life after work®
plan to make it good.

putting your **new tax savings** to work

How many times have you said you'd save more for retirement if you had some *"extra money"*? Well, now you do! Here's a quick reference on a number of new retirement savings opportunities offered by recent tax law changes. See which apply to you, then consult the Action Plan inside this brochure to make sure you're taking advantage of everything you're entitled to!

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Fidelity Tax Relief Fact Sheet
Winner -- 2004 Dalton Pen Award
"Copywriting Excellence"

Fidelity® INVESTMENTS

turn **tax relief** into more retirement savings

Once again, Congress has lowered tax rates—as part of the Jobs and Growth Tax Relief Reconciliation Act of 2003—giving you an unexpected "windfall" you can use now to save for your retirement! Don't miss this special opportunity to boost your contributions to your workplace savings plan while these lower income tax rates last. These tax breaks include:

new

Lower Federal Income Tax Rates

Single	Married Filing Jointly	Head of Household	2003 Tax Rate	2002 Tax Rate
$28,401–$68,800	$56,801–$114,650	$38,051–$98,250	**25.0%**	27.0%
$68,801–$143,500	$114,651–$174,700	$98,251–$159,100	**28.0%**	30.0%
$143,501–$311,950	$174,701–$311,950	$159,101–$311,950	**33.0%**	35.0%
$311,951 and over	$311,951 and over	$311,951 and over	**35.0%**	38.6%

The existing 10% and 15% tax brackets remain unchanged. However, the 2003 tax bill increased the amount of all taxpayers' income that is taxed at the 10% rate for 2003 and 2004. These accelerated income tax rate cuts will last through 2008 unless Congress acts to extend them.

new

Higher Child Tax Credit

This credit is increased to $1,000 per child from $600 for years 2003 and 2004. If you qualify, you probably received a check from the IRS in 2003 representing an advance payment of $400 per child.

The Child Tax Credit begins to phase out for individuals with $75,000 or more in Adjusted Gross Income (AGI) and for joint filers with $110,000 or more in AGI.

new

Greater Marriage Penalty Relief

The basic standard deduction for joint filers increased to $9,500 from $7,950 for years 2003 and 2004. Other tax breaks were introduced for married couples; visit the IRS Web site, **www.irs.gov**, for specifics.

How Much You Could Save

Potential Savings Resulting from Reduced Income Taxes Here are two hypothetical examples of how much a married couple or a single person, both with children, could save from the recent tax law changes compared to 2002. They could then use these tax savings to increase their contributions to their workplace savings plan. Look how much they could add to their retirement nest egg after 25 years, just by investing their 2003–2004 tax savings as shown below:

Annual tax savings

Married with two children $75,000 household income	2003 2004	$1,133 $1,133	Total tax savings: $2,266 **Potential growth over 25 years: $14,337**
Single with two children $35,000 household income	2003 2004	$850 $850	Total tax savings: $1,700 **Potential growth over 25 years: $10,756**

The first hypothetical example assumes a married couple, both age 40, with two children, filing jointly. Each spouse earns $37,500 and they contribute a combined $94.42 per month for 24 months (2003–2004) to their workplace savings plans. The second example assumes a 40-year-old parent filing singly, with two children, who earns $35,000 and contributes $70.83 per month for 24 months (2003–2004) to her workplace savings plan. Potential growth figures assume the tax savings in 2003 and 2004 are invested in a tax-deferred retirement plan over 25 years at a hypothetical 8% annual rate of return, compounded monthly for years 2003 and 2004, and compounded annually for the next 23 years, with reinvestment of dividends and capital gains distributions. Both examples assume the participants are in a hypothetical 15% marginal tax rate and claim the child tax credit. This example is not meant to imply the actual performance of any particular investment.†

are you getting **all your benefits** from the *last* Tax Act?

A previous tax act—known as the Economic Growth and Tax Relief Reconciliation Act of 2001—also provided significant ongoing benefits for retirement savers, particularly higher contribution limits for retirement plans and special "catch-up" contributions for those aged 50 or older.* Now is the time to make sure you're taking advantage of all these benefits, as explained on the following pages. And, if you haven't been able to afford to increase your contributions before, the new tax savings introduced in 2003 may now make that possible!

**Participants may be eligible to make a catch-up contribution if they have deferred the maximum amount allowed based on their plan(s) and IRS limits.*

Remember, contribution limits increase *every year* until 2006

	Tax Year	If You're Under Age 50	If You're Age 50 and Older
New Contribution Limits for 401(k), 403(b), and 457(b) Retirement Savings Plans	2003	$12,000	$14,000
	2004	$13,000	$16,000
	2005	$14,000	$18,000
	2006*	$15,000	$20,000
New Contribution Limits for Traditional and Roth IRAs	2003	$3,000	$3,500
	2004	$3,000	$3,500
	2005	$4,000	$4,500
	2006	$4,000	$5,000
	2007	$4,000	$5,000
	2008^	$5,000	$6,000

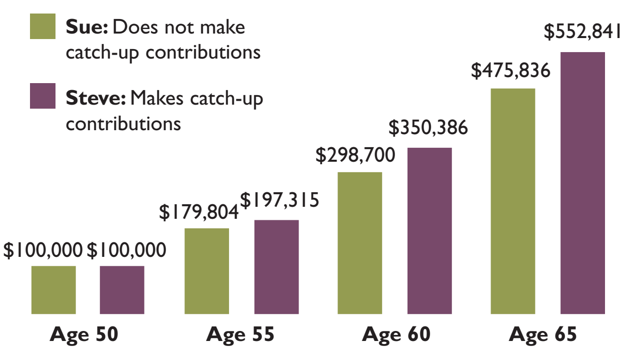
**Annual contribution amounts and "catch-up" contribution amounts indexed thereafter in $500 increments.*

^Annual contribution amounts are indexed thereafter in $500 increments. "Catch-up" contributions are not indexed.

Even small contribution increases can mean a lot

Let's say that Sue and Steve are each age 50, have reached their plan's or the IRS limit, and therefore are eligible to make catch-up contributions to their workplace savings plan. At the end of the 15-year period, Steve's account will have a balance of $552,841. Sue's workplace savings plan account will have only $475,836—a difference of $77,005.

The Power of Catch-up Contributions



This hypothetical example is based on monthly contributions made at the beginning of the month to a tax deferred retirement plan, and an 8% annual rate of return compounded monthly.†

†Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from the account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets.

Special added benefits for certain participants

For 403(b) Participants. A "Lifetime Catch-up" contribution of up to $3,000 annually is available in *addition* to the regular contribution limit and the Age 50+ Catch-up, if you qualify.**

For 457(b) Participants. The "Double-Limit Catch-up" gives you the potential to double your 457(b) contributions, assuming you have undercontributed to your 457(b) plan in the past.** If you qualify, you could contribute up to $24,000 to your 457(b) plan in 2003 and $26,000 in 2004!

For low- to moderate-income earners. You can enjoy a special tax credit of **up to $1,000** from the U.S. government just for contributing to your workplace savings plan, if your income falls within the ranges shown in the chart below. This credit is in *addition* to the tax advantages already available through your employer-sponsored plan. What's more, a couple filing a joint return could be eligible for a tax credit of $1,000 *each*, if both contribute $2,000 or more to their workplace savings plan. Plus, keep in mind that a tax credit—unlike a deduction—*actually reduces your income taxes dollar for dollar.* So this is one tax break you don't want to pass up.

For tax years 2002 through 2006, the tax credit for making contributions (up to $2,000) to an IRA or workplace savings plan is as follows:

Extra Credit

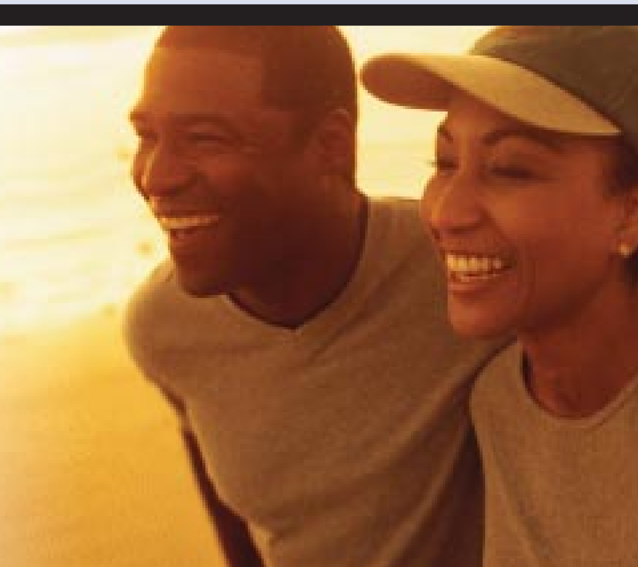
Joint Filers Adjusted Gross Income (AGI)	Head of Household Filers AGI	Single/Other Filers AGI	Credit	Maximum Credit
$0–$30,000	$0–$22,500	$0–$15,000	50%	$1,000
$30,001–$32,500	$22,501–$24,375	$15,001–$16,250	20%	$400
$32,501–$50,000	$24,376–$37,500	$16,251–$25,000	10%	$200
Over $50,000	Over $37,500	Over $25,000	0%	$0

To be eligible for a tax credit, you must be age 18 or older, cannot be a full-time student, and cannot be claimed as a dependent on someone else's return.

***Assuming you have deferred the maximum amount allowed based on your plan(s) and IRS limits.*

Personal assistance is just a call away: 1-800-343-0860

One of the benefits of having Fidelity as your workplace savings plan provider is the personal assistance that's available to you. Just call a Fidelity Retirement Services Specialist at **1-800-343-0860** or your plan's toll-free number, Monday through Friday, 8:00 A.M. to midnight ET, for a confidential consultation based on your unique situation and goals. Prefer to use the Web? There are more retirement savings ideas and resources at **www.fidelity.com/atwork/challenge**. Either way, get started or increase your contributions today to take maximum advantage of your "better than ever" benefits!



It costs less than you think: How your workplace savings plan *stretches* your contributions.[†]

Concerned that you can't afford to increase your contributions? You may be surprised to see the actual impact on your paycheck.

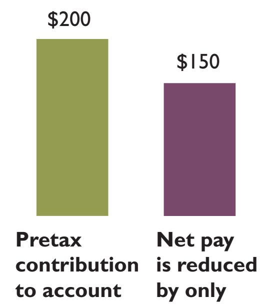
How Contributions Affect Your Net Pay

Annual salary $30,000

Paid monthly

8% workplace savings contribution

25% federal income tax bracket



Because your contributions are deducted from your pay *before* income taxes, less is taken out of your paycheck than you may think. This up-front tax break lowers your contribution cost, as shown above. Plus, your plan may boost your contributions in another major way...

Don't forget your employer match. If your employer provides a match on your workplace savings contributions, this further enhances the impact of every dollar you invest. Remember, an employer match is like "free" money which, invested over time, could help to increase your standard of living in retirement. *That's why you should do everything possible to contribute at least up to the level of your employer's match.*

In short, your workplace savings plan is the most powerful retirement savings tool available to you.

[†] *Pretax contributions are subject to the annual IRS dollar limit.*

Need help?
We've got answers.
Call 1-800-343-0860
or visit
fidelity.com/atwork.

Fidelity has not been involved in the preparation of the content supplied at any of the third-party sites referenced, and does not guarantee or assume any responsibility for the content.

Fidelity does not provide tax advice, and the information provided above is general in nature and should not be considered tax advice. Consult with a tax professional regarding your specific tax situation.

Annual additions to the plan (your contributions and employer contributions combined) cannot exceed 100% of your pay or $40,000 (whichever is less).

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357915 1.788495.100

your retirement savings **action plan**

Your employer—and your government—wants to help you secure a comfortable retirement. Don't pass up their support. Take these easy steps to a more comfortable retirement now.

- ☐ **Find out how much you will need to save for retirement.** For a quick assessment, try the *Retirement Planning Calculator* on **www.fidelity.com/atwork**, in the Tools & Calculators section. Then, to see hypothetical examples of how your contributions might grow over time, select the *Tax-Deferred Growth Calculator*. For a printed version of the Retirement Savings Worksheet, call Fidelity at **1-800-343-0860** or your plan's toll-free number.

- ☐ **Contribute the maximum allowed to your workplace savings plan.** If you can't contribute the maximum, do what you can. At the very least, contribute enough to be eligible for the employer match, if offered by your plan. To see the impact of increased contributions on your paycheck, try the *Take Home Pay Calculator* on **www.fidelity.com/atwork**. To increase your contributions, log on to NetBenefits,SM go to the Accounts tab, select your account, and click on "Deferrals" from the menu. Or call Fidelity at **1-800-343-0860** or your plan's toll-free number.

- ☐ **Determine if you are eligible for the Special Tax Credit.** Refer to the "Extra Credit" table inside, or consult with a tax advisor for more information.

- ☐ **Begin making Age 50+ Catch-up contributions, if you qualify.** Remember, if you will reach age 50 by December 31, you can start to make additional catch-up contributions *this year*, even before your birthday.

- ☐ **If you have a 403(b) plan, determine if you are eligible for the Lifetime Catch-up.** Go to the 403(b) Salary Deferral Limits Calculator, available in the Tools & Calculators area at **www.fidelity.com/atwork**. Or call Fidelity for a brochure.

- ☐ **If you have a 457(b) plan, determine if you are eligible for the Double Limit Catch-up.** Go to the 457(b) Salary Deferral Limits Calculator, available in the Tools & Calculators area at **www.fidelity.com/atwork**. Or call Fidelity for a brochure.

- ☐ **Once you've "maxed out" on your workplace savings contributions, consider contributing to a traditional or Roth IRA,** including any "catch-up" contributions that apply. Your spouse could also open an IRA, doubling your potential household contributions.

- ☐ **For more information about recent tax law changes and how they apply to you,** go to the IRS Web site, **www.irs.gov**.

- ☐ **To find out how to take advantage of these tax savings by increasing your contributions,** call Fidelity at **1-800-343-0860**, or your plan's toll-free number, Monday through Friday, 8:00 A.M. to midnight ET.

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