A retirement plan option for small business owners with 100 or fewer employees may be an ideal option for your business. The Savings Incentive Match Plan for Employees (SIMPLE) IRA offers small business owners the tax breaks associated with other retirement plans, without expensive administrative costs. OppenheimerFunds offers a SIMPLE IRA that can give you the competitive edge you’ll need to attract and retain long-term, quality workers.

**Plan Features**

**Salary Deferral**
With a SIMPLE IRA, your employees select a percentage of their annual salaries or a flat-dollar amount to contribute to the plan. Contributions are automatically deducted from their paychecks and invested directly in their OppenheimerFunds SIMPLE IRA. Employees may defer up to 100% of their income, with a maximum contribution of $12,500 a year. Furthermore, participants who are age 50 or older may make catch-up contributions of up to $3,000 annually.

**Matching or discretionary contributions**
As the employer, you are required to make a contribution on behalf of your eligible employees. You may choose from one of two contribution formulas:

1. A dollar-for-dollar matching contribution, up to 3% of each employee’s compensation to a maximum of $12,500, or $15,500 for participants who are age 50 or over. This contribution may be reduced to a level below 3%—but not below 1%—in two out of every five years.

2. A nonelective contribution equal to 2% of compensation for all eligible employees, whether or not they participate in salary deferrals. The 2% contribution is limited to the compensation limit of $270,000—resulting in a maximum employer nonelective contribution of $5,400 for each employee. Employers may switch formulas in a new calendar year as long as employees are notified at least 60 days prior to January 1.

**Eligibility requirements**
To be eligible to participate in a SIMPLE IRA, employees must have up to two years of service during which they have earned $5,000 and they would reasonably be expected to earn $5,000 during the current year. You may elect to reduce either the years-of-service or the compensation requirement.

Employers are required to provide annual notification to all eligible employees at least 60 days prior to the beginning of each plan year (January 1). The employer may satisfy this notification requirement by providing each employee a copy of the signed Form 5304-SIMPLE, containing the provisions of the plan.

**Withdrawals**
Withdrawals made by employees before age 59½, within their first two years of participation, may be subject to a 25% early withdrawal penalty tax. For withdrawals made after two years of participation, there may be a 10% early withdrawal penalty tax.

**Contribution deadlines**
Employer contributions must be made by your company’s tax-filing deadline, including extensions. Employee salary deferral contributions to a SIMPLE IRA must be deposited into the employee’s account as soon as possible, but no later than 30 days following the last day of the month in which the money was withheld.

Talk to your financial advisor and consider whether or not an OppenheimerFunds SIMPLE IRA may be suitable for your business and employees.
Benefits

**Maintenance free**
Virtually free of administrative hassles, a SIMPLE IRA requires no top-heavy or nondiscrimination testing.

**Cost**
SIMPLE IRAs offer a cost-effective alternative for small business owners with limited financial resources who want to establish a retirement plan for their employees.

**Limited fiduciary responsibility**
Since employees control the funding of their investments, your fiduciary responsibility is reduced.

**Minimal reporting**
Unlike other retirement plans, a SIMPLE IRA requires no government filing or reporting, such as Form 5500.

You must, however, provide Notification to Eligible Employees (a model form is provided in the IRS Form 5304-SIMPLE) to employees who become eligible to participate in the plan. In addition, you must provide a Summary Plan Description, consisting of a completed copy of IRS Form 5304-SIMPLE, to all newly eligible employees.

**Nondiscrimination testing**
With a SIMPLE IRA, you and your employees are free to make the maximum contribution, even if some employees contribute smaller percentages of their income to the plan.

**Tax credit**
The government offers special tax incentives to lower paid employees who participate in most employer-sponsored plans, including SIMPLE IRAs. Lower income workers may be eligible for a tax credit of up to $1,000 for contributions made to your plan. Please discuss these credits with your financial advisor.

Tax-deductible contributions
The SIMPLE IRA offers immediate tax savings to both you and your employees. Employer contributions are fully deductible as a business expense up to certain limits, and employee pretax contributions reduce the amount of employees’ taxable income for the same tax year.

**Tax-deferred investment growth**
Participant contributions and any investment earnings are free of income tax until withdrawn at retirement—when tax brackets are likely to be lower. These savings grow much faster than money saved through a comparable taxable investment vehicle.

The added value of OppenheimerFunds
With an OppenheimerFunds SIMPLE IRA, participants can choose from a comprehensive list of fund options across asset classes and styles. Participants can quickly transfer money from one fund to another as their objectives change, through our Interactive Voice Response (IVR) system or the OppenheimerFunds website. In addition, OppenheimerFunds provides all the documentation and forms you’ll need. We’ll also make sure your employees receive regular communications designed to inform, educate and foster a high degree of plan participation and appreciation. These materials include account statements to help them track the growth of their savings and shareholder newsletters featuring investment information and updates.
Plan Profile

Funding
Employees select a percentage of their annual salaries or a flat-dollar amount to contribute to their OppenheimerFunds SIMPLE IRA. This amount is automatically deducted from their paychecks and invested directly in the plan. Employees may defer up to 100% of their income, with a maximum contribution of $12,500.

Furthermore, participants who are age 50 or over may make catch-up contributions of up to $3,000.

As the employer, you are also required to make an annual contribution on behalf of your eligible employees. You may choose from one of two contribution formulas:

1. A dollar-for-dollar matching contribution, up to 3% of each employee’s compensation to a maximum of $12,500, or $15,500 for participants who are age 50 or over. This amount may be reduced below 3%—but not less than 1%—for two out of every five years.

2. A nonelective contribution equal to 2% of compensation for all eligible employees who have earned at least $5,000 in compensation for the current year, whether or not they participate in salary deferrals.¹

Employee notification requirement
Employees must be notified of their eligibility to make a deferral election at least 60 days before they become eligible.

Funding deadline
Employer contributions must be made by the employer’s tax-filing deadline, including extensions.

Employee deferral deadline
Employee salary deferral contributions must be deposited into the employee’s account as soon as possible, but no later than 30 days following the last day of the month in which the money was withheld.

Plan setup
A new SIMPLE IRA can be established up until October 1 in any calendar year and must thereafter be maintained on a calendar-year basis. Once the plan is established, employees must be notified of their eligibility at least 60 days prior to the beginning of each plan year (January 1). The employer may satisfy this notification requirement by providing each employee a copy of the signed Form 5304-SIMPLE.

Eligible employers
Employers with 100 or fewer employees with earnings of at least $5,000 in the previous year who don’t maintain another retirement plan may establish a SIMPLE IRA.

Testing/Participation requirements
No top-heavy or nondiscrimination (ADP) testing is required. In addition, there are no minimum participation requirements.

Taxation
- Employee contributions are made on a pretax basis, excludable from income.
- Contributions and investment earnings grow tax deferred until withdrawal.
- Employer contributions are deductible (if made by the due date, including extensions, for employer’s tax return).

Eligibility requirements
To participate in a SIMPLE IRA, employees must have up to two years of service during which they have earned $5,000 and reasonably be expected to earn $5,000 during the current year. You may establish less restrictive requirements if you wish.

Participant vesting
Immediate 100% vesting of both employer and employee contributions.

Loans
Not permitted.
Withdrawals
Early withdrawals (prior to age 59½) may be subject to a 25% penalty tax if taken within the first two years of participation. A 10% penalty may be imposed for early withdrawals taken after two years of participation.

Rollovers and transfers
Tax-free rollovers or transfers from a SIMPLE IRA to another SIMPLE IRA are permitted at any time. Tax-free rollovers or transfers can be made between a SIMPLE IRA and a regular IRA, 401(k), 403(b), SEP IRA or a 457. However, tax-free rollovers or transfers from a SIMPLE IRA into any of these plans are permitted only after two years of participation. Please be sure to check if there are any restrictions associated with a provider’s plan before moving your plan.

Reporting requirements
A SIMPLE IRA requires no government filing and reporting, such as Form 5500.

You must provide the Notification to Eligible Employees as employees become eligible to participate in the plan or to employees who wish to change their salary deferrals. A Summary Plan Description, including a completed IRS Form 5304-SIMPLE, must also be provided to employees when they become eligible to participate in the plan.

Comprehensive Investments
Founded in 1959, OppenheimerFunds is a global asset manager with decades of experience serving the needs of retirement plan participants and sponsors, as well as their advisors. We offer investments across every major asset class, including U.S. and international equity and fixed-income portfolios. We also provide innovative asset allocation strategies to help investors pursue specific investment and risk management objectives. In our view, The Right Way to Invest encompasses four key principles: make global connections, look to the long term, take intelligent risks and invest with experience.

Internet access and toll-free participant number
Participants have the ability to perform online transactions, including exchanges within some accounts, on our website at oppenheimerfunds.com.

Participants may also call us at 800 835 7305 for account balance information and to perform transactions. PhoneLink is available 24 hours a day, 7 days a week, at 800 533 3310.

Employee communications
OppenheimerFunds offers a comprehensive communications program designed to maximize participants’ understanding about their SIMPLE IRA. Your employees will receive a Retirement Planning guide, SIMPLE IRA Participant Guide, fund prospectuses, account statements, shareholder newsletters and transaction confirmations.

Fees
A $25 annual maintenance fee is charged per participant.² This fee is paid by the participants, regardless of the number of mutual funds selected.
Questions & Answers

May I establish a SIMPLE IRA if I already have another retirement plan, such as a 401(k) plan?
No. A SIMPLE IRA is not available to employers who maintain another retirement plan. If you currently have another retirement plan, you must terminate or freeze it before establishing a SIMPLE IRA.

Am I required to make a contribution to a SIMPLE IRA every year? How about my employees?
Yes, you are. You may choose to match salary deferrals, dollar for dollar, up to 3% of employees' pay, to a maximum of $12,500, or $15,500 for participants who are age 50 and above. While this amount may be reduced below 3% in any two of every five years, it may never fall below 1%. As an alternative, you may make a nonelective contribution equal to 2% of pay (subject to the compensation limit of $265,000) for all eligible employees who have earned at least $5,000 in compensation for the current year, whether or not they participate in salary deferrals.

Your employees are not required to make contributions to their SIMPLE IRA. If they do, they may defer up to the maximum of $12,500, or $15,500 for participants who are age 50 and above (adjusted annually for inflation) or 100% of their annual income, whichever is less.

What are the deadlines for establishing a SIMPLE IRA?
A new SIMPLE IRA can be established up until October 1 in any calendar year and must be maintained thereafter on a calendar-year basis. When establishing a new SIMPLE IRA plan, employees must be notified no later than the date the plan is established and allowed 60 days to elect to make deferrals.

Can employees change the amount of their salary deferrals?
Eligible employees may make or modify a salary deferral election during the 60-day period before January 1 of that year or the date designated by the employer in the adoption agreement. The Notification to Eligible Employees is used to notify employees of their ability to start or modify their elections, and to communicate the amount of employer contributions for the year.

May I exclude any employees from a SIMPLE IRA?
Yes, union employees and nonresident aliens may be excluded from a SIMPLE IRA.

Are tax-exempt organizations able to establish a SIMPLE IRA?
Yes. Tax-exempt organizations, including government entities, can establish a SIMPLE IRA.

If I am a self-employed individual with no employees, may I establish a SIMPLE IRA?
Yes. A SIMPLE IRA is an appropriate alternative for a sole proprietor or independent contractor.

Do employees have to pay Social Security taxes on their SIMPLE IRA contributions?
Yes. Even though federal income taxes are deferred, SIMPLE IRA deferrals must be reported on the W-2 Form, and they are subject to Social Security taxes.

How do I establish a SIMPLE IRA?
To establish your SIMPLE IRA, follow these easy steps:
1. Read and complete the IRS Form 5304-SIMPLE.
2. Determine who is eligible to participate in the plan. Use the Notification to Eligible Employees to notify employees who are eligible to make salary deferrals. Also provide newly eligible employees with the Summary Plan Description, consisting of a completed IRS Form 5304-SIMPLE.
3. Enroll your employees by providing each employee with a SIMPLE IRA kit. The Employee version of the kit consists of:
   - Planning a Successful Retirement brochure
   - SIMPLE IRA Participant Guide with applications
4. Provide each eligible employee with the Model Salary Reduction Agreement.
5. Instruct your employees to complete the appropriate forms in the Participant Guide and return them to you.
6. Send the following forms to the address below:
   - A copy of the completed IRS Form 5304-SIMPLE (please keep a copy for yourself).
   - A completed SIMPLE IRA Application and SIMPLE IRA Change of Trustee Application (if applicable) for each eligible employee.
For more information about the OppenheimerFunds SIMPLE IRA plan:

- Call your financial advisor today.
- Visit oppenheimerfunds.com

1. Subject to the compensation limit of $270,000 for 2016.
2. The annual maintenance fee will be waived for each retirement product maintained if the total investments in OppenheimerFunds retirement and/or nonretirement accounts, excluding OppenheimerFunds direct-sold 529 plans, is $50,000 or more.

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Before investing in any of the Oppenheimer funds, investors should carefully consider a fund’s investment objectives, risks, charges and expenses. Fund prospectuses and summary prospectuses contain this and other information about the funds, and may be obtained by asking your financial advisor, visiting oppenheimerfunds.com or calling 1 800 CALL OPP (225 5677). Read prospectuses and summary prospectuses carefully before investing.

Oppenheimer funds are distributed by OppenheimerFunds Distributor, Inc.
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RE000.110.0517  June 13, 2017