

Important Information Affecting The Premiere Select IRA and the Premiere Select Roth IRA

This notice describes certain provisions relating to Traditional IRAs and Roth IRAs that are now effective (unless otherwise noted), based on recent changes in the law, cost-of-living adjustments, and guidance from the IRS. This information is intended to supplement and update the information in your Premiere Select IRA Disclosure Statement and/or Premiere Select Roth IRA Disclosure Statement, as applicable. Please note that certain provisions as described in this notice are subject to change. As always, you are encouraged to consult a tax advisor with respect to any tax questions, or to determine how these changes may affect your personal situation.

Contribution Information

Annual IRA and Roth IRA Contribution Limits. Certain IRA provisions passed into law under the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") were set to expire after December 31, 2010. Under the Pension Protection Act of 2006 ("PPA"), these "sunset provisions" of EGTRRA are repealed. As a result, the following increased limits on aggregate IRA and Roth IRA contributions are made permanent under current law:

Tax Years	Annual IRA Contribution Limit	Annual IRA Catch-Up Contribution for Depositor at Least Age 50	Combined Maximum Annual IRA Contribution Limit for Depositor at Least Age 50 (including Catch-Up)
2008 & 2009	\$5,000*	\$1,000	\$6,000

*After 2009, the maximum annual IRA contribution limit will be indexed for cost-of-living in \$500 increments.

Catch-Up Contributions in Certain Employer Bankruptcies. The PPA allows for additional IRA contributions (up to \$3,000) to be made by participants in a retirement plan sponsored by an employer who files for bankruptcy and is subject to an indictment or conviction resulting from business transactions related to such bankruptcy. The individual and the plan must satisfy certain requirements. These bankruptcy-related contributions may not be made for the same year as age 50 or older catch-up contributions. This PPA provision will expire after December 31, 2009. The individual is responsible for determining whether he or she is eligible to make these additional contributions.

Non-Spouse Direct Rollovers to Inherited Traditional IRAs. Effective for distributions after December 31, 2006, an eligible non-spouse beneficiary may directly roll over a decedent's interest in a qualified plan, 403(b) plan, or governmental 457(b) plan to an inherited IRA, also called an IRA Beneficiary Distribution Account (IRA-BDA). The distribution must be directly rolled over (via trustee-to-trustee transfer) to the IRA-BDA. Entity beneficiaries are not eligible to roll over to an inherited IRA; trust beneficiaries may only directly roll over inherited plan assets to an inherited IRA if the trust meets certain "look through" trust requirements. Current or past minimum distribution amounts required under the plan's terms may not be rolled over.

Designated Roth Account Rollovers to Roth IRAs. Distributions from Roth sources in employer-sponsored plans ("designated Roth accounts") can be rolled over into a Roth IRA via a 60-day rollover or a direct rollover. If only a portion of the distribution is rolled over, the portion that is rolled over is treated as consisting first of the amount of the distribution that is includible in gross income. Please note that assets rolled from an employer-sponsored plan to a Roth IRA cannot be rolled back to an employer-sponsored plan. Additionally, note that income limits that determine taxpayer eligibility for annual contributions to a Roth IRA do not apply to Roth IRA rollover contribution amounts.

Qualified Rollover Contribution to a Roth IRA or [Inherited] Roth BDA. Effective for distributions occurring after December 31, 2007, the PPA allows certain distributions of pretax assets from employer-sponsored plans (for example, 401(a), 403(b) and 457(b) governmental plans) to be eligible for rollover directly into your Roth IRA or [Inherited] Roth BDA, subject to the restrictions and taxation that applies to conversions from a traditional IRA to a Roth IRA, including the applicable adjusted gross income limit for conversions.

Beneficiaries of pre-tax assets in employer-sponsored plans may also request a qualified rollover contribution to a Roth IRA or Inherited Roth IRA, if applicable. A non-spouse beneficiary may roll over a decedent's interest in an employer plan to an Inherited Roth IRA. The distribution must be directly rolled over (via a trustee-to-trustee transfer) to the Inherited Roth IRA. A spousal beneficiary may roll over a decedent's interest in an employer plan to either 1) an inherited Roth IRA or 2) a Roth IRA and elect to treat the Roth IRA as his/her own.

A spousal beneficiary of IRA assets may also request a qualified rollover contribution from an Inherited IRA to an Inherited Roth IRA.

Assuming that all relevant IRS requirements are satisfied, a qualified rollover contribution into a Roth IRA may later be recharacterized into a Traditional IRA.

The Fidelity [Premiere Select] IRA will also accept other amounts that may qualify as a qualified rollover contribution under the Internal Revenue Code, subject to the account owner's representation that all requirements of the Code are met.

Direct payment of tax refunds to IRAs. The PPA allows taxpayers to direct that a portion of his or her federal income tax refund may be directly deposited into the taxpayer's IRA as a contribution. In certain cases, taxpayers must complete IRS Form 8888 to direct the contribution to their IRA provider.

The PPA amended certain sections of the Internal Revenue Code to apply cost-of-living adjustments (COLA) to certain AGI limits that impact IRA deductibility for active participants (or the spouses of active participants) in an employer-sponsored retirement plan, for the Saver's Credit, and for eligibility to contribute to a Roth IRA. These limits and others, as adjusted by the IRS for COLA, are described below.

Annual IRA Contributions.

AGI Limits for Deductible Contributions to a Traditional IRA. If you are married filing jointly, and only one spouse is considered an active participant, the spouse (including a non-wage-earning spouse) who is not an active participant in an employer-sponsored retirement plan may make a fully or partially deductible IRA contribution of up to the maximum amount allowed under current law or 100% of combined compensation, whichever is less. The deductibility of the non-active participant spouse's contribution is phased out between the following modified AGI limits:

Year	Married Taxpayers Filing Joint Returns
2008	\$159,000–\$169,000
2009	\$166,000–\$176,000

For "active participants" in an employer-sponsored retirement plan, full deduction is phased out between the following modified AGI limits:

Year	Married Taxpayers Filing Joint Returns	Single Taxpayers
2008	\$85,000–\$105,000	\$53,000–\$63,000
2009	\$89,000–\$109,000	\$55,000–\$65,000

AGI Limits for Roth IRA Contributions. Eligibility to make annual Roth IRA contributions is phased out between the following modified AGI limits:

Year	Married Taxpayers Filing Joint Returns	Single Taxpayers
2008	\$159,000–\$169,000	\$101,000–\$116,000
2009	\$166,000–\$176,000	\$105,000–\$120,000

Please refer to your IRA Disclosure Statement, or IRS Publication 590, "Individual Retirement Arrangements," to calculate the amount of your contribution if you are subject to the above limits.

Savers Credit for IRA Contributions. This tax credit was originally available for contributions made for taxable years beginning after December 31, 2001, and before January 1, 2007, under EGTRRA. The credit was made permanent under PPA. Also, as a result of PPA, the AGI limits which determine eligibility to receive the tax credit will now be subject to cost-of-living adjustments (COLA).

For 2008:

Joint Filers (AGI)	Heads of Households (AGI)	All Other Filers (AGI)	Credit Rate	Maximum Credit
\$0–\$32,000	\$0–\$24,000	\$0–\$16,000	50%	\$1,000
\$32,001–\$34,500	\$24,001–\$25,875	\$16,001–\$17,250	20%	\$400
\$34,501–\$53,000	\$25,876–\$39,750	\$17,251–\$26,500	10%	\$200
Over \$53,000	Over \$39,750	Over \$26,500	0%	\$0

For 2009:

Joint Filers (AGI)	Heads of Households (AGI)	All Other Filers (AGI)	Credit Rate	Maximum Credit
\$0–\$33,000	\$0–\$24,750	\$0–\$16,500	50%	\$1,000
\$33,001–\$36,000	\$24,751–\$27,000	\$16,501–\$18,000	20%	\$400
\$36,001–\$55,500	\$27,001–\$41,625	\$18,001–\$27,750	10%	\$200
Over \$55,500	Over \$41,625	Over \$27,750	0%	\$0

SEP-IRA Contributions. If you are a participant in a SEP plan offered by your employer, your employer may make annual SEP contributions on your behalf up to the lesser of 25% of compensation, or \$46,000, per participant for 2008 (\$49,000 for 2009). The limit is indexed for cost-of-living adjustments in \$1,000 increments in subsequent years. The maximum compensation on which contributions to SEPs and SARSEPs can be based is \$230,000 in 2008 (\$245,000 in 2009), and indexed for cost-of-living adjustments in \$5,000 increments in subsequent years. Elective deferrals to SARSEPs are also subject to the limits more fully described below. Additionally, SARSEP participants who reach age 50 by December 31 of the tax year for the corresponding contribution may be able to contribute an additional catch-up contribution, if the plan allows.

Tax Year	Annual Elective Deferral Limit	SARSEP Catch-Up Contribution for Participants at Least Age 50	Maximum Annual Elective Deferral Limit for Participants at Least Age 50 (including Catch-Up)
2008	\$15,500	\$5,000	\$20,500
2009	\$16,500	\$5,500	\$22,000

Roth Conversion Limit. For tax years beginning after December 31, 2009, the \$100,000 AGI limit and filing status requirement to convert to a Roth IRA is eliminated. For conversions in 2010, taxable amounts attributable to a conversion will be included in income ratably in 2011 and 2012 unless the taxpayer elects to recognize it all in 2010.

PPA, as well as certain other legislative changes, included provisions that affect distributions from IRAs and Roth IRAs, as described below.

Distributions

Designated Roth Account Rollovers and the 5-Taxable-Year Period of Participation. If there is a rollover of designated Roth account assets from an employer-sponsored plan to a Roth IRA, the period that the rolled-over funds were in the employer-sponsored plan do not count toward the determination of the 5-year period in the Roth IRA. However, if an individual had established a Roth IRA in a year prior to the rollover, the 5-year period for determining qualified distributions from the Roth IRA, which began with the first contribution to that Roth IRA, would also apply to any funds subsequently rolled over from an employer-sponsored plan.

Qualified HSA Funding Distribution. A one-time “qualified Health Savings Account (HSA) funding distribution” may be made from an IRA (other than a SEP or SIMPLE-IRA) and contributed to the health savings account of an individual in a direct trustee-to-trustee transfer. If eligible, the amount of the distribution will not be includable in income and is limited to the statutory maximum contribution allowed for such HSA eligible individual, reduced by any other contributions made to the HSA for that year. The distribution is not subject to the 10% early withdrawal penalty if taken prior to age 59½.

Qualified Reservist Distribution. A “qualified reservist distribution” may be made from a qualified plan or an IRA by an individual ordered or called into active duty for a period of more than 179 days of active duty or for an indefinite period of time after September 11, 2001, and before December 31, 2007. The amount distributed may be recontributed to an IRA at any time during a two-year period after the end of active duty. The distribution is not subject to the 10% early withdrawal penalty if taken prior to age 59½.

Qualified Charitable Distribution. Qualified charitable distributions may be made from an IRA (other than an active SEP or SIMPLE IRA), and excluded from income, after the IRA owner has reached 70½, if directly transferred to a qualifying charitable organization, up to a maximum of \$100,000 per tax years 2008 and 2009. The entire amount must otherwise be includable in income and otherwise tax deductible as a charitable contribution. The distribution may be used to satisfy the IRA's minimum required distribution and is not subject to withholding.

Required Minimum Distributions (RMDs)

RMD Suspension for 2009. Under the Worker, Retiree and Employer Recovery Act of 2008, no RMD is required for calendar year 2009 from IRAs and employer sponsored qualified plans that are defined contribution retirement plans (such as 401(k) plans). As a result, any annual required minimum distribution for 2009 from your Premiere Select IRA is not required to be made. The next required minimum distribution from your Premiere Select IRA would be for calendar year 2010. However, IRA owners who turned 70½ in 2008 and delayed their first RMD, must still take the 2008 RMD amount by April 1, 2009.

NOTE: As of January 1, 2009, if the 5-year rule applied to RMD calculations for an [Inherited] IRA BDA, the 5-year period is determined without regard to calendar year 2009. You should review these changes carefully. As always, you are encouraged to consult a tax advisor with respect to any tax questions or to determine how these changes may affect your personal situation.

Inherited IRA rolled over from a qualified plan by a Non-Spouse Beneficiary. To the extent an individual who is a non-spouse beneficiary has rolled over inherited qualified plan assets from a qualified plan, 403(b) plan, or governmental 457(b) plan into an inherited IRA, the following special rules apply:

In general, the required minimum (RMD) distribution rules of the deceased participant's employer-sponsored plan for non-spouse beneficiaries also apply to the Inherited IRA. This is usually either the 5-year rule [IRC (401(a)(9)(B)(ii)] or the life expectancy rule [(IRC 401(a)(9)(B)(iii)]. EXCEPTION: If the 5-year rule applies, the non-spouse beneficiary may use the life expectancy rule if the rollover is made prior to the end of the year following the year of the participant's death, but not after that. If the participant died after his or her required beginning date, the life expectancy rule applies.

For additional information on changes affecting your IRA, please review IRS Publication 590, or contact your investment professional. You should review these changes carefully. As always, you are encouraged to consult a tax advisor with respect to any tax questions or to determine how these changes may affect your personal situation.