



# Fidelity SIMPLE IRA — Summary Description

The Savings Incentive Match Plan for Employees (SIMPLE) is a retirement plan designed primarily for small business owners.

A SIMPLE IRA Plan may be adopted by employers who do not maintain another employer-sponsored retirement plan and who employ 100 or fewer employees who received at least \$5,000 in compensation from the employer for the preceding calendar year.

The following provisions of the Fidelity SIMPLE IRA Plan (hereinafter referred to as the "Plan") of the following company are effective for the Plan Year indicated. The purpose of the Plan is to enable Eligible Employees to save for retirement.

|              |                |
|--------------|----------------|
| Company Name | Plan Year YYYY |
|--------------|----------------|

| Tax Year | Annual Deferral Limit | Catch-Up Limit* |
|----------|-----------------------|-----------------|
| 2020     | \$13,500              | \$3,000         |
| 2021     | \$13,500              | \$3,000         |

\*Individuals age 50 or older by the end of the calendar year may make an additional elective contribution annually.

## 1. Plan Information

### A. Employer Information

|                               |                |                 |               |
|-------------------------------|----------------|-----------------|---------------|
| Employer (i.e., Company Name) |                |                 |               |
| Address                       |                |                 |               |
| City                          | State/Province | ZIP/Postal Code | Country       |
| Plan Authorized Individual    |                |                 | Daytime Phone |

### B. Custodian Information

Fidelity Management Trust Company  
PO Box 770001  
Cincinnati, OH 45277-0038

## 2. Eligibility Requirements

You are eligible to participate in the Plan upon the latter of the Plan's Effective Date or your date of hire, unless your Employer elects different eligibility requirements for the Plan as specified below:

You are eligible to participate in the Plan if you are reasonably expected to receive at least the amount below in compensation from your Employer for the current calendar year.

|                                     |
|-------------------------------------|
| Amount <i>not to exceed \$5,000</i> |
| \$                                  |

AND

You have received at least the amount below in compensation from your Employer.

|                                     |
|-------------------------------------|
| Amount <i>not to exceed \$5,000</i> |
| \$                                  |

|       |
|-------|
| Years |
|-------|

during any prior calendar years. (The number of years must be 0, 1, or 2)

Form continues on the next page. ►►





## 4. Distributions

Distributions from your SIMPLE IRA are subject to ordinary federal income taxes, and may be subject to state income taxes, for the year in which you receive them.

Distributions before you reach age 59½ are generally subject to a 10% early withdrawal penalty in addition to ordinary income taxes. However, any distribution made before you reach age 59½ that is subject to a 10% early withdrawal penalty and is made within two years from the date you first participated in your employer's SIMPLE IRA Plan will be subject to a 25% early withdrawal penalty.

You must begin receiving required minimum distributions from your SIMPLE IRA by April 1 following the year you turn age 72. Subsequent minimum distributions must be made thereafter by each December 31.

To request a distribution(s) from your Fidelity SIMPLE IRA, please complete the Fidelity IRA One-Time Withdrawal request form. If you have any questions regarding your distribution options or need assistance completing the necessary forms, please call a Fidelity retirement representative at 800-343-3548.

IRS regulations require the custodian of your SIMPLE IRA to withhold federal income tax at the rate of 10% from your SIMPLE IRA distribution(s) unless you elect NOT to have withholding apply by indicating this on your distribution request. This election will remain in effect on periodic distributions taken from your SIMPLE IRA until revoked by you. You can revoke this election at any time by calling a Fidelity retirement representative at 800-343-3548.

If you elect to have withholding apply, either by indicating that you want to have withholding apply, by not indicating that you do not want withholding applied when you request your distribution(s), or by not providing a U.S. residential address, federal income tax will be withheld from your SIMPLE IRA distribution(s) at the rate of 10%. Even if you choose to have federal income tax withheld, you are still responsible for the full payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution(s). Whether or not you elect to have withholding apply, you may be responsible for payment of estimated taxes. You may also incur penalties under the IRS estimated tax rules if your estimated tax payments are not sufficient.

## 5. Rollovers and Transfers

You may roll over or transfer all or part of your SIMPLE IRA to another SIMPLE IRA. Rollovers from one SIMPLE IRA to another SIMPLE IRA must generally comply with the rollover rules applicable to IRAs. Rollovers from one SIMPLE IRA to another SIMPLE IRA must be completed no later than the 60th day after the day you receive the distribution from your SIMPLE IRA. You may not roll over assets from a SIMPLE IRA to another SIMPLE IRA more than once in any 12-month period. As of January 1, 2015, you may not roll over assets between any of your IRAs more than once in a 12-month period.

You may not roll over or transfer assets from your SIMPLE IRA to another IRA (other than a SIMPLE IRA) until two years have passed from the time you first participated in your Employer's SIMPLE IRA Plan. After the two-year period, rollovers from a SIMPLE IRA to another IRA are subject to the same rollover rules applicable to IRAs.

To transfer all or part of your Fidelity SIMPLE IRA to another financial institution, please complete a Transfer of Asset request for the institution to which you wish to transfer.

To transfer a SIMPLE IRA from another financial institution to a Fidelity SIMPLE IRA, please complete the Fidelity Transfer of Assets Form. Please check with that institution to learn about any additional requirements it may have.

To request a rollover of all or part of your Fidelity SIMPLE IRA, please complete the Fidelity IRA One-Time Withdrawal request form.

To convert all or part of your SIMPLE IRA to another financial institution, please complete the conversion paperwork for the institution you wish to convert your assets to.

**Important Note:** Rollovers are now permitted from qualified plans and IRAs to a SIMPLE IRA, provided you met the two-year period mentioned previously.

## 6. Miscellaneous

The financial institution where you establish your SIMPLE IRA will provide a Disclosure Statement to you, which will explain in non-technical terms certain features of your SIMPLE IRA, including:

- A. The statutory requirements that relate to the SIMPLE IRA;
- B. The tax consequences that follow the exercise of various options and what those options are;
- C. Participation eligibility rules and rules on deductibility and non-deductibility of retirement savings;
- D. The circumstances and procedures under which you may revoke your SIMPLE IRA, including the name, address and telephone number of the person designated to receive notification of revocation;
- E. Explanations of when penalties may be assessed against you because of specified prohibited or penalized activities concerning your SIMPLE IRA;
- F. Certain financial information concerning your SIMPLE IRA.

The financial institution where you establish your SIMPLE IRA will also provide annual statements to you reporting certain information concerning your SIMPLE IRA, including the value of your SIMPLE IRA.

As consideration for its administrative services to the SIMPLE IRA Plan and for performing its duties thereunder, the custodian of your SIMPLE IRA Plan is entitled to reasonable fees in accordance with the Fidelity SIMPLE IRA Plan Fee Schedule as may be in effect from time to time. Any such fees may, unless paid by the Employer, be deducted from each participant's SIMPLE IRA and may change from time to time as provided for in the Fidelity SIMPLE IRA Custodial Agreement.

This document is the Summary Description of the Plan and it contains a summary of certain features of the Plan and is not intended to interpret or change any of the provisions of the Fidelity SIMPLE IRA Plan Agreement.

In all cases, the Fidelity SIMPLE IRA Plan Agreement will govern. The terms appearing in this Summary Description shall be defined as in the Fidelity SIMPLE IRA Plan Agreement, unless a different meaning is indicated. A copy of the complete Fidelity SIMPLE IRA Plan Agreement can be obtained from your Employer. If you have questions on this Summary Description you should contact your Employer.

*On this form, "Fidelity" means Fidelity Brokerage Services LLC and its affiliates. Brokerage services are provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC. 449141.44.0 (11/20)*