

The Fidelity SIMPLE-IRA Plan Electronic Funding Service

This Service is available to employers who have adopted the Fidelity SIMPLE-IRA Plan at no incremental charge¹. Based on your instructions each payroll period, this Service uses the ACH to debit your company's bank account and electronically transmit your company's SIMPLE contributions to each participant's Fidelity SIMPLE-IRA account. Rather than sending Fidelity a paper check in the amount of your company's total SIMPLE contributions, this Service allows you to electronically debit your company's bank account and to allocate contributions among your employees' SIMPLE-IRAs. You may want to think of the Electronic Funding Service as an electronic check. *This convenient service puts you in control*, since Fidelity will not debit your bank account until you tell us to do so each contribution period. **Please note: All contributions to a Fidelity SIMPLE-IRA Plan must be made electronically via ACH. Fidelity PlanManager® is a Web site designed to make managing electronic plan contributions and employee allocations easy and convenient.**

When you establish this Service, you establish a funding account at Fidelity in your company's name that will act as the conduit between your bank account and your employees' Fidelity SIMPLE-IRA accounts. Once you initiate a transaction, contributions will be electronically transferred from your bank account to your funding account in one sum, and then automatically allocated and transferred to your employees' SIMPLE-IRA accounts according to your instructions.

Please note that your instructions must be received by Fidelity at least two business days before you wish the transaction to occur. For example, to meet an October 15 tax-filing deadline for prior year employer contributions, your contributions must be submitted by October 13 or even sooner to account for weekends and holidays. For your protection, *SIMPLE contribution instructions cannot be accepted over the phone.*

For more details on these services, please refer to the front of this booklet.

Fidelity PlanManager®

Make employee allocations quickly and accurately—and on a time frame that accommodates your busy schedule. Here are just a few of the benefits of PlanManager:

- Accessible. From any Web browser, go to simple.fidelity.com. *Note that there is no www.*
- Convenient. Make contributions and submit allocation instructions on your schedule.
Please remember that contributions must be entered at least two business days in advance of the deposit date.
- Control. Schedule contributions well in advance with the ability to modify or cancel them up to two business days before the intended contribution date.
- Confidence. Review your completed transactions on the verification screen, and get year-to-date contribution information for any of your employees.

Systems Configuration

You'll need access to the Internet from an Internet Service Provider such as America Online or AT&T, etc. You'll also need a Web browser that supports at least 40-bit data encryption, one of the key security features of Fidelity PlanManager.

Electronic Transaction Description

Note: National Financial Services LLC (NFS) is the clearinghouse Fidelity uses to process electronic transfers. So "National Financial Services LLC" will be the name on your bank statement when you send SIMPLE-IRA contributions directly from your company's bank account to each participant's SIMPLE-IRA at Fidelity.

¹ While Fidelity does not charge for this service, and it is rare for ACH-member banks to charge for this service, you should contact your bank to see whether it charges a fee to process ACH direct debits.

Calculating Your Plan Contributions

Once you adopt a Fidelity SIMPLE-IRA Plan, you'll need to keep track of the SIMPLE-IRA contributions for each of your plan participants. We have designed the sample worksheet below to help make it easy for you. You may want to set up a similar worksheet in your computer using spreadsheet software, with the following guidelines.

- 1. Employee's Name.** Write in the name of each employee who is eligible to participate in your SIMPLE-IRA Plan. Remember to include yourself as a participant.
- 2. Employee's SIMPLE-IRA Account Number.** Write in each eligible employee's nine-digit SIMPLE-IRA Account Number. (Once we receive your employees' SIMPLE-IRA applications, Fidelity will send you these assigned numbers. You will need to use these numbers each time you forward a contribution to Fidelity.)
- 3. Pretax Compensation.** Write in your employee's compensation for the payroll period—before any taxes are withheld.
- 4. Employee's Contribution Percentage.** Indicate the percentage of each employee's pretax compensation he/she wants to defer to the SIMPLE-IRA. (This amount must generally be expressed as a percentage of compensation.)
- 5. Employee's Salary Reduction Contribution.** To calculate each employee's actual SIMPLE-IRA contribution, multiply the employee's pretax compensation (column 3) by his/her contribution percentage (column 4). Employees' contributions must be deposited as of the earliest date on which the contributions can reasonably be segregated from your general account, but no later than the 30th day following the last day of the month in which the contributions are withheld from the employees' compensation.

Note: You'll need to keep a running total of each employee's contributions for the year (column 5a). When you use Fidelity PlanManager, year-to-date contribution information is available for any of your employees online, making it easy to ensure that an employee does not contribute more than the maximum allowable, which is \$10,500 for 2008 and \$11,500 for 2009. Also, employees age 50 and older in 2008 and 2009 may be able to make an additional contribution of \$2,500 for 2008 and 2009.

- 6. Employer's Contribution.** For *Matching Contributions*, match each employee's contribution (column 5), up to 3% of compensation or \$10,500 for 2008 and \$11,500 for 2009, (\$13,000 for 2008 and \$14,000 for 2009 if age 50 or older), whichever is less. In any 2 out of 5 years, you can reduce your company match to 1% of compensation.

For *Non-Elective Contributions*, multiply the employee's pretax compensation (column 3) by 2%. The maximum you can contribute under this option is \$4,600 for 2008 and \$4,900 for 2009.

Employer matching contributions and non-elective contributions must be made by your company's tax-filing deadline, including extensions, for the taxable year for which the contributions are made.

Hypothetical Examples	1. Eligible Employee's Name	2. Employee's SIMPLE-IRA Account Number	3. Pretax Compensation This Payroll Period	4. Employee's Contribution Percentage	5. Employee Contribution This Payroll Period	5a. Employee's Contributions Year-to-Date ¹	6. Employer's Contribution ²		6a. Employer's Contributions Year-to-Date ¹
							Matching Contribution <small>Match column 5, up to 3% of compensation</small>	Non-Elective Contribution <small>Multiply column 3 by 2%, maximum \$4,600 for 2008 and \$4,900 for 2009</small>	
	Jane Anderson	101234567	\$2,250.00	3%	\$67.50	\$202.50	\$67.50	\$45.00	\$135.00
	John James	101345678	\$2,120.83	0%	\$0.00	\$0.00	\$0.00	\$42.42	\$127.26
	Richard Jones	101567890	\$6,250.00	5%	\$312.50	\$937.50	\$187.50	\$125.00	\$375.00

¹Assumes three payroll periods, for illustrative purposes. Column 6a uses the Non-Elective Contribution method.

²You can switch between these two options subject to certain restrictions. See Article IV of the Fidelity SIMPLE-IRA Plan Agreement for details.

Electronic Funding Service Form

The Electronic Funding Service allows you to debit your company's contributions to your Fidelity SIMPLE-IRA Plan (the "Plan") from your company's bank account and electronically transmit them through your company's funding account at Fidelity to each participant's Fidelity SIMPLE-IRA account. Transfers are processed via the Automated Clearing House (ACH) network. Your bank must be an ACH member for you to use the service. Electronic transfers are normally completed within three business days, and credits to your account are subject to a four-day collection process. Fidelity Brokerage Services LLC ("Fidelity") will establish an account in your company's name (the "funding account") through which your company's SIMPLE-IRA contributions will be transmitted to each participant's Fidelity SIMPLE-IRA account. The funding account is a noninterest-bearing account that is not eligible for securities transactions.

This service takes approximately 10 days to establish after receipt of a completed form.

For help completing this form, call us at **1-800-544-5373** between 8:00 a.m. and 9:00 p.m., ET, seven days a week. Please return this form in the enclosed envelope, or mail to: Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0038. **Bank and contribution information cannot be taken over the phone.**

1 COMPANY INFORMATION

Company Name _____

Name of Contact Person _____

()
Phone _____

Tax I.D. # or Sole Proprietor's Social Security # _____

Association

■ Are you associated with or employed by a stock exchange or member firm of an exchange or the NASD, a municipal securities broker/dealer, or by Fidelity?

Yes, with _____
(See instructions)

No

■ Are you a broker/dealer firm?

Yes. Company: _____

No

■ Are you a control person or associated with either a) another member b) member organization, or c) an immediate family/ household member of a control person or associated with a publicly traded company under Rule 144 (this would include, but not be limited to, a director, 10% shareholder, policy-maker officer, and members of the board of directors).

Yes. Trading symbol: _____

Company: _____

No

2 COMPANY'S BANK INFORMATION

Your bank must be a member of the ACH. (Note: If your bank account is not registered in the same company name as identified in Section 1, you must have your signature guaranteed in Section 4.) Please list all names that appear on the bank account.

Type of Bank Account (check one):

Checking NOW or Money Market Deposit Account

Savings (Passbook savings accounts are not eligible)

Please attach a voided check (not a deposit slip) or complete the information below.

Name of Your Bank _____

Your Bank's Address _____

City _____ State _____ Zip _____

Your Bank's Transit/Routing Number. (Please call your bank to verify):

□ □ □ □ □ □ □ □ □ □

Your Bank Account Number:

□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □

Name on Your Bank Account: _____

FOLD AT PERFORATION AND DETACH

Please continue to other side. ->

3 USING THE ELECTRONIC FUNDING SERVICE

- Once Fidelity receives this completed form, Fidelity will link employee/participant Fidelity SIMPLE-IRA accounts established under your company's Fidelity SIMPLE-IRA Plan to the funding account and Electronic Funding Service.
- Each time you wish to send SIMPLE contributions to Fidelity, simply use the Electronic Funding Service (PlanManager) at simple.fidelity.com to tell Fidelity (1) how much to debit your company's bank account, (2) the contribution types (i.e., employee and employer), (3) the intended contribution date, and (4) how to allocate the contribution amount among your employee/participants' SIMPLE-IRA accounts. Please refer to the funding information in the SIMPLE-IRA Plan Establishment kit for more details on how to send instructions.

4 AUTHORIZATION

I hereby authorize and request Fidelity Brokerage Services LLC, and National Financial Services LLC (collectively "Fidelity") to establish the funding account (the-Account) in my company's name for the purpose of transmitting contributions to my company's Fidelity SIMPLE-IRA Plan to each participant's Fidelity SIMPLE-IRA as directed by me or my authorized agent.

- I authorize Fidelity to initiate debit entries to my company's bank account indicated in Section 2. I further authorize and request the bank indicated in Section 2 to accept any such debit entries initiated by Fidelity to my company's bank account and to credit such amounts to the Account without any further authorization relating hereto. I authorize Fidelity to debit the Account and credit each participant's Fidelity SIMPLE-IRA account in the amounts and contribution types for which I will provide contribution instructions from time to time. The sole purpose of the Account is to facilitate electronic funding of Fidelity SIMPLE-IRA Plan contributions on behalf of Plan participants. I understand that this Account is not meant to draw interest or dividends, or to transact in or hold securities.
- I hereby ratify the instructions given pursuant to this authorization and agree to indemnify and hold Fidelity harmless from any loss, liability, cost, or expense that may arise from Fidelity acting upon my instructions. I understand that if there are insufficient funds in the bank account listed in Section 2 that Fidelity may cancel contributions, and that Fidelity is not responsible for the timing, amount, purpose, or propriety of any SIMPLE contributions. I further agree to hold Fidelity harmless if a cancellation results in a contribution(s) not being deposited in time to meet the contribution's deadline. I hereby agree to indemnify and hold Fidelity harmless for any loss, liability, cost or expense arising out of insufficient funds in the bank account provided.
- I acknowledge that I have read, understood, and agree to the terms set forth in the Funding Account Agreement. I am at least 18 years of age and of full legal age in the state in which I reside.
- I understand that the Funding Account Agreement and its enforcement shall be governed by the laws of the Commonwealth of Massachusetts. It shall cover individually and collectively all accounts which I may open or reopen with Fidelity. It shall inure to the benefit of Fidelity's successors and assigns, whether by merger, consolidation, or otherwise. Fidelity may transfer my account to its successors and assigns, and this Agreement shall be binding upon my heirs, executors, administrators, successors, and assigns.
- I certify under penalties of perjury that: (1) the Social Security or taxpayer identification number provided above is correct; and (2) the company identified above is not subject to IRS backup withholding because: (a) it is exempt from backup withholding; or (b) it has not been notified by the IRS that it is subject to backup withholding; or (c) it has been notified by the IRS that it is no longer subject to backup withholding. (Cross out item 2 if it does not apply.)
- If the company identified above has non-resident alien status, I certify under penalties of perjury that it does not have U.S. citizen or resident alien status, and that it is an "exempt foreign person" as defined under IRS regulations.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

4 AUTHORIZATION (continued)

- I have read, understand, and agree to be bound by the Fidelity Funding Account Agreement governing this account as is currently in effect and as may be amended from time to time.

This account is governed by a pre-dispute arbitration clause, which is located in the last section of the Fidelity Brokerage Retirement and Health Savings Account Customer Agreement. I acknowledge receipt of the pre-dispute arbitration clause.

SIGNATURE OF AUTHORIZED PERSON _____ DATE _____
X

SIGNATURE GUARANTEE STAMP (if required)

NOTE: If the bank account listed in Section 2 is not registered in your company's name, please have your signature guaranteed. A signature guarantee is designed to protect you and Fidelity from fraud. You should be able to obtain a signature guarantee from a bank, broker, dealer, credit union (if authorized under state law), securities exchange or association, clearing agency, or savings association. A notary public cannot provide a signature guarantee. **However, if the bank account listed in Section 2 is indeed registered in your company's name, no signature guarantee is required.**

For Fidelity Use Only	<input type="checkbox"/> Cash	<input type="checkbox"/> Margin	<input type="checkbox"/> ATP
Account # Assigned _____	Reg. Rep. Signature _____	Date _____	
Approving Manager's Signature _____	Date _____		

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