A 401(k) FOR SELF-EMPLOYED INDIVIDUALS AND OWNER-ONLY BUSINESSES

Are you self-employed? Just you and your spouse running a business? If so, you may find a Self-Employed 401(k) offers one of the most attractive tax-advantaged retirement plan options available to you. In fact, it may be one of the biggest "employee benefits" you can offer yourself.

You can take advantage of Fidelity's Self-Employed 401(k) to help you:

- Maximize your retirement savings
- Reduce your current taxes
- Allow earnings to grow tax deferred

On the following pages, you'll learn more about how a Fidelity Self-Employed 401(k) could help you meet your retirement needs.

Who may find this plan attractive?

Any self-employed individual or owner-only business...

- **whether you're structured as a**
  - C corporation
  - S corporation
  - Partnership
  - Sole proprietor
- **including people such as**
  - Accountants
  - Lawyers
  - Real estate brokers
  - Independent contractors
  - Consultants
  - Medical professionals

WHY CONSIDER A FIDELITY SELF-EMPLOYED 401(k)?

Maximize Retirement Savings

What makes a Fidelity Self-Employed 401(k) especially attractive is that it may enable you to contribute more to your retirement account than do many other options available to you.

As long as your net business profits are under $255,000 for 2013 and $260,000 for 2014, you can generally contribute more to a Self-Employed 401(k) than to many other retirement plans. And once you reach age 50, you can take advantage of the catch-up contribution with a Self-Employed 401(k), which allows you to save more than many other retirement plans do, regardless of your compensation amount.

As you can see from the example below, a self-employed business owner who is age 50, with $100,000 in net business profits—which translates to $74,348 in earned income—may save up to $23,000 more with a Self-Employed 401(k) than with a SEP-IRA or Profit Sharing Plan.

The reason total contribution limits can be higher for a Self-Employed 401(k) is that this type of plan recognizes the two hats every self-employed individual wears—one as the employee and the other as the employer.

- As the "employee" of that business, you can make elective deferrals of up to $17,500 for 2013 and $17,500 for 2014. If you are 50 or older, you may take advantage of the catch-up provision and defer a total of $23,000 for 2013 and $23,000 for 2014. *Since this is an elective contribution, this component can vary for you and your spouse.*

- As the "employer," a Self-Employed 401(k) owner can also make a profit sharing contribution of up to 25% of compensation, up to a maximum of $51,000 for 2013 and $52,000 for 2014. *Just keep in mind that if your spouse is covered by the plan, both you and your spouse must receive the same percentage profit sharing contribution.*

The combined total of these two contribution components can help you reach the maximum total contribution limit allowed in your 401(k) account.

How a Self-Employed 401(k) contribution can add up for 2013

	SEP-IRA or Profit Sharing Plan	Self-Employed 401(k)
Employer's Tax-Deductible Contribution *Up to 25% of compensation** *(not to exceed $51,000 in 2013 and $52,000 in 2014)*	$18,587 (25% x $74,348)	$18,587 (25% x $74,348)
Employee's Tax-Deductible Elective Deferral *Up to 100% of compensation* *(not to exceed $17,500 in 2013 and $17,500 in 2014)*	Not applicable	$17,500
Employee's Catch-Up Deferral *Option (if age 50 or older)*	Not applicable	$5,500
Final Total Contribution	**$18,587**	**$41,587**

* Maximum compensation on which contributions can be based is $255,000 for 2013 and $260,000 for 2014. For self-employed individuals, compensation means earned income.

The tax information is general in nature, is provided for informational and educational purposes only, and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. Always consult an attorney or tax professional regarding your specific legal or tax situation.

Tax-Deductible Contributions

Not only can a Fidelity Self-Employed 401(k) help you increase your future assets, it can also help you cut your current taxes. You can deduct your contributions from your taxable income each year, as follows:

- If your business is unincorporated, you can deduct contributions for yourself from your personal income.
- If your business is incorporated, the corporation can generally deduct the contributions as a business expense.

As the example below shows, you may be able to substantially reduce your current taxes with a Self-Employed 401(k) and potentially save over $9,000.

Tax-Deferred Growth

Any money you earn within your plan will compound tax deferred until you withdraw it, which typically won't be until you retire. When your earnings aren't eroded by taxes each year, you may find they can grow substantially faster over the long term than in a comparable taxable investment earning the same rate of return.

How a Self-Employed 401(k) can help reduce your 2013 taxes

	NO PLAN	WITH A SELF-EMPLOYED 401(k)
Net Business Profits	$100,000	$100,000
Less Deduction for Half Self-Employment Tax	– 7,065	– 7,065
Less Maximum Profit Sharing Contribution (25% of earned income)	– 0	– 18,587
Less Salary Deferral	– 0	– 17,500[1]
Taxable Income	$92,935	$56,848
Taxes Due[2]	**$19,316**	$10,141
Taxes Saved		**$9,175**

[1] With catch-up provisions, individuals 50 and older may defer up to $23,000 in 2013 and $23,000 in 2014.

[2] Based on IRS 2013 federal tax rates for a single filer. These calculations assume your self-employed business income is your only income. They also do not take into account any deductions or exemptions for which you may be eligible. Tax savings will vary depending on your individual federal and state tax rates and your personal circumstances.

COMMONLY ASKED QUESTIONS ABOUT SELF-EMPLOYED 401(k)s

The following questions and answers can help you better understand the provisions and requirements of the Fidelity Self-Employed 401(k).

Who is eligible to establish a Self-Employed 401(k)?

The Self-Employed 401(k) is designed specifically for self-employed individuals and owner-only businesses. An owner-only business may include a spouse of an owner who is employed by the business, as well as multiple owners such as in a partnership arrangement. Eligible business owners include sole proprietors, partnerships, corporations, and S corporations.

What is the deadline for establishing a Self-Employed 401(k)?

The deadline for opening your Fidelity Self-Employed 401(k) for the current year is December 31 (or your fiscal year-end).

What is the deadline for contributing to my Self-Employed 401(k)?

The deadline for depositing your employer profit sharing contributions for the current calendar year is your tax-filing deadline, plus extensions. Because your plan only includes "owner" participants, employee salary deferrals are also generally due by your tax-filing deadline, including extensions.[3]

> **TIP:** If you want to include a full year's compensation when calculating contribution amounts for the first plan year, use January 1 for your effective date on the Self-Employed 401(k) adoption agreement.

What is the deadline for making an employee salary deferral election?

If you own an unincorporated business or are self-employed, you must make a written salary deferral election by the end of your tax year.

If you own an incorporated business, you must generally make a salary deferral election before receiving the compensation to be deferred (W-2 wages).

Note that compensation already received at the time of the deferral election may not be deferred.

How do I calculate my Self-Employed 401(k) contributions?

We've included a Contribution Worksheet in this kit that walks you step by step through the process of calculating contribution amounts. Consult your tax advisor for your actual contribution amount each year.

Can I roll over or transfer my current retirement plan to the Self-Employed 401(k)?

Yes. Generally, you can transfer or roll over assets from your current plan (such as a Profit Sharing, SEP-IRA or SIMPLE-IRA Plan) into your new Fidelity Self-Employed 401(k). If you have a Money Purchase Plan, additional requirements may apply. You may want to consider terminating your Money Purchase Plan and rolling over the assets into your Self-Employed 401(k). Check with a Fidelity Representative for more information.

[3] The deadline to deposit salary deferrals for plans covering employees other than business owners (including the spouse of a business owner) is generally as soon as possible, but no later than the 15th business day following the month in which salary deferrals are withheld.

When can I take withdrawals from the plan?

Generally, you can begin taking withdrawals from the plan when you reach age 59½. You may also take withdrawals from the plan when a trigger event occurs, such as disability, plan termination, or death.

Also note that, generally, you *must* begin taking at least the minimum required distributions from your plan by April 1 of the year following the year in which you turn 70½.

Distributions taken prior to reaching age 59½ are generally subject to a 10% early withdrawal penalty unless an exception to the penalty applies. While certain distributions are free from any early withdrawal penalties, all distributions are generally subject to income taxes as they're withdrawn. Consult your tax advisor before taking any distribution.

What happens if I add an employee to my business?

The Fidelity Self-Employed 401(k) is designed for individual business owners. So if you're planning to add employees in the future, this plan may not be the option for you. However, Fidelity does offer a full range of retirement plans, and one of our retirement representatives will be happy to discuss your specific situation and review alternative plan solutions.

What are my administrative responsibilities?

Every plan must have a Plan Administrator—someone who takes care of administrative responsibilities and ensures that the plan is operating according to the Plan Document. Because Fidelity's Self-Employed 401(k) is easy to establish and maintain, the employer usually acts as the Plan Administrator.

As Plan Administrator, you will be responsible to:

- Complete and maintain the adoption agreement for your permanent files.
- Establish an account for each participating business owner (including a spouse of an owner who is employed by the business).
- File an annual Form 5500 tax report when required.
- Calculate and allocate profit sharing contributions.
- Provide a Salary Reduction Agreement to each participating business owner, retain a copy for your files, and monitor salary deferral limits.

TIP: The Self-Employed 401(k) is a qualified retirement plan that offers great savings benefits. Ensure you operate your plan according to the rules of the plan document and the requirements selected by you in the adoption agreement. Consult your tax advisor regarding your plan and its tax-advantaged status.

THE ADVANTAGES OF A FIDELITY PLAN

Fidelity: Helping You Manage Your Plan

Dedicated retirement representatives: Our team of knowledgeable representatives is dedicated to serving the needs of our retirement investors. They can answer questions to help you calculate your contribution and help you complete the required paperwork. Simply call 1-800-544-5373, option 3, between 8 a.m. and 8 p.m. Eastern time, seven days a week.

Tax-filing assistance: Every year, by April 30, Fidelity mails easy-to-read Annual Valuation Statements. These documents provide plan-level and participant-level information—such as contributions, distributions, and earnings. These statements are also viewable online, along with our guides to help you complete your respective Form 5500.

Investment tracking: On both **Fidelity.com** and your statements, you can track the amount you paid for each investment position and the ongoing market value.

Resources to Help You Invest

If you're not sure which type of investment to select, or if you need more assistance planning how much to invest, Fidelity has online tools to help you in making these important decisions.

- **Fund Evaluator[4]—**Identify and compare Fidelity and non-Fidelity mutual funds according to criteria you specify.
- **Portfolio Review[5]—**Helps you create a robust investment strategy with specific investment suggestions and one-click trading for retirement or any other goals.

A Full Range of Investment Choices

You will have access to **more than 175 Fidelity mutual funds.** Mutual funds are an easy and efficient way to invest, offering the added benefits of professional management and instant diversification among dozens of securities. Some mutual funds are considered "nondiversified." Nondiversified funds tend to be more volatile than diversified funds and the market as a whole. Diversification does not ensure a profit or protect against loss.

Funds from other well-known fund companies through FundsNetwork®: With FundsNetwork, you have access to more than 10,000 mutual funds from hundreds of companies, including many available with no transaction fees.[6]

Individual securities, including:

- Individual stocks and corporate bonds
- Government bonds and U.S. Treasuries
- CDs

A managed account can help: A managed account can ease the burden of having to construct, manage, and monitor a well-diversified, risk-appropriate portfolio on your own—an often overwhelming task for many of today's busy investors. The investment professionals at Fidelity Portfolio Advisory Service® are adept at actively managing portfolios of $50,000 or more through carefully constructed model portfolios, and seek to keep an optimal balance between risk and return at all times. Please call **1-800-544-3455** to learn more about our managed accounts.[7]

[4] The Fund Evaluator is provided to help self-directed investors evaluate mutual funds based on their own needs and circumstances. The criteria entered is at the sole discretion of the user and any information obtained should not be considered an offer to buy or sell, a solicitation of an offer to buy, or a recommendation for any securities. You acknowledge that your requests for information are unsolicited and shall neither constitute, nor be considered as investment advice by Fidelity Brokerage Services LLC, Fidelity Distributors Corporation, or their affiliates (collectively, "Fidelity").

[5] **Portfolio Review** is an educational tool.

[6] Certain FundsNetwork funds may be subject to separate and additional redemption fees imposed by the particular fund. Investors should refer to that fund's current prospectus for details.

[7] Fidelity Portfolio Advisory Service® is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. **This service provides discretionary money management for a fee.** Brokerage services provided by Fidelity Brokerage Services LLC. Custody and other services provided by National Financial Services LLC. Both are Fidelity Investments companies and members of NYSE and SIPC.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

IT'S EASY TO START YOUR FIDELITY SELF-EMPLOYED 401(k)

1. Review Information.

Read and review the information in this kit, as well as the plan and trust document that governs your plan, before completing the forms.

2. Complete Forms.

Set up your plan by completing the following:

Form	*Purpose*
Adoption Agreement	Establishes your plan, which allows contributions to be made for the current tax year if opened by December 31 (or your fiscal year-end)
Plan Account Application	Allows you to deposit plan contributions and invest in securities or mutual funds (Note: A separate application must be completed by each business owner including a spouse.)
401(k) Salary Reduction Agreement Form **(Do not send to Fidelity.)**	Allows you to make salary deferrals to the plan
401(k) Contribution Remittance Form	To make contributions to your 401(k) plan, you must include this form with your check
Transfer of Assets Form	Lets you move funds from another institution to your account at Fidelity Investments, a great way to streamline your finances and simplify your recordkeeping

3. Mail to Fidelity.

Return the plan adoption agreement, account application(s), and forms in the attached reply envelope or mail to Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0036.

If you have questions or would like to learn more about the Fidelity Self-Employed 401(k), please call a Fidelity Retirement Representative at **800-544-5373, option 3,** between 8 a.m. and 8 p.m. Eastern time, seven days a week. You can also find helpful tools for choosing your plan investments and monitoring your retirement investments at our Web site, **Fidelity.com**.

THE FIDELITY SELF-EMPLOYED 401(k) CONTRIBUTION WORKSHEET FOR UNINCORPORATED BUSINESSES

Calculating Your Maximum 2013 Plan Year Contribution

If you are self-employed, the worksheet on the other side of this page may help you to calculate your retirement plan contributions.* However, you are strongly advised to consult with a tax advisor or accountant when calculating your contribution amounts. You may also refer to IRS Publication 560 for further information.

A Fidelity Retirement Representative is available at **1-800-544-5373, option 3,** from 8 a.m. to 8 p.m. Eastern time, seven days a week, to answer questions regarding your retirement plan.

To begin:

- Have your income tax forms nearby (particularly Form 1040 and either Schedule C, Schedule C-EZ, or Schedule K-1). They contain the necessary information to complete your worksheet.

Step 1: Using Schedule SE (Form 1040), calculate your self-employment tax deduction. This form is available online at http://www.irs.gov/pub/irs-pdf/f1040sse.pdf.

Step 2: Calculate your maximum contributions.

- You may make a maximum salary deferral contribution of up to 100% of compensation, not to exceed $17,500 for 2013 and $17,500 for 2014.

- If you are age 50 or older (in the calendar year for which you are making the contribution) you may be able to defer an additional $5,500 for 2013 and 2014, referred to as a catch-up contribution.

- Your maximum annual deductible contribution for profit sharing is 25% of compensation up to a total of $51,000 for 2013 and $52,000 for 2014. The maximum compensation on which contributions can be based is $255,000 for 2013 and $260,000 for 2014. For self-employed individuals, compensation means earned income.

- Total profit sharing and salary deferral contributions may not exceed $51,000 for 2013 and $52,000 for 2014 ($56,500 if age 50 or older in 2013 and $57,500 in 2014).

* If you have more than one source of income or participate in another salary deferral plan, this calculation will not be accurate. You are advised to consult with your tax advisor or accountant.

Over ▶

Calculate your maximum contributions

	2013 Example	Yourself
Part I – Calculate Your Adjusted Net Business Profits		
1. Business Net Profits (From Schedule C, C-EZ, or K-1)	1. $ 100,000	________
2. Self-Employment Tax Deduction (From IRS Form 1040 Schedule SE)	2. $ 7,065	________
3. Adjusted Net Business Profits (Subtract Line 2 from Line 1)	3. $ 92,935	________
Part II – Calculate Your Maximum Salary Deferral[1]		
4. Annual Salary Deferral Limit (Enter $17,500 for 2013)	4. $ 17,500	________
5. Maximum Salary Deferral Amount (The lesser of Line 4 and Line 3)	5. $ 17,500	________
6. Adjusted Net Business Profits after Salary Deferral (Subtract Line 5 from Line 3) *If the result is zero, stop here. The result on Line 5 is the maximum contribution you can make to your plan.*	6. $ 75,435	________
Part III – Calculate Your Maximum Profit Sharing Contribution		
7. Calculation A: Divide Line 6 by 2.00	7. $ 37,718	________
8. Calculation B: Multiply Line 3 by .20	8. $ 18,587	________
9. Calculation C: Subtract Line 5 from $51,000 for 2013	9. $ 33,500	________
10. Maximum Profit Sharing Contribution (Enter the lesser of Lines 7, 8 or 9)	10. $ 18,587	________
Part IV – If Age 50 or Older by Applicable Year-End,[2] Calculate Your Maximum Catch-Up Salary Deferral		
11. Annual Catch-Up Salary Deferral Limit (If age 50 or older by applicable year-end) (Enter $5,500)	11. $ 5,500	________
12. Adjusted Net Business Profits after Salary Deferral and Profit Sharing Contribution (Subtract Line 10 from Line 6)	12. $ 56,848	________
13. Maximum Catch-Up Salary Deferral Amount (Enter the lesser of Line 11 or Line 12)	13. $ 5,500	________
Part V – Calculate Your Maximum Contribution Amount		
14. Maximum Contribution Amount	14.	
a. If you are under age 50, add Lines 5 and 10	$ 36,087	________
b. If you are age 50 or older by applicable year-end, add Lines 5, 10 and 13	$ 41,587	________

[1] Your salary deferral amount must be in accordance with your 401(k) Salary Reduction Agreement election made prior to your plan year-end.

[2] If you are age 50 or older, or will turn age 50 during the calendar year for which you are making the contribution, you may be able to make an additional contribution up to the limits outlined on this worksheet.