

Simplified Employee Pension Plan (SEP-IRA) Employer Guide

The SEP-IRA plan document in this kit is the standard model SEP-IRA plan provided by the IRS, the IRS Form 5305-SEP.

You do not need to file the Form 5305-SEP with either the IRS or National Financial Services LLC ("NFS"). However, you must provide a copy of the completed form to all eligible employees and retain a copy for your files.

The IRS may change Form 5305-SEP from time to time to reflect tax law changes. It is your responsibility to notify your employees of any changes to the Form 5305-SEP.

Follow the steps below to establish your SEP-IRA plan and to begin contributing to the SEP-IRAs of your eligible employees:

- 1. Adopt the IRS Model Form 5305-SEP** — Read the enclosed IRS Form 5305-SEP carefully, then complete it and sign it by your tax filing deadline, including extensions.
- 2. Provide each employee with a copy of the completed and signed IRS Form 5305-SEP** and keep the original form for your records.
- 3. Instruct eligible employees* to set up their IRAs** — A **Premiere Select IRA Application kit** is enclosed. Additional kits can be obtained from your investment representative.
 - Provide all eligible employees (including yourself) with a **Premiere Select IRA Application kit**, which includes the IRA Application that must be completed to establish a Premiere Select SEP-IRA (a Traditional IRA designated to receive SEP contributions).
 - For more information on how to complete the **Premiere Select IRA Application**, refer to the **Instructions** included in the IRA Application kit and/or consult your investment representative.
 - If you or any of your employees are transferring a SEP-IRA from another institution, complete a **Transfer of Assets** form in addition to the **Premiere Select IRA Application**. The **Transfer of Assets** form authorizes Fidelity Management Trust Company ("FMTC"), custodian of the Premiere Select SEP-IRA, to request the SEP-IRA assets directly from the current plan custodian. If you or any of your employees are transferring more than one SEP-IRA, complete a separate **Transfer of Assets** form for each account.

- 4. Return the Application(s) along with your contribution check(s) and/or any additional forms to your investment representative.** Make checks payable to National Financial Services LLC.

Note: If you are **self-employed**, you may use the enclosed **Worksheet** to help you calculate the amount that you can contribute to your SEP-IRA.

Premiere Select SEP-IRAs will be established for each employee for whom you have submitted a **Premiere Select IRA Application** that is in good order. For each Premiere Select SEP-IRA that is established, acceptance will be evidenced by a Letter of Acceptance sent by or on behalf of FMTC. Confirmation of all transactions and periodic statements will be sent directly to each Premiere Select SEP-IRA participant.

** A SEP plan must include all employees who are 21 years of age or older by the year-end for which the contribution is being made and who have worked for the employer for three (3) out of the last five (5) years, and who have earned at least \$600 (periodically adjusted for cost-of-living increases) during the year for which the contribution is being made. Requirements can be less restrictive, but not more restrictive than the above.*

Future Employer Contributions

Future contributions should be made directly into each participant's SEP-IRA by submitting a check and contribution instructions to your investment representative. The deadline to submit contributions is your tax filing deadline, including extensions, for the year for which the SEP-IRA contribution is made. These contributions are generally fully deductible on your tax return.

Contributions to SEP-IRAs are reported by NFS for the year in which the contribution is made, as required by the IRS.

You are responsible for:

- Keeping accurate records.
- Ensuring that you comply with applicable contribution limits and deadlines.
- Reporting contributions properly when filing your tax returns.

Contributions must be uniform among all eligible employees including yourself. You may vary your contribution percentage each year from 0%–25%. Variations in employer contributions must be disclosed to each employee.

Annual Administrative Requirements

- You, the employer, must notify each participant in writing of any employer contributions for the year.
- NFS as agent for FMTC, the SEP-IRA Custodian, will send each participant an IRS Form 5498 annually to report SEP-IRA contribution information and the fair market value of the SEP-IRA.
- NFS as agent for FMTC, the SEP-IRA Custodian, will send participants IRS Form 1099-R, when applicable, to report distributions.