



# SEP-IRA PLAN

Employee Guidebook

## CONTENTS

- Welcome
- Building retirement savings
- Options for investing
- Get started
- Open your account



# WELCOME.

We know your retirement savings will be one of your most valuable assets, so we are committed to managing risk and taking a long-term approach to investing. For more than 80 years, we have worked closely with clients to help them reach important goals such as retirement.

## Welcome

Building retirement savings

Options for investing

Get started

Open your account

Welcome

**Building retirement savings**

Options for investing

Get started

Open your account

## INVESTING WITH T. ROWE PRICE.

T. Rowe Price offers you a strong commitment to proprietary research backed by experienced portfolio managers. We work hard to hold on to good people, which is why our portfolio managers average 17 years\* of experience with the company. For more information, visit [troweprice.com/sepira](https://troweprice.com/sepira).

We provide you with education and information so that you can build a well-balanced retirement portfolio. You can choose from a wide variety of stock, bond, and money market mutual funds. You can follow your account and make transactions with convenient Web access and a staff of client services representatives ready to answer your questions.

### **Invest for your future.**

A SEP-IRA plan is a simple, effective way to save for retirement and take advantage of tax-deferred growth potential. Although your employer makes the contributions to your account, you decide how to invest the money. T. Rowe Price offers more than 100 no-load mutual funds, and our client services representatives can review your investment options with you so that you can select investments that best meet your goals.

\*as of December 31, 2018

Welcome

**Building retirement savings**

Options for investing

Get started

Open your account

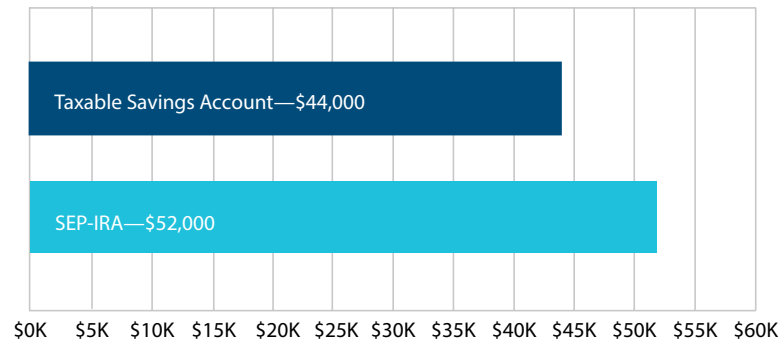
**Save for retirement without increasing your current taxes.**

A SEP-IRA lets you invest with no hassle and no immediate impact on your taxes. Also, any growth in your account is tax-deferred until you make a withdrawal. If you are in a lower tax bracket when you make the withdrawal, it could be taxed at a lower rate than what you pay now.

The chart below shows how tax-deferred compounding can work. You can see that \$100 per month invested in a SEP-IRA earning 7% grew to \$52,000 after 20 years, while a taxable account yielded just \$44,000.\*

Keep in mind that withdrawals from your SEP-IRA prior to age 59½ may be subject to a 10% additional tax for early distribution. Exceptions to this additional tax may apply if you're disabled, taking annual payments spread in equal amounts over your life expectancy, making a first-time home purchase (up to \$10,000), paying for deductible medical expenses, or paying for certain higher education expenses. Additional exceptions may apply; consult your tax or legal advisor for details.

**Taxable vs. Tax-Deferred Growth Over 20 Years**



\*This is for illustrative purposes only and should not be considered representative of the returns of any of the investment options in your plan. These amounts assume a contribution of \$100 per month for 20 years and a 7% annual rate of return, compounded monthly. The taxable account is taxed at 20%, and taxes are deducted monthly. Money in the tax-deferred account is taxed when it is withdrawn. Consider your personal investment horizon and income tax brackets, both current and anticipated, when making an investment decision.



# YOUR OPTIONS FOR RETIREMENT INVESTING.

Investment for retirement with a diversified fund series.

If you want a portfolio that automatically adjusts over time, you may want to consider investing in a pre-assembled T. Rowe Price target date fund that provides a diversified portfolio to—and through—retirement.

We offer two distinct types of T. Rowe Price target date funds:

## **Retirement Funds**

Retirement Funds are designed to provide you with an age-based diversified portfolio that you can carry to and through retirement—making them a one-stop approach to retirement investing. The Retirement Funds offer higher potential long-term growth and volatility by maintaining an emphasis on stocks before and after the target retirement date.

## **Target Funds**

Target Funds seek to reduce volatility as you near retirement and may better support withdrawals over a shorter time period. These funds offer lower volatility and lower potential long-term growth by emphasizing bonds near the target date.

*The visual on page 6 shows the distinct characteristics of these fund series and how they progress over time. For more information on these funds, visit [troweprice.com/targetdatefunds](https://www.troweprice.com/targetdatefunds).*

Welcome

Building retirement savings

**Options for investing**

Get started

Open your account

Welcome

Building retirement savings

**Options for investing**

Get started

Open your account

## **Individual investment.**

If you want to select and control your own investment choices, T. Rowe Price can help you find the funds that best fit your retirement goals. We offer more than 100 professionally managed mutual funds, as well as investment education from our client services representatives. For investment information, visit **[troweprice.com/sepira](https://troweprice.com/sepira)** or call us at **1-800-638-3804**.

*Call 1-800-638-3804 to request a prospectus or summary prospectus; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*

*All investments involve risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.*

Welcome

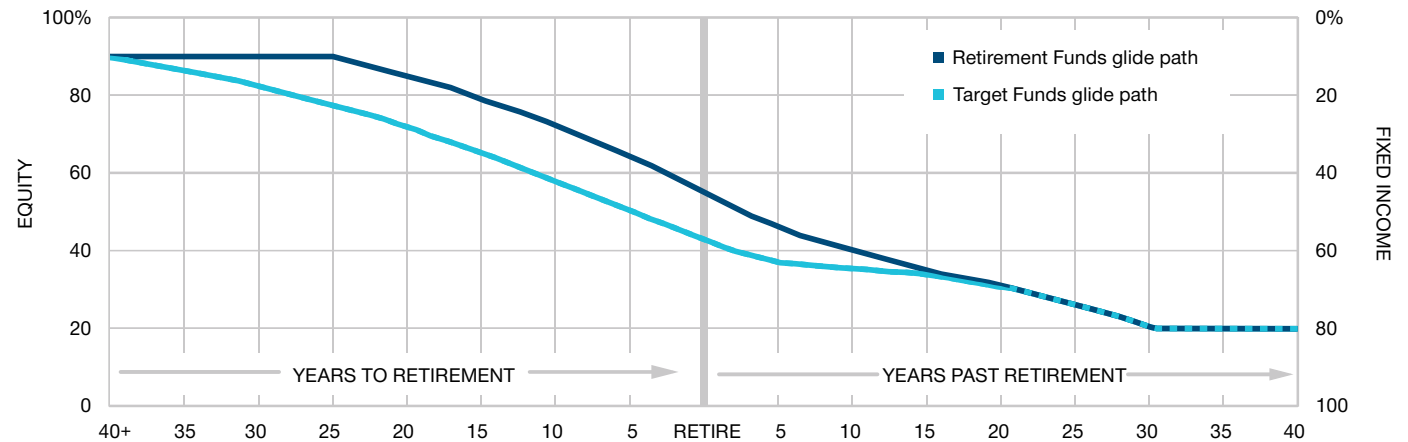
Building retirement savings

**Options for investing**

Get started

Open your account

## Comparing asset allocations for our target date funds.



\*This chart shows the neutral allocations for the funds as of 2019. The allocation for each fund may vary from the long-term neutral allocation. Call 1-800-541-8803 for the most current asset allocation.

The principal value of the Retirement Funds and Target Funds (collectively, the “target date funds”) is not guaranteed at any time, including at or after the target date, which is the approximate year an investor plans to retire (assumed to be age 65) and likely stop making new investments in the fund. If an investor plans to retire significantly earlier or later than age 65, the funds may not be an appropriate investment even if the investor is retiring on or near the target date. The target date funds’ allocations among a broad range of underlying T. Rowe Price stock and bond funds will change over time. The Retirement Funds emphasize potential capital appreciation during the early phases of retirement asset accumulation, balance the need for appreciation with the need for income as retirement approaches, and focus on supporting an income stream over a long-term retirement withdrawal horizon.

The Target Funds emphasize asset accumulation prior to retirement, balance the need for reduced market risk and income as retirement approaches, and focus on supporting an income stream over a moderate postretirement withdrawal horizon. The target date funds are not designed for a lump-sum redemption at the target date and do not guarantee a particular level of income. The key difference between the Retirement Funds and the Target Funds is the overall allocation to equity; although they each maintain significant allocations to equities both prior to and after the target date, the Retirement Funds maintain a higher equity allocation, which can result in greater volatility over shorter time horizons.



## START YOUR SEP-IRA NOW.

In order to receive a contribution from your company, you must open a SEP-IRA account.

### **Your employer can contribute to your SEP-IRA.**

Only employers can contribute to your SEP-IRA on behalf of the business. If you are the business owner, please refer to the SEP-IRA Business Owner's Guidebook.

Contributions may be made to your account throughout the year or in one single payment.

### **Save with our low fees and expenses.**

T. Rowe Price works hard to keep its fund expenses low, so more of your money can go to work for your retirement.

There is a \$20 account service fee for each T. Rowe Price mutual fund in your SEP-IRA account with a balance below \$10,000. The annual account service fee will be automatically deducted from the account's assets. The \$20 account service fee will be waived for the following circumstances: subscribe to electronic delivery of statements and confirmations; maintain an individual combined balance of \$50,000 or more for all T. Rowe Price accounts (including mutual funds, Brokerage, and Small Business Retirement Plans)\*; or qualify for T. Rowe Price Select Client Services. If the Participant Account is closed during the year, a \$20 closeout fee will be deducted automatically from the proceeds of the total redemption. However, the closeout fee is waived when an account service fee was previously assessed to the participant for that year or when the proceeds are being used for a rollover, transfer, or conversion to a T. Rowe Price retirement plan account or a T. Rowe Price IRA.

\*Participants can subscribe to paperless delivery via the T. Rowe Price website once their account is established.

### **GO PAPERLESS FOR SECURE ONLINE ACCESS**

Sign up for E-Delivery to view your statements and documents instantly.

Welcome

Building retirement savings

Options for investing

**Get started**

Open your account





## OPEN YOUR ACCOUNT IN ONE STEP.

- Complete the Participant Account form. Keep a copy for your files, and return the original to your employer.

### **Call us with any questions.**

T. Rowe Price client services representatives are available to answer your questions and provide education and information to help you make informed fund selections for your retirement goals. Call us at **1-800-638-3804**.

*A retirement account should be considered a long-term investment. Retirement accounts generally have expenses and account fees, which may impact the value of the account. Early withdrawals are subject to taxes and possible penalties. For more detailed information about taxes, consult a tax attorney or accountant for advice.*

Welcome

Building retirement savings

Options for investing

Get started

**Open your account**

T. Rowe Price Investment Services, Inc., Distributor.

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8 | 1-800-638-3804 [troweprice.com/sepira](http://troweprice.com/sepira)

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