

Schwab SEP-IRA Plan for Employees

Save for your future and gain valuable tax benefits with your Schwab SEP-IRA (Simplified Employee Pension Plan).

Benefits

Employer contributions—Your SEP-IRA is funded with contributions made by your employer. If your employer elects to fund the plan in a given year, he or she will also make contributions directly into your account.

Receive tax advantages—The assets in your account can grow tax-deferred and benefit from compounded growth. This gives you the opportunity to build your retirement nest egg faster.

Great value—Keep your costs low and maximize your investment returns with no account opening or maintenance fees (other account fees, fund expenses, and brokerage commissions may apply)¹ and a wide choice of no-load, no-transaction-fee mutual funds.²

100% immediate vesting—All contributions made into your SEP-IRA vest immediately. These contributions belong to you, even after you no longer work for your employer.

Features

Online account access—Check balances, monitor positions and performance, place trade orders,³ make transfers and payments, and download forms on Schwab.com.

Planning tools, resources, and support—Take advantage of many useful tools on Schwab.com, including Schwab's Retirement Assessment Tool, investment screeners, and research.

Investment choice—Select from a wide range of investments, including:

- **Mutual funds**—Choose from thousands of mutual funds with no loads and no transaction fees, and take advantage of our online screening tools and carefully screened lists of funds.²
- **Stocks**—Along with our commitment to fast trades and dependable execution, you can rely on Schwab's winning combination of service, insight, and value.
- **Fixed income**—Access thousands of fixed income securities; explore municipal, corporate, and government agency bonds, bond funds, and other fixed income securities.

SEP-IRA Plan Details

Plan Participation

Participant eligibility In most cases, you are eligible to participate in your employer's SEP-IRA plan if you are age 21 or older and have worked for your employer for three of the last five years and have earned at least \$600 during the current year.⁴

Employer responsibilities Your employer will provide you with a copy of the Schwab SEP-IRA Employee Summary containing the requirements for participating in the plan and a description of how employer contributions will be made to your account. Your employer will also notify you whenever contributions are made to your account.

Tax Advantages

Tax-advantaged growth Contributions to your account can grow tax-deferred, and you pay no taxes on what your investments earn until withdrawal.

Contributions

Contribution source Your plan is funded with employer contributions only. Your employer is not required to fund your plan annually.

Vesting Immediate

Withdrawals

Tax consequences/penalties All earnings and contributions are taxed at the time of withdrawal. Withdrawals taken before age 59½ are subject to a 10% penalty.⁵

Exceptions to 10% penalty Some exceptions are made if funds are used for a first-time home purchase, education, or certain medical expenses. Other exceptions may also apply.

Next Steps

To apply for a Schwab SEP-IRA, complete and return the Schwab IRA Account Application to your employer. Be sure to make copies for your records. For questions about your eligibility, please contact your employer or Plan Administrator.

How to Contact Us

[Call](#) 1-800-435-4000.

[Visit](#) a Schwab branch near you.

[Go to](#) Schwab.com.

Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

Investors should carefully consider information contained in the prospectuses, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling Schwab at 1-800-435-4000. Please read the prospectus carefully before investing. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost.

¹Please refer to the *Charles Schwab Pricing Guide for Individual Investors* (the "Guide") and any amendments to the Guide for comprehensive details on fees.

²Trades in no-load mutual funds available through the Mutual Fund OneSource[®] service (including Schwab Funds[®]), as well as certain other funds, are available without transaction fees when placed through Schwab.com or our automated phone channels. For each of these trade orders placed through a broker, a \$25 service charge applies. Schwab reserves the right to change the funds we make available without transaction fees and to reinstate fees on any funds. Schwab's short-term redemption fee of \$49.95 will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource service (and certain other funds with no transaction fee) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds, which may charge a separate redemption fee, and funds that accommodate short-term trading. Funds are also subject to management fees and expenses. Charles Schwab & Co., Inc. receives remuneration from fund companies in the Mutual Fund OneSource program for recordkeeping and shareholder services, and other administrative services. Schwab also may receive remuneration from transaction fee fund companies for certain administrative services.

³System availability and response times are subject to market conditions and connection limitations. Trades received outside normal market hours will be entered the next business day.

⁴May be adjusted for inflation in future years. Employees who are covered by a collective bargaining agreement, nonresident aliens to whom you didn't pay income, and certain acquired employees may be excluded.

⁵This information is not intended to be a substitute for specific individualized tax or legal advice, and you should consult with a qualified legal or tax advisor for further assistance.

 Printed on recycled paper.

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