

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 charge.¹ 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 tell Fidelity how much money to electronically debit from your company's bank account and how to allocate the contributions among your employees' SIMPLE-IRAs, much in the same way that you might have your mortgage payment, insurance premium, or health club dues debited from your own personal bank account. For this reason, 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.

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. 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.

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. Pre-Tax Compensation.** Write in your employee's compensation for the payroll period — before any taxes are withheld.
- 4. Employee Contribution Percentage.** Indicate the percentage of each employee's pre-tax 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 pre-tax 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). Be sure that an employee does not contribute more than the maximum allowable, which is \$10,000 for 2005. Also, employees age 50 and older in 2005 may be able to make an additional contribution of \$2,000 for 2005.

- 6. Employer's Contribution.** For *Matching Contributions*, match each employee's contribution (column 5), up to 3% of compensation or \$10,000 for 2005 (\$12,000 if age 50 or older in 2005), 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 pre-tax compensation (column 3) by 2%. The maximum you can contribute under this option is \$4,200 for 2005.

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. Pre-Tax Compensation This Payroll Period	4. Employee 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 \$4,200 for 2005</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. Transactions are processed via the Automated Clearing House (ACH) network. Your bank must be an ACH member for you to use the service. Transfers are normally subject to a seven-calendar-day collection period. Fidelity Brokerage Services LLC ("Fidelity") will establish a brokerage account in your company's name (the "funding account") that will be used to accept your company's SIMPLE-IRA contributions before such contributions are 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

Name of Employer (i.e., Company Name)

Name of Contact Person

(_____) _____
Phone

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

Affiliations of Company

■ Are you affiliated 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 "affiliate" of a public company as defined in SEC Rule 144? This would include but is not necessarily limited to, 10% shareholders, policy-making executives, 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. You may send your contribution instructions via the Internet or mail. Please refer to the funding information in this brochure for 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 Customer 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 Customer 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 your 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)

4 AUTHORIZATION (continued)

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.

- I have read, understand, and agree to be bound by the Fidelity Brokerage Funding Account Customer 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 on the last page of the Customer Agreement. I acknowledge receipt of the pre-dispute arbitration clause.

SIGNATURE OF AUTHORIZED PERSON

DATE

X

SIGNATURE GUARANTEE STAMP (if required)

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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 (including Fidelity Investor Centers), 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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