

Small Business Retirement Solutions

PRODUCT OVERVIEW

▶ Turn to a retirement leader for the retirement plan that may be right for your business:

- Simplified Employee Pension (SEP) IRA
- Savings Incentive Match Plan for Employees (SIMPLE) IRA
- Fidelity Advisor 401(k)



FOR PLAN SPONSORS



Put retirement goals within reach

For each year you are in retirement, you will typically need 85% of your annual preretirement income. You need to begin preparing today for the day when you will no longer work.

FIDELITY INVESTMENTS
2007 RETIREMENT INDEX



No one has to tell you that managing a business takes an enormous amount of time, energy, and dedication from you and your employees. That's why, when it comes to choosing a retirement plan, you'll want to make the best choice for everyone who has helped make your business a success.

Fidelity offers three plans for small businesses like yours.

These plans are focused on helping you and your employees bridge the gap between Social Security and retirement expenses:

- Simplified Employee Pension (SEP) IRA
- Savings Incentive Match Plan for Employees (SIMPLE) IRA
- Fidelity Advisor 401(k)

This brochure discusses the key differences among these plans, including administrative responsibilities, contribution options, business expenses, and more. Your advisor can help you select the plan that may be right for your business – today and tomorrow.

The benefits of SEP-IRA, SIMPLE IRA, and 401(k)

When you combine your financial advisor's knowledge and experience with the strength of Fidelity, you have a foundation to help achieve your retirement plan's objectives.

You are in good company.
69% of Fidelity's retirement plans have fewer than 150 participants.

FIDELITY INVESTMENTS, *BUILDING FUTURES, VOLUME VIII, 2007*

When you offer a retirement plan, you help your employees with their retirement needs and give yourself an advantage as a business owner. A retirement plan is one way to retain loyal employees and make them feel invested in the success of your business. SEP and SIMPLE IRAs can be relatively inexpensive to administer, and easy to establish and maintain.

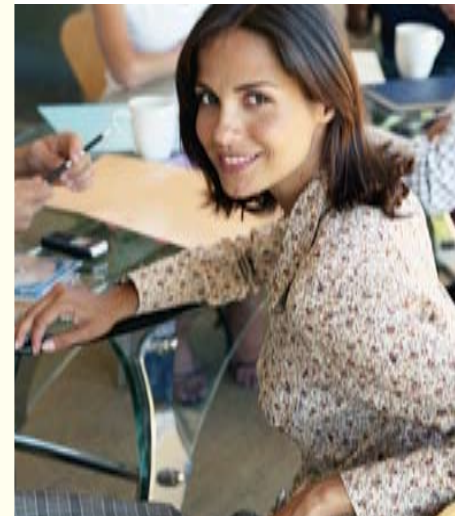
- A SEP-IRA allows you to offer a discretionary employer contribution. This gives you the freedom to choose on an annual basis whether to contribute to the plan and what amount, if any, you will contribute.

- A SIMPLE IRA lets you offer a payroll deduction retirement savings plan that features many of the advantages of a 401(k) without a 401(k) plan's cost or complexity.
- A 401(k) gives your employees a payroll deduction retirement savings plan with more options than the SIMPLE IRA plan but with more administrative responsibilities.

Use the table on page 3 to determine which plan may suit your personal needs and business profile.

The reasons for establishing a retirement plan are too good to ignore

- Employer contributions are deductible business expenses.
- For SEP-IRA and SIMPLE IRA plans, Fidelity does not charge any plan-level administration costs. For the 401(k) plan, our recordkeeping fees and expenses are competitive.*
- You may receive up to a \$500 business tax credit for starting a retirement plan.†
- Not only do you help your employees save for their retirement, you also invest them in the success of your business and potentially build loyalty.



* The employer must determine if fees and services to be provided are reasonable with respect to the 401(k) plan.

† Eligible employers who start an employer-sponsored retirement plan on or after 1/1/02 may be eligible to receive a tax credit of up to \$500 a year for three years for plan start-up costs – a total of up to \$1,500 in tax credits. The availability of this tax credit was permanently extended under the Pension Protection Act of 2006. Please consult your tax advisor for further information.

Each plan offers four key benefits for you and your employees

Tax-deferred savings These retirement plans allow any earnings to grow tax deferred until they are withdrawn.¹ This may allow you and your employees to accumulate more money than you would in a taxable account. If you choose the SIMPLE IRA or 401(k) plan, salary deferral contributions (both yours and your employees') are also income-tax deferred until they are withdrawn.¹

Investment options We offer several approaches to investing for retirement.

- Fidelity Advisor Freedom Funds:[®] Participants can invest in a single mutual fund that automatically becomes more conservative as they get closer to their projected retirement dates.
- Fidelity Advisor Funds:[®] Plan participants will need to determine how to allocate their investments among our professionally managed Fidelity Advisor Funds. Fidelity Advisor 401(k) only: offers more than 1,000 funds in various share classes from over 30 fund families.²

These approaches may cover the spectrum of asset classes to help satisfy your employees' varied financial objectives, risk profiles, and time horizons.

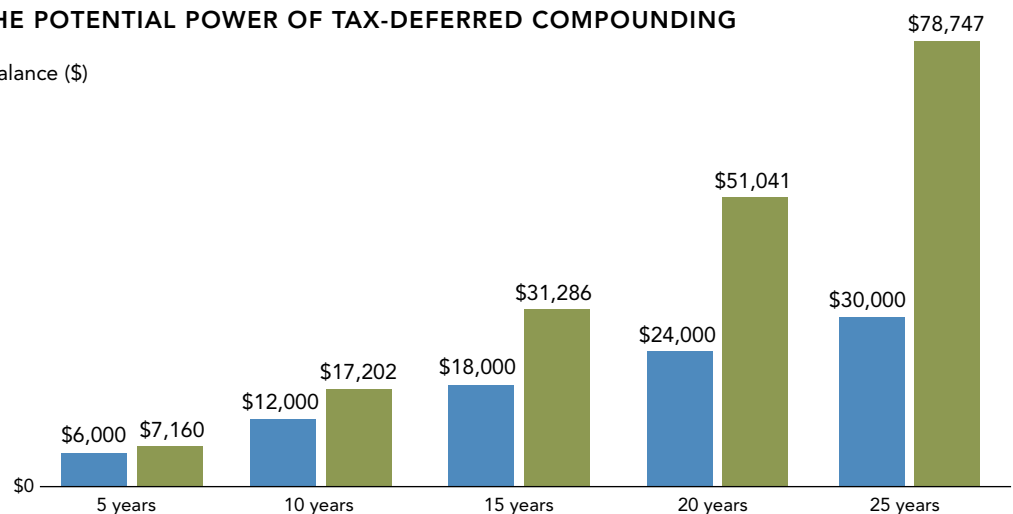
Rollover/consolidation flexibility Employees who change jobs may roll over eligible retirement plan assets and keep their money working tax deferred.

The knowledge of your financial advisor and Fidelity When you combine your financial advisor's knowledge and experience with the strength of Fidelity, you have a foundation for achieving your retirement goals. This combination adds up to a better way to manage your retirement plan – with quality service, effective employee education, and a wide array of investment options.

A HYPOTHETICAL EXAMPLE OF THE POTENTIAL POWER OF TAX-DEFERRED COMPOUNDING

■ Your pretax contribution (\$) ■ Pretax balance (\$)

This hypothetical example assumes monthly \$100 employee contributions to a tax-deferred retirement plan and a 7% average annual rate of return, compounded monthly, over the periods specified. It assumes that no loans or distributions are made during the periods specified. Your own plan may have a different contribution frequency. This example is not intended to represent the performance of any specific investment. Your own investment results may vary. Systematic investing does not ensure a profit and does not protect against loss in a declining market.



1. Pretax contributions and any earnings will be taxed at the time of withdrawal at the income tax rate in effect at the time and may also be subject to a 10% early withdrawal penalty if distributed before age 59½. For SIMPLE IRAs, this penalty is increased to 25% if the distribution is made during the two-year period beginning when contributions are first made to the SIMPLE IRA.

2. Not all funds may be approved for sale by the investment professional's firm. You should contact your investment professional as to fund as well as share class availability. Each investment option selected over 20 has a \$500 per year per option fee. (The Fidelity Advisor Freedom Funds, the Fidelity Advisor Asset Manager Funds, the Fidelity Advisor Focus Funds,[®] and the Fidelity Advisor Specialty Fund do not count toward the 20 investment option limit.)

SEP, SIMPLE, and 401(k) features at a glance

Individual businesses have their own unique needs. That's why it's critical that you determine which retirement plan may be suited to your personal requirements and business profile. Below are some key differences.

	SEP-IRA	SIMPLE IRA	Fidelity Advisor 401(k)
Maximum 2009 annual contribution (not including catch-up contributions)	The lesser of 25% of compensation or \$49,000 in 2009 ³	The lesser of 100% of compensation or \$11,500 salary reduction contribution plus employer match or nonelective contribution ⁴	The lesser of 100% of compensation or \$49,000 in 2009; ³ \$16,500 salary reduction contribution
Employer contribution ⁵	Discretionary	Mandatory, but flexible	None required unless plan is top-heavy
Employee contribution	Individual contributions to a Traditional IRA may be made	Pretax payroll deduction	Pretax payroll deduction
Maximum employee eligibility requirements	<ul style="list-style-type: none"> • Has worked 3 of the past 5 years • Is 21 or older • Received compensation of at least \$550 in 2009⁶ 	Earned \$5,000 in compensation during any two preceding years (does not need to be consecutive) and expects compensation of \$5,000 or more in current year. Certain employees may be excluded.	<ul style="list-style-type: none"> • Has one year of eligibility service (1,000 hours)⁷ • Is 21 or older • Certain employees may be excluded
Prospects	Any size	Entities with 100 or fewer employees with \$5,000 or more of compensation in the prior calendar year	For companies with 401(k) plans of any asset or employee size
Loan option	No	No	Yes (except money purchase plans)
Vesting	100% immediately	100% immediately	Vesting schedule for employer contributions determined by employer; employee contributions are 100% immediately vested
Required notices and testing	No complicated nondiscrimination tests or employer IRS filings		Filing of Form 5500 with the DOL
	Delivery of annual notice to eligible employees	Delivery of annual summary description and notice to eligible employees	Testing requirements may include: Top-heavy, 415 limitation, nondiscrimination (ADP/ACP), minimum coverage
Administrative cost	<ul style="list-style-type: none"> • No employer setup or administration fee • Annual custodial fee deduction from employee accounts 		Custom pricing available

3. This limit is indexed for cost-of-living adjustments in \$1,000 increments.

4. The employer match may be less than 3% (but not less than 1%) for two out of every five years. Employer nonelective contributions must equal 2% of eligible compensation.

5. See page 4 for more information on SEP-IRA contribution limits; see page 6 for more information on SIMPLE IRA contribution limits.

6. This amount is subject to annual cost-of-living adjustments.

7. Profit sharing and money purchase plans may provide for 2 years of eligibility service if employer contributions are 100% vested when made.

Fidelity Advisor SEP-IRA

For business owners who want to provide retirement savings for themselves and their employees



Employer eligibility

A wide variety of small businesses can benefit from the Fidelity Advisor SEP-IRA plan, which may be appropriate for:

- Self-employed individuals
- C or S corporations
- Sole proprietorships
- Partnerships

Employee eligibility

You must contribute for each employee who:

- Is at least 21 years old by December 31 of the year for which the contribution is being made
- Was employed by you in any three of the past five years
- Has at least \$550 (minimum for 2009) of compensation in the year for which the contribution is being made

Consider contribution rules

A SEP-IRA plan gives you, the business owner, a choice when it comes to how much money you want to contribute each year. For 2009, the maximum amount of contributions an employer can make to a participant's SEP-IRA is 25% of eligible compensation or \$49,000, whichever is less.

You must contribute the same percentage, however, to each eligible participant's SEP-IRA account (including your own). Separate SEP-IRA accounts must be established for you and each eligible employee.

Remember, each year you may choose how much – and even whether – to contribute.

Additional contributions

If you wish, you may make additional individual contributions for yourself to a Traditional or Roth IRA, subject to applicable limits. The potential allowable deduction (for the Traditional IRA contribution) from your current taxable income may be reduced or eliminated because you are covered by a SEP.

Considerations for sole proprietors

With a SEP-IRA, a sole proprietor has much more flexibility in both contribution rules (see above) and company growth. The following are just some of the many benefits attached to a SEP-IRA:

- No employer setup or administration fee
- Less administrative tasks
- Ability to add employees and not have to consider a new retirement savings plan



SEP-IRA Case Study

PBZT Engineering 3 full-time employees

BUSINESS PROFILE

PBZT Engineering consistently wins enough contracts to cover payroll expenses and invest in the necessary systems to remain competitive. Some years it has more work than it can handle, and experiences stronger-than-average revenues. To continue to be successful and build business, the company owner needs to retain and reward key employees. She is also concerned about maximizing her own retirement savings.

Employee/owner	Compensation	Employer contribution: 25%**	Compensation	Your contribution
Owner	\$160,000	\$40,000		
Employee A	75,000	18,750		
Employee B*	35,000	0		
Employee C*	38,000	0		
Total		\$58,750		
Business tax deduction on employer contributions (@ 30%)		(17,625)		
Net employer cost		41,125		
Employer's contribution to own account		(40,000)		
Net cost of contributions to employee accounts after business deduction and owner's contribution		\$1,125		

* Employees B and C have only worked for PBZT for two years and do not yet meet the eligibility requirements of PBZT's plan. Employees who work three or more years for the same employer may be eligible to receive a SEP contribution.

** For 2008 and 2009, SEP contributions cannot exceed the lesser of either 25% of compensation or a fixed dollar amount, which is \$46,000 for 2008 and \$49,000 for 2009.

PUTTING A SEP-IRA PLAN INTO ACTION

This worksheet shows what a SEP-IRA plan might cost PBZT Engineering in its first year. Your advisor can help you use this worksheet to figure out what a SEP-IRA plan might cost you as a business owner. Just use the two empty columns above.

PBZT'S DECISION

After consulting with her advisor, the owner has decided to offer her employees a SEP-IRA plan for several reasons. A SEP-IRA will help her reward and retain employees and maximize her own retirement savings, and it will offer her the ability to contribute only in the years when revenue exceeds expectations.

Fidelity Advisor SIMPLE IRA

A solution for business owners who want to provide employees with retirement savings through payroll deduction

No cost to you

A key benefit of a SIMPLE IRA plan is that there are no fees associated with plan setup and no plan administration fees. There's also no discrimination testing or Form 5500 reporting.

Company eligibility

A wide variety of companies with 100 or fewer employees who earned at least \$5,000 for the preceding calendar year can take advantage of a Fidelity Advisor SIMPLE IRA plan.¹

These plans may be appropriate for:

- Self-employed individuals
- C or S corporations
- Sole proprietorships
- Partnerships

Employee eligibility

Generally, the following employees must be allowed to participate in a SIMPLE IRA:

- Have worked for you for at least two years
- Earned at least \$5,000 in compensation from your company during each of any prior two years (do not need to be consecutive)
- Are expected to earn at least \$5,000 in compensation from your company for the current year

In addition, you may choose to lower the compensation requirements for eligibility to include more employees or offer full eligibility to all employees.

Contribution rules

Unlike 401(k) plans, the amount an employer may contribute to his or her own account is not affected by the amount employees contribute.

Choose from two flexible employer-contribution options

3% matching contribution

To encourage employees to save for their own retirement, you may want to consider the 3% matching contribution. This option requires you to match each participant's salary deferrals, dollar for dollar, up to the lesser of 3% of their annual compensation each year, or \$11,500 for 2009. There is no annual compensation cap when determining the match amount.

Of course, it is a match, so you contribute to employees' accounts only when they do. If the 3% match should become unaffordable, you may lower it to a minimum of 1% in any two of five years (including the current year) as long as you notify employees in advance.²

2% nonelective contribution

If you would like to reward your eligible employees each year, you may want to consider the 2% nonelective contribution method. This option requires you to contribute 2% of each eligible employee's annual compensation up to the compensation cap of \$245,000 in 2009, for a maximum annual nonelective contribution of \$4,900 to any one employee.^{2,3}

Whether or not an employee chooses to make contributions, you must contribute to all eligible employees' SIMPLE IRA accounts if you choose to make the 2% nonelective contribution. Factors like employee turnover or each employee's likelihood of making a contribution may affect your decision.

1. A company may not offer another employer-sponsored retirement plan in the same year they offer a SIMPLE IRA Plan.

2. Notification of a change to the employer contribution formula for the next plan year must be provided to the employee prior to the annual 60-day election period for existing plans, which begins in November.

3. This compensation cap is indexed for cost-of-living adjustments in \$5,000 increments.

SIMPLE IRA Case

Ben's Landscaping
7 employees

BUSINESS PROFILE



Employee/owner
Ben/owner
Employee A
Employee B
Employee C
Employee D
Employee E
Employee F
Summer employee*
Total
Total employer contribution
Business tax deduction on employer contributions (@ 30%)
Net employer cost
Employer contribution to own account
Net cost of contributions to employee accounts after business deduction and owner's contribution

Study

Ben's Landscaping offers year-round landscaping and groundskeeping services to many local businesses and earns consistent profits year after year. Ben has six year-round employees and hires an additional six college students to help during the busier summer months. He does not want to lose any service contracts due to turnover and needs to keep his full-time employees happy.

Ben is concerned about his and his employees' futures and wants to implement a retirement savings program. Since Ben is not sure his employees will make contributions, he and his advisor are comparing the cost benefits of the 2% nonelective contribution with the 3% company matching contribution.

BEN'S CHOICES

This worksheet shows what a SIMPLE IRA plan might cost Ben's Landscaping in its first year with either a 2% nonelective contribution or a 3% match. Your advisor can help you determine which option may be best for your company.

BEN'S SOLUTION

After reviewing the two scenarios, Ben decided to offer the SIMPLE IRA with the 3% match. This plan will help retain and reward key employees and contribute more to his own account. The estimated cost of this employer match is less than the 2% nonelective contribution option.

Compensation	Salary deferral	2% Nonelective contribution	Total	3% matching contribution	Total	Compensation	Your contribution
\$73,000	\$5,000	\$1,460	\$6,460	\$2,190	\$7,190		
46,000	2,500	920	3,420	1,380	3,880		
33,000	1,500	660	2,160	990	2,490		
33,000	1,000	660	1,660	990	1,990		
28,000	0	560	560	0	0		
28,000	700	560	1,260	700	1,400		
23,000	0	460	460	0	0		
N/A	0	0	0	0	0		
	\$10,700	\$5,280	\$15,980	\$6,250	\$16,950		
		\$5,280		\$6,250			
		(1,584)		(1,875)			
		3,696		4,375			
		(1,460)		(2,190)			
		\$2,236		\$2,185			

* Employee is a summer intern who did not meet the eligibility requirements of the plan. Summer interns and other part-time employees may be eligible to join if they work for the same employer for two or more years.

Fidelity Advisor 401(k)

For business owners who expect their company to grow rapidly over the next year and currently offer a 401(k) plan



Executive summary of services and fees

Target Market	<ul style="list-style-type: none">• Taxable businesses with defined contribution plans regardless of plan size
Benefits	<ul style="list-style-type: none">• Flexible, fully integrated program• State-of-the-art technology• Committed to advisor-sold defined contribution plans
Fund Offering	<ul style="list-style-type: none">• Access to over 1,000 funds in various share classes from over 30 fund families, including Fidelity Advisor Freedom Funds¹• Offer any combination of program funds – no Fidelity Advisor proprietary fund requirement
Pricing and Document Provisions	<ul style="list-style-type: none">• Choice Pricing: Ability for advisor to elect to pay part of the plan’s recordkeeping expenses from 12b-1 fees• Volume submitter document
Communication and Education Support	<ul style="list-style-type: none">• On-site and Web-based education support²• Personalized participant communications• MyPlan[®] Retirement Quick Check
Tools and Services to Help Manage Plan Results³	<ul style="list-style-type: none">• Retirement Plan Review• Fiduciary Support Materials• NetBenefits[®]• Annual Increase Program• Auto Rebalance/Auto Notification Services• Plan Sponsor WebStation[®]• Fidelity Advisor Freedom Fund Default Service• Fidelity Advisor Freedom Fund Conversions

1. Not all funds may be approved for sale by the investment professional’s firm. You should contact your investment professional as to fund as well as share class availability.

2. Additional fees may apply.

3. The plan sponsor may elect not to offer certain services.

Fidelity Advisor 401(k) Case Study

Sherman Mortgage Corporation
13 full-time employees;
\$750,000 in plan assets

BUSINESS PROFILE

Sherman Mortgage Corporation expects to grow rapidly over the next year and perhaps double the number of employees. The company currently offers a 401(k) plan with a third-party administrator. Unfortunately, Sherman Mortgage has had problems working with the provider's multiple contacts at multiple vendors – they've decided to look for a full-service provider, one who will handle all recordkeeping and administration as well as act as nondiscretionary trustee.

In addition, most Sherman Mortgage employees are currently deferring as much as possible into the current plan. The company would like to make matching contributions to reward and retain these employees. They will have a vesting schedule associated with the match to help promote tenure.

In search of a new provider, Sherman Mortgage Corporation wants to give participants daily valuation, live operator assistance, Internet access, a variety of investment options, and a continuing education curriculum. The company wants to decrease its administrative tasks.



THE OUTCOME

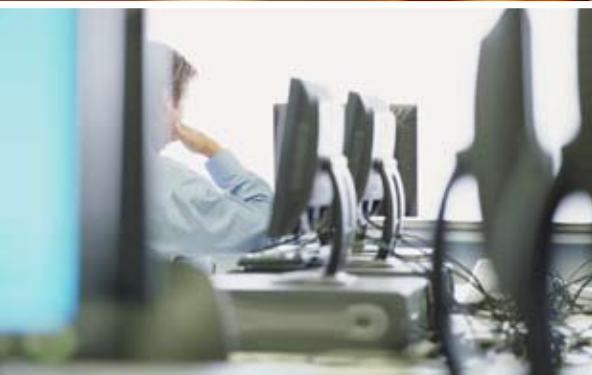
With the help of its advisor, Sherman Mortgage Corporation decided to convert its existing 401(k) plan to a Fidelity Advisor 401(k). Fidelity is a single-source retirement provider, and Sherman Mortgage Corporation benefits from the services of the Fidelity Relationship Management team, which coordinates every aspect of the plan.

The Fidelity Advisor 401(k) is designed to support Sherman Mortgage Corporation's needs today and is positioned to support the company as it grows in the future. Sherman Mortgage's new 401(k) program from Fidelity will offer investment options from a menu of over 30 fund families in addition to the Fidelity Advisor Freedom Funds, at no charge.*

* Each investment option selected over 20 has a \$500 per year per option fee. (The Fidelity Advisor Freedom Funds, the Fidelity Advisor Asset Manager Funds, the Fidelity Advisor Focus Funds,[®] and the Fidelity Advisor Specialty Fund do not count toward the 20 investment option limit.)

When you're ready to select your plan, turn to Fidelity

Working with your financial advisor and Fidelity, you can determine which retirement plan is most suitable for your business and your employees.



As a leader in retirement plans, Fidelity is committed to excellent service – from ease of administration and a diverse menu of investment options to educating your employees about their retirement plan.

Investment options from an industry leader

Fidelity engages in extensive fundamental analysis, a rigorous process of security selection, and disciplined, active portfolio management. We support this process with one of the financial industry's largest and most sophisticated worldwide research organizations.

Employee communication is a priority



Employee communication and education surrounding each retirement plan is a key component of its success. In fact our personalized employee communication and education program is a key component of our 401(k) plan. Your advisor can help answer questions about your plan, providing enrollment information and reviewing investment options with you and your employees.

By working closely with your advisor, you can feel confident about your retirement plan's objectives.

Plan administration made easier

Fidelity can keep your plan on the leading edge of retirement plan technology with our unmatched online resources.

We utilize the benefits of the Internet to help both plan sponsors and plan participants manage and track their retirement plans. Technology is designed to match the needs of the SEP-IRA, SIMPLE IRA, and 401(k) plans.

	Plan sponsor	Plan participant
		
SEP-IRA	Plan sponsor submits employer contribution directly into the employees' SEP-IRAs.	Plan participants may access account information, daily fund prices, and fund performance information* by visiting the shareholder site on advisor.fidelity.com .
SIMPLE IRA	<p>SIMPLE IRA plan sponsors benefit from simple plan administration with Fidelity's Web site, fasimple.com. The online transfer of participant and employer contribution data between your plan and Fidelity is fully automated.</p> <p>This feature allows you to make contributions electronically to your employees' accounts at your convenience.</p>	Plan participants may access account information, daily fund prices, and fund performance information* by visiting the shareholder site on advisor.fidelity.com .
Fidelity Advisor 401(k)	Fidelity Plan Sponsor WebStation provides easy, secure online administration capabilities.	Fidelity NetBenefits® provides account access virtually 24 hours a day, 7 days a week for your participants to help them manage their retirement accounts. They also have access to the voice response system with opt-out to speak to a customer service representative.

* Investment returns and principal value will fluctuate; therefore you may have a gain or loss when you sell your shares. For more information about total returns, please contact your financial advisor.

Take the next step

Now that you've chosen your retirement savings plan, you can begin working with your advisor to set up your plan and review the appropriate enrollment kits.

The SEP and SIMPLE IRA enrollment kits provide all the necessary information to set up your plan and effectively communicate with your employees about this wonderful workplace savings opportunity.

Call your investment professional today.

When you think retirement, think Fidelity.

- We're the nation's retirement leader.¹
- Fifty-six percent of Fidelity assets are retirement assets.²
- Fidelity services one out of every five 401(k) participants in the U.S.³



1. PLANSPONSOR magazine, "America's Top Recordkeepers – 2007," ranked Fidelity Investments the No. 1 provider of workplace retirement savings plans based on assets as of 12/31/06.

2. Fidelity Investments 9/30/08.

3. Cerulli Quantitative Update: Retirement Markets 2007.



Your Advisor
and Fidelity

Insight
Diversification
Dedicated Support

For investment professional and plan sponsor use only.

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee.

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Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact your investment professional for a prospectus or visit advisor.fidelity.com for a Fidelity Advisor fund prospectus containing this information. Read it carefully before you make your investment choices.