Business Retirement Plans

For self-employed or small-business owners: SEP-IRA, SIMPLE IRA, and Self-Employed 401(k)

Which retirement vehicle may help provide you with the most comfortable retirement possible? Before making your decision, review the chart below to examine the key account features and benefits of each plan.

Visit Fidelity.com/smallbusiness or call **800-544-5373** for a consultation with an experienced Retirement Representative.

	SEP-IRA	Self-Employed 401(k)	SIMPLE IRA
Eligibility	Any self-employed individual or business owner with or without employees	Any self-employed individual or business owner with no employees other than the owner's spouse	Businesses with 100 or fewer eligible employees that do not currently maintain any other retirement plan
Key Advantage	Easy to set up and maintain	Generous contribution limits	Employee salary deferrals with employer contributions
Fees¹	No initial setup fee or annual maintenance fee	No initial setup fee or annual maintenance fee	Low cost with option of annual fee of \$25 per participant or \$350 plan fee
Deadlines	Establish and fund by employer's tax-filing deadline—usually April 15, plus extensions	<ul style="list-style-type: none"> Establish by December 31 Employer contributions are due by employer's tax-filing deadline, plus extensions Salary deferrals for owner-only plans are generally due by employer's tax-filing deadline, plus extensions 	<ul style="list-style-type: none"> Establish by October 1 Employer contributions are due by employer's tax-filing deadline, plus extensions Salary deferrals should be deposited as soon as possible, but no later than 30 days following the last day of the month for which the deferrals are withheld
Funding Responsibility	Employer contributions only	Funded by employee salary deferral contributions and employer contributions	Funded by employee salary deferral contributions and employer contributions
Employer Contribution	Up to 25% of compensation, ² to a maximum of \$46,000 for 2008 and \$49,000 for 2009	Up to 25% of compensation, ² to a maximum of \$46,000 for 2008 and \$49,000 for 2009	<ul style="list-style-type: none"> Either match employee contributions dollar for dollar up to 3% of compensation (maximum \$10,500 for 2008 and \$11,500 for 2009, or \$13,000 for 2008 and \$14,000 for 2009 if age 50 or older); can be reduced to as low as 1% in any two out of five years Or contribute 2% of each eligible employee's compensation;² up to \$4,600 for 2008 and \$4,900 for 2009
Employee Salary Deferral	None	Up to 100% of compensation not to exceed \$15,500 for 2008 and \$16,500 for 2009	Up to 100% of compensation not to exceed \$10,500 for 2008 and \$11,500 for 2009
Employee Catch-Up Contribution	None	An additional salary deferral of up to \$5,000 if age 50 or older for 2008 and \$5,500 for 2009	An additional salary deferral of up to \$2,500 if age 50 or older for 2008 and 2009
Vesting of Contributions	Immediate	Employee and employer contributions vested 100% immediately	Employee and employer contributions vested 100% immediately
Administrative Responsibilities	<ul style="list-style-type: none"> No employer tax filings Employee notification of employer's contribution, if made 	Annual Form 5500 filing after plan assets exceed \$250,000	<ul style="list-style-type: none"> No employer tax filings Certain annual employee notifications

For information on Fidelity's 401(k) for larger businesses, call 1-800-544-5373 or visit Fidelity.com/smallbusiness.



¹ There is no brokerage account fee on Fidelity's Traditional, Roth, SEP, and Rollover IRAs. Fund expenses and brokerage commissions still apply. Depending on your situation, fees may include low-balance fees, short-term trading fees, and account closing fees.

² The maximum compensation on which contributions can be based is \$230,000 for 2008 and \$245,000 for 2009. For self-employed people, compensation means earned income.

Roth or Traditional IRA?

Or a SEP-IRA, SIMPLE IRA, or Self-Employed 401(k)? Please refer to the other side.

Fidelity's No-Fee¹ Roth and Traditional IRAs can help you reach your retirement goals. Review this chart to learn which IRA might be best for you.

Don't forget — the contribution limit is \$5,000 for 2008 and 2009. (For individuals age 50 or older, the limit is \$6,000 for 2008 and 2009.)

Ask about *Fidelity SimpleStart*SM IRA — an easy way to start investing — and automated contributions to a Traditional or Roth IRA to help you stay on track for retirement. **Visit Fidelity.com/IRA or call 800-FIDELITY for more information.**

	Roth IRA	Traditional IRA
Contribution Eligibility²	Any age with compensation, subject to income limits: Single Filers: Up to \$101,000 in 2008 and \$105,000 in 2009 (to qualify for a full compensation contribution); \$101,000–\$116,000 in 2008 and \$105,000–\$120,000 in 2009 (to be eligible for a partial contribution) Joint Filers: Up to \$159,000 in 2008 and \$166,000 in 2009 (to qualify for a full contribution); \$159,000–\$169,000 in 2008 and \$166,000–\$176,000 in 2009 (to be eligible for a partial contribution)	Under age 70½ with compensation No income limits
Maximum Annual Contribution	\$5,000 for tax years 2008 and 2009; or 100% of compensation, whichever is less, per person per tax year (in total to both a Roth IRA and a Traditional IRA)	
Catch-Up Contribution	Individuals who are age 50 or older (in the calendar year for which they make the contribution) can contribute an additional \$1,000 in 2008 and 2009 (i.e., total limit of \$6,000 for 2008 and 2009).	
Federal Tax Advantages	Tax-free ³ growth	Tax-deferred growth
Contribution Deductibility	None	Yes, subject to retirement plan participation status and MAGI limits. ⁴ Spouses not covered by a workplace plan have a higher deductible MAGI limit.
Withdrawals	Contributions can be withdrawn at any time without paying taxes or penalties. Earnings can be withdrawn federal tax free and penalty free if the five-year aging requirement and certain other conditions are met. ³	Any earnings and deductible contributions subject to tax upon withdrawal.
10% Early Withdrawal Penalty	For Roth earnings and Traditional IRAs, the penalty applies if you are under age 59½ and the withdrawal does not qualify as a penalty-free withdrawal below (or in the event of death or disability of the account owner).	
Penalty-Free Withdrawals	Roth IRA contributions can always be withdrawn at any time without penalty. For Roth earnings ³ and Traditional IRAs, penalty-free withdrawals may include: qualified higher education expenses; qualified first-time home purchase (lifetime limit of \$10,000); certain major medical expenses; certain long-term unemployment expenses; disability; or substantially equal periodic payments.	
Required Distributions⁵	None	Minimum Required Distributions (MRD) must start at age 70½



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² Please note that to open a Roth IRA or a Traditional IRA at Fidelity, you must be at least age 18.

³ A distribution from Roth IRA earnings is tax free and penalty free provided that the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, death, disability, qualified first-time home purchase.

⁴ For a Traditional IRA, full deductibility of a contribution for 2008 is available to active participants whose 2008 Modified Adjusted Gross Income (MAGI) is \$85,000 or less (joint) and \$53,000 or less (single); partial deductibility for AGI up to \$105,000 (joint) and \$63,000 (single). For contributions for tax year 2009, the full deductibility MAGI limits are \$89,000 or less (joint) and \$55,000 or less (single); partial deductibility for AGI up to \$109,000 (joint) and \$65,000 (single). In addition, full deductibility of a contribution is available for working or non-working spouses who are not covered by an employer-sponsored plan whose MAGI is less than \$159,000 for 2008 and \$166,000 for 2009; partial deductibility for MAGI up to \$169,000 for 2008 and up to \$176,000 for 2009.

⁵ Certain distribution requirements will apply after the death of the Roth IRA or Traditional IRA owner.