

---

**IRA**

**CUSTODIAL AGREEMENT**

**DISCLOSURE STATEMENT**

---

# Traditional Individual Retirement Custodial Account

(Under section 408(a) of the Internal Revenue Code)

Form 5305-A (Rev. April 2017) Department of the Treasury, Internal Revenue Service. Do not file with the Internal Revenue Service

The Depositor named on the *Traditional/SEP IRA Application* is establishing a Traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the *Traditional/SEP IRA Application* has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor has assigned the Custodial IRA the amount indicated on the *Traditional/SEP IRA Application*. The Depositor and the Custodian make the following Agreement:

## ARTICLE I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

## ARTICLE III

1. No part of the Custodial Account funds may be invested in life insurance contracts, nor may the assets of the Custodial Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the Custodial Account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

## ARTICLE IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Depositor's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the Regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Depositor dies on or after the required beginning date and:
    - (i) The designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) The designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
  - (b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below.
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
  - (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the Regulations under section 408(a)(6).

## ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

## ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with section 408(a) and the related Regulations will be invalid.

## ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related Regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

## ARTICLE VIII

### 1. Definitions

**Agreement.** Agreement means the Traditional IRA Custodial Agreement (IRS Form 5305-A), Application, Disclosure Statement, Financial Disclosure and accompanying documentation. The Agreement may be amended from time to time as provided in Article VII.

**Application.** Application means the legal document that establishes this Traditional IRA after acceptance by the Custodian by signing the Application. The information and statements contained in the Application are incorporated into this IRA Agreement.

**Authorized Agent.** Authorized Agent means the individual(s) appointed in writing by the Depositor (or by the beneficiary following the Depositor's death) authorized to perform the duties and responsibilities set forth in the Agreement on behalf of the Depositor.

**Code.** Code means the Internal Revenue Code.

**Custodial Account.** Custodial Account means the type of legal arrangement whereby the Custodian is a qualified financial institution that agrees to maintain the Custodial Account for the exclusive benefit of the Depositor and the Depositor's beneficiaries.

**Custodian.** The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian.

**Depositor.** The Depositor is the person who establishes the Custodial Account. In the case of an Inherited IRA, the Depositor is the original owner of the inherited assets.

**Inherited IRA.** An IRA maintained for the benefit of a beneficiary/Inherited IRA Owner who has acquired such assets by reason of death of an individual. The Inherited IRA must identify both the deceased individual and the beneficiary/Inherited IRA Owner.

**Inherited IRA Owner.** Inherited IRA Owner means the individual for whose benefit the account is maintained as a result of acquiring such assets by reason of the death of another individual.

**Regulations.** Regulations mean the U.S. Treasury Regulations.

2. **Depositor's Responsibilities.** All information that the Depositor has provided or will provide to the Custodian under this Agreement is complete and accurate and the Custodian may rely upon it. The Depositor will comply with all legal requirements governing this Agreement and assumes all responsibility for his or her actions including, but not limited to eligibility determination, contributions, distributions, penalty infractions, proper filing of tax returns and other issues related to activities regarding this Agreement. The Depositor will have 30 days after the receipt of any documents, statements, or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the Depositor does not notify the Custodian within 30 days, the documents, statements, or other information will be deemed correct and accurate, and the Custodian will have no further liability or obligation for such documents, statements, other information, or the transactions described therein. The Depositor will provide to the Custodian the information the Custodian believes appropriate to comply with the requirements of Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. PATRIOT) Act of 2001. The Depositor will pay the Custodian reasonable compensation for its services, as disclosed in the applicable fee schedules.

- 3. Investment Responsibilities.** All investment decisions are the sole responsibility of the Depositor, and the Depositor is responsible to direct the Custodian in writing, or other acceptable form and manner authorized by the Custodian, regarding how all amounts are to be invested. Subject to the policies and practices of the Custodian, the Depositor may delegate investment authority by appointing an Authorized Agent in writing in a form and manner acceptable to the Custodian. Upon receipt of instructions from the Depositor and proof of acceptance by the Authorized Agent, the Custodian will accept investment direction and may fully rely on those instructions as if the Custodian had received the instructions from the Depositor.

The Custodian will determine the investments available within the Custodial Account. All transactions shall be subject to any and all restrictions that are imposed by the Custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; the Custodian's policies and practices; and this Agreement.

The Custodian may change its investment options from time to time and the Depositor may move his or her monies in the Custodial Account to different investments. Any investment changes within the Custodial Account are subject to the terms and conditions of the investments, including but not limited to minimum deposit requirements and early redemption penalties. The Custodian will not provide any investment direction, suitability recommendations, tax advice, or any other investment guidance. Further, the Custodian has no duty to question the investment directions provided by the Depositor or any issues relating to the management of the Custodial Account. The Depositor will indemnify and hold the Custodian harmless from and against all costs and expenses (including attorney's fees) incurred by the Custodian in connection with any litigation regarding the investments within the Custodial Account where the Custodian is named as a necessary party.

The Custodian will promptly execute investment instructions received from the Depositor if the instructions are in a form and manner acceptable to the Custodian. If the Custodian determines the instructions from the Depositor are unclear or incomplete, the Custodian may request additional instructions. Until clear instructions are received, the Custodian reserves the right, in good faith, to leave the contribution uninvested, place the contribution in a holding account (e.g., a money market account), or return the contribution to the Depositor. The Custodian will not be liable for any investment losses due to such delays in receiving clear investment instructions. Further, the Depositor will indemnify and hold the Custodian harmless for any adverse consequences or losses incurred from the Custodian's actions or inactions relating to the investment directions received from the Depositor or Authorized Agent.

The Depositor will not engage in transactions not permitted under the Agreement, including, but not limited to, the investment in collectibles or life insurance contracts, or engage in a prohibited transaction under Code section 4975.

- 4. Beneficiary Designation.** The Depositor has the right to designate any person(s) or entity(ies) as primary and contingent beneficiaries by completing a written designation in a form and manner acceptable to the Custodian filed with the Custodian during the Depositor's lifetime. Unless otherwise indicated, all subsequent beneficiary designations revoke all prior designations.

If the Depositor is married and subject to the marital or community property laws that require the consent of the Depositor's spouse to name a beneficiary other than or in addition to such spouse, the Depositor understands that he or she is responsible for any and all tax and legal ramifications and he or she should consult a competent tax and/or legal advisor before making such designation.

Unless indicated otherwise in a form and manner acceptable to the Custodian, upon the Depositor's death, the Custodial Account will be paid to the surviving primary beneficiaries in equal shares. If no primary beneficiaries survive the Depositor, the Custodial Account will be paid to surviving contingent beneficiaries in equal shares unless indicated otherwise. If no primary or contingent beneficiaries survive the Depositor or if the Depositor fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Depositor's spouse, if married, or if there is not surviving spouse, to the Depositor's estate.

If the Custodian and applicable laws and Regulations so permit, the right to designate any person(s) and entity(ies) as primary and contingent beneficiaries also extends to the Inherited IRA Owner following the Depositor's death. Unless otherwise indicated, each beneficiary designation filed with the Custodian by the Inherited IRA Owner will cancel all previous designations. Any successor beneficiary so named by the Inherited IRA Owner will be entitled to the proceeds of the Custodial Account if the Inherited IRA Owner dies before receiving his or her entire interest in the Inherited IRA. A designation of successor beneficiaries submitted by the Inherited IRA Owner must be in writing in a form and manner acceptable to the Custodian filed with the Custodian during the lifetime of the Inherited IRA Owner. If no primary or contingent beneficiaries survive the Inherited IRA Owner or if the Inherited IRA Owner fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Inherited IRA Owner's spouse, if married, or if there is not surviving spouse, to the Inherited IRA Owner's estate.

No payment will be made to any beneficiary until the Custodian receives appropriate evidence of the Depositor's (or, if applicable, Inherited IRA owner's) death as determined by the Custodian.

If a beneficiary is a minor, the Custodian is relieved of its obligations as Custodian by paying the Custodial Account to the minor's parent or legal guardian upon receiving written instructions from such parent or legal guardian.

The Depositor represents and warrants that all beneficiary designations meet the applicable laws. The Custodian will exercise good faith in distributing the Custodial Account consistent with the beneficiary designation. The Depositor, for the Depositor and the heirs, beneficiaries and estate of the Depositor agrees to indemnify and hold the Custodian harmless against any and all claims, liabilities and expenses resulting from the Custodian's payment of the Custodial Account in accordance with such beneficiary designation and the terms of the Agreement.

5. **Distributions.** Distributions may be requested from the Custodial Account by delivering a request to the Custodian in a form and manner acceptable to the Custodian. The Custodian is not obligated to distribute the Custodial Account unless it is satisfied it has received the required information to perform its administrative and legal reporting obligations. Required information includes, but is not limited to, taxpayer identification number, distribution reason, and proof of identity. Distributions will be subject to all applicable tax, penalty and withholding requirements.
6. **Required Minimum Distributions.** The Custodian will send the Depositor a notice each year the Depositor is subject to the requirements of Article IV. Such notice will include the distribution deadline and will inform the Depositor of the required minimum distribution (RMD) amount or provide guidance to the Depositor on how to contact the Custodian for assistance in determining the RMD amount. The Custodian reserves the right to determine each year the method of providing the RMD notice. The RMD amount, if provided, may be calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's spouse is the sole designated beneficiary for the entire distribution year and is more than 10 years younger than the Depositor, the Depositor's minimum amount required to be distributed by the Depositor is an amount calculated using the joint and last survivor table in Regulations section 1.401(a)(9)-9. The Custodian will not be liable for and the Depositor will indemnify and hold the Custodian harmless for any adverse consequences and/or penalties resulting from the Depositor's actions or inactions (including errors in calculations resulting from reliance on information provided by the Depositor) with respect to determining such RMDs.
7. **Amendments and Termination.** The Custodian may amend this Agreement at any time to comply with legal and regulatory changes and to modify the Agreement as the Custodian determines advisable. Any such amendment will be sent to the Depositor at the last known address on file with the Custodian. The amendment will be effective on the date specified in the notice to the Depositor. At the Depositor's discretion, the Depositor may direct that the Custodial Account be transferred to another trustee or custodian. The Custodian will not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Depositor may terminate this Agreement at any time by providing a written notice of such termination to the Custodian in a form and manner acceptable to the Custodian. As of the date of the termination notice, the Custodian will no longer accept additional deposits under the Agreement. Upon receiving a termination notice, the Custodian will continue to hold the assets and act upon the provisions within the Agreement until the Depositor provides additional instructions. If no instructions are provided by the Depositor to the Custodian within 30 days of the termination notice, and unless the Custodian and Depositor agree in writing otherwise, the Custodian will distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Depositor. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Custodian may resign at any time by providing 30 days written notice to the Depositor. Upon receiving such written notice, the Depositor will appoint a successor trustee or custodian in writing. Upon such appointment and upon receiving acknowledgement from the successor trustee or custodian of acceptance of the Custodial Account, the Custodian shall transfer the Custodial Account, less any applicable fees or penalties, to the successor trustee or custodian. If no successor trustee or custodian is appointed and no distribution instructions are provided by the Depositor, the Custodian may, in its own discretion, select a successor trustee or custodian and transfer the Custodial Account, less any applicable fees or penalties, or may distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Depositor. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

By establishing an individual retirement account with the Custodian, the Depositor agrees to substitute another custodian or trustee in place of the existing Custodian upon notification by the Commissioner of the Internal Revenue Service or his or her delegate, that such substitution is required because the Custodian has failed to comply with the requirements of the Internal Revenue Code by not keeping such records, or making such returns or rendering such statements as are required by the Internal Revenue Code, or otherwise.

8. **Instructions, Changes of Addresses and Notices.** The Depositor is responsible to provide any instructions, notices, or changes of address in writing to the Custodian. Such communications will be effective upon actual receipt by the Custodian unless otherwise indicated in writing by the Depositor. Any notices required to be sent to the Depositor by the Custodian will be sent to the last address on file with the Custodian and are effective when mailed unless otherwise indicated by the Custodian. If authorized by the Custodian and provided by the Depositor in the Application, Custodial Account Agreement or other documentation deemed acceptable to the Custodian, an electronic address is an acceptable address to provide and receive such communications. To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, telephonic and electronic mediums.
9. **Fees and Charges.** The Custodian reserves the right to charge fees for performing its duties and meeting its obligations under this Agreement. All fees, which are subject to change from time to time, will be disclosed on the Custodian's fee schedule or other disclosure document provided by the Custodian. The Custodian will provide the Depositor 30 days written notice of any fee changes. The Custodian will collect all fees from the cash proceeds in the Custodial Account. If there is insufficient cash in the Custodial Account, the Custodian may liquidate investments, at its discretion, to satisfy fee obligations associated with the Agreement. Alternatively, if the Custodian so authorizes and if separate payment of fees or other expenses is permissible under applicable federal and/or state laws, the fees may be paid separately outside of the Custodial Account. If the Custodian offers investments other than depository products, the Depositor recognizes that the Custodian may receive compensation from other parties. The Depositor agrees to pay the Custodian a reasonable charge for distribution from, transfers from, and terminations of this IRA. The Depositor agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with this Agreement. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind that may be levied or assessed with respect to such Custodial Account. The Depositor shall be responsible for any deficiency. If for any reason the Custodian is not certain as to who is entitled to receive all or part of the IRA, the Custodian reserves the right to withhold any payment from the IRA, to request a court ruling to determine the disposition of the IRA assets, and to charge the IRA for any expenses incurred in obtaining such legal determination.

**10. Transfers and Rollovers.** The Custodian may accept transfers and rollovers to this Custodial Account from other eligible IRAs and employer plans. The Depositor represents and warrants that only eligible transfers and rollovers will be made to the Custodial Account. The Custodian reserves the right to refuse any transfer or rollover and is under no obligation to accept certain investments or property it cannot legally hold or determines is an ineligible investment in the Custodial Account. The Custodian will duly act on written instructions from the Depositor received in a form and manner acceptable to the Custodian to transfer the Custodial Account to a successor trustee or custodian. The Custodian is not liable for any actions or inactions by any predecessor or successor trustee or custodian or for any investment losses resulting from the timing of or sale of assets resulting from the transfer or rollover.

**11. Beneficiary's (and Inherited IRA Owner's) Rights.** Except as otherwise provided in this Agreement or by applicable law or Regulations, all rights, duties, obligations, and responsibilities of the Depositor under the Agreement will extend to the Depositor's beneficiary(ies) following the death of the Depositor and to the Inherited IRA Owner who establishes the Traditional IRA as an Inherited IRA.

Except for eligible transfers of IRA assets acquired by reason of death of the same Depositor or a direct rollover described in Code section 402(c)(11) by an Inherited IRA Owner, beneficiary(ies)/Inherited IRA Owners are prohibited from contributing to the Custodial Account, unless defined as allowable under the Code or Regulations.

Following the death of the Depositor, beneficiary(ies)/Inherited IRA Owners must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement. Following the death of the Inherited IRA owner, successor beneficiaries must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement.

The Custodian will not be liable for, and the beneficiary(ies)/Inherited IRA Owner will indemnify and hold the Custodian harmless from any adverse consequences and/or penalties resulting from the beneficiary(ies)'s/Inherited IRA Owner's actions or inactions (including errors in calculations resulting from reliance on information provided by the beneficiary(ies)/Inherited IRA Owner) with respect to determining required distributions.

**12. Miscellaneous.**

**Reliance and Responsibilities.** The Depositor acknowledges that he or she has the sole responsibility for any taxes, penalties or other fees and expenses associated with his or her actions or inactions regarding the laws, Regulations and rules associated with this Agreement. Further, the Depositor acknowledges and understands that the Custodian will act solely as an agent for the Depositor and bears no fiduciary responsibility. The Custodian will rely on the information provided by the Depositor and has no duty to question or independently verify or investigate any such information. The Depositor will indemnify and hold the Custodian harmless from any liabilities, including claims, judgments, investment losses, and expenses (including attorney's fees), which may arise under this Agreement, except liability arising from gross negligence or willful misconduct of the Custodian.

**Custodian Acquired/Merged.** If the Custodian is purchased by or merged with another financial institution qualified to serve as a trustee or custodian that institution will automatically become the trustee or custodian of this IRA unless otherwise indicated.

**Maintenance of Records.** The Custodian will maintain adequate records and perform its reporting obligations required under the Agreement. The Custodian's sole duty to the Depositor regarding reporting is to furnish the IRS mandated reports as required in Article V of this Agreement. The Custodian may, at its discretion, furnish additional reports or information to the Depositor. The Depositor approves any report furnished by the Custodian, unless within 30 days of receiving the report, the Depositor notifies the Custodian in writing of any discrepancies. Upon receipt of such notice, the Custodian's responsibility is to investigate the request and make any corrections or adjustments accordingly.

**Exclusive Benefit.** The Custodial Account is maintained for the exclusive benefit of the Depositor and his or her beneficiary(ies). Except as required by law, no creditors of the Depositor may at any time execute any lien, levy, assignment, attachment, or garnishment on any of the assets in the Custodial Account.

**Minimum Value.** The Custodian reserves the right to establish IRA account minimums. The Custodian may resign or charge additional fees if the minimums are not met.

**Other Providers.** At its discretion, the Custodian may appoint other service providers to fulfill certain obligations, including reporting responsibilities, and may compensate such service providers accordingly. The Custodian may release nonpublic personal information regarding your IRA to such providers as necessary to provide the products and services made available under this Agreement.

**Agreement.** This Agreement and all amendments are subject to all state and federal laws. The laws of the Custodian's domicile will govern should any state law interpretations be necessary concerning this Agreement.

**Severability.** If any part of this Agreement is invalid or in conflict with applicable law or Regulations, the remaining portions of the Agreement will remain valid.

## GENERAL INSTRUCTIONS

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Purpose of Form.** Form 5305-A is a model Custodial Account Agreement that meets the requirements of section 408(a). However, only Articles I through VII have been reviewed by the IRS. A Traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Depositor or Inherited IRA Owner) and the Custodian. To make a regular contribution to a Traditional IRA for a year, the IRA must be established no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

**Do not** file Form 5305-A with the IRS. Instead, keep it with your records. For more information on IRAs including the required disclosures the Custodian must give the Depositor, see **Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs)** and **Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs)**.

**Traditional IRA for Nonworking Spouse.** Form 5305-A may be used to establish the IRA Custodial Account for a nonworking spouse. Contributions to an IRA Custodial Account for a nonworking spouse must be made to a separate IRA Custodial Account established by the nonworking spouse.

### **SPECIFIC INSTRUCTIONS**

**Article IV.** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

**Article VIII.** Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the Agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc.

# TRADITIONAL IRA DISCLOSURE STATEMENT

(Used with Form 5305-A)

This Disclosure Statement provides a general review of the terms, conditions and federal laws associated with this Traditional IRA (IRA). It is not intended to replace the advice of your own tax and legal advisors. You are encouraged to consult your advisors and/or your state taxing authority concerning any tax and/or compliance questions. You are responsible for complying with the laws that apply to this IRA. The Custodian does not act as your advisor. In addition to the transactions outlined in this Traditional IRA Disclosure Statement, the federal government may authorize permissible transactions from time to time. Unless expressly prohibited by the Custodian's policies, such additional federally authorized transactions are hereby incorporated by this reference. If this IRA is established as an Inherited IRA, refer to the "Inherited IRA" section of this document for restrictions and limitations.

## RIGHT TO REVOKE YOUR IRA

As prescribed by the Code and Regulations, this IRA may be revoked within seven (7) calendar days following the date the IRA is established. Unless indicated otherwise, the IRA is established on the date the Custodian signs the Application. To revoke this IRA, you must provide a written notice to the Custodian at the address listed on the Application (or other address provided to you by the Custodian) that accompanies this Disclosure. The Custodian must receive your revocation notice no later than 7 days after the IRA is established. If your revocation notice is mailed, it will be deemed received as of the postmark date. If you revoke the IRA within the 7-day revocation period, the Custodian is still required to report the contribution and the distribution to the IRS. If you revoke the IRA within the revocation period, the Custodian will return to you the entire amount you contributed without deducting any administrative fees, penalties, or investment losses.

## CONTRIBUTIONS

**Cash.** Except for certain rollovers and transfers, all contributions must be made in the form of money (e.g., cash, check or money order).

**Eligibility.** For tax year 2020 and later years, you may contribute to your IRA at any age so long as you have received compensation during the year. If you do not have compensation but are married to someone who does have compensation for the year, you may be eligible to make an IRA contribution based on your spouse's compensation provided you file a joint tax return. You are responsible for determining your eligibility to make IRA contributions.

**Compensation.** For purposes of funding an IRA, compensation generally means monies earned from working, such as wages, salaries, tips, professional fees, bonuses, and other amounts received from providing personal services. If you are self-employed, your compensation is your earned income. Taxable alimony received under a valid divorce decree or separate maintenance agreement is considered compensation. Nontaxable combat zone pay received by members of the armed forces is generally considered compensation. Compensation for the purpose of making IRA contributions includes differential wage payments made by some employers to employees who have been called to active duty. For tax year 2020 and later years, compensation includes any amount which is included in your gross income that is paid to you for the pursuit of graduate or postdoctoral study. For contributions made after December 20, 2020, any qualified foster care payments that are excluded from gross income as difficulty of care payments may be considered compensation for purposes of nondeductible contributions. See the section titled *Nondeductible Contributions* in this disclosure statement for information on nondeductible contributions. Compensation does not include investment earnings, pension or annuity income or other amounts you receive for which your services are not a material income-producing factor.

**Due Date.** Contributions may be made to your IRA during the tax year and up until the due date for filing your tax return, not including extensions. For most people, the tax return due date is April 15. However, if you are serving in or in support of the armed forces in a designated combat zone or qualified hazardous duty area, your contribution deadline may be extended past April 15. Generally, the extension is 180 days after the last day you are in a qualifying combat zone or hazardous duty area. You may also have an additional extension depending on when you entered the zone or area. For additional information, refer to IRS Publication 3 or consult your tax advisor. The federal government may authorize a postponed or an extended due date for contributions. Such contributions may be accepted by such due date provided you meet any applicable eligibility requirements as defined in the Code, Regulations, or other applicable guidance.

**Previous Year Contributions.** If you make a contribution between January 1 and April 15 in a manner acceptable to the Custodian, you may designate the contribution as a contribution for the previous year. If you do not designate a contribution for the previous year, the Custodian will report it to the IRS as a current year contribution (the year received).

**Contributions to Multiple IRAs.** If you have more than one Traditional IRA, the contribution limits listed below apply to the total amount you may contribute to all your IRAs for the year. If you also have a Roth IRA, the contribution limits listed below are reduced by any amounts you contribute to your Roth IRA for the tax year. In addition, employer retirement plans may establish separate accounts to receive voluntary employee contributions. If the account meets the requirements of an IRA and you make voluntary employee contributions to that separate account, the total amount listed below that you may contribute to all your IRAs is reduced by those voluntary employee contributions.

**Contribution Limits.** Your annual contribution amount may not exceed \$6,000 for tax year 2022 and \$6,500 for tax year 2023 with possible cost-of-living adjustments each year thereafter. For each year in which you are age 50 or older before the end of the calendar year, you may make an additional catch-up contribution of up to \$1,000 for tax year 2022 and \$1,000 for tax year 2023 with possible cost-of-living adjustments each year thereafter. Your total contribution amount (including catch-up, if applicable) may not, however, exceed an amount equal to your compensation for that tax year unless you are married and filing a joint federal income tax return. If you are married, filing a joint tax return, the total amount you and your spouse may contribute to IRAs in aggregate for any tax year (including catch-up contributions, if applicable) may not exceed the combined compensation of you and your spouse for that same tax year.



**Simplified Employee Pension (SEP) Plan.** If you participate in your employer's SEP plan, your employer may make SEP contributions to your IRA. You may still contribute to your IRA. However, when your employer makes SEP contributions on your behalf, you are considered covered by an employer retirement plan. Therefore, your ability to deduct your IRA contributions may be limited depending on your modified adjusted gross income (MAGI).

**Repayments of Qualified Reservist Distributions.** You may repay qualified reservist distributions (as defined by the Code and Treasury Regulations) by making one or more contributions to your IRA within two years of the end of your active duty. The aggregate amount that may be repaid may not exceed the amounts of such distributions and is in addition to other eligible contribution amounts. No tax deduction is allowed for these contributions. For more information, consult your tax advisor.

**Other Distributions Eligible for Repayment.** Certain distributions may be repaid to your IRA. Distributions eligible for repayment include:

1. Qualified birth or adoption distributions (as defined by the Code and Treasury Regulations),
2. Qualified disaster recovery distributions (as defined by the Code and Treasury Regulations),
3. Withdrawals for terminal illness (as defined by the Code and Treasury Regulations),
4. Eligible distributions to domestic abuse victims (as defined by the Code and Treasury Regulations),
5. Emergency personal expense distributions (as defined by the Code and Treasury Regulations),
6. Coronavirus-related distributions, and
7. Any other distributions authorized by the federal government to be repaid under the terms outlined below.

You may repay eligible distributions by making one or more contributions to your Traditional IRA any time during the 3-year period beginning on the day after the date on which the distribution was received. Qualified birth or adoption distributions received before December 30, 2022, may be repaid up until December 31, 2025. The aggregate amount that may be repaid may not exceed the amount of such eligible distributions and is in addition to other eligible contribution amounts. For more information on eligible repayments, consult your tax advisor.

**Rollovers.** Generally, a rollover is a movement of cash or assets from one retirement plan to another. Both the distribution and the rollover contribution are reportable when you file your income taxes, however, if you roll over the entire amount of an IRA or retirement plan distribution (including any amount withheld for federal, state, or other income taxes that you did not receive), you generally do not have to report the distribution as taxable income. If you must take a required minimum distribution (RMD) for the year, you may not roll over the RMD. All RMDs must be withdrawn as required under the Code and Regulations prior to a rollover. You must irrevocably elect to treat such contributions as rollovers.

You may use your IRA as a conduit to temporarily hold amounts you receive in an eligible rollover distribution from an employer's retirement plan. Should you combine or add other amounts (e.g., regular contributions) to your conduit IRA, you may lose the ability to subsequently roll these funds into another employer plan to take advantage of special tax rules available for certain qualified plan distribution amounts. Consult your tax advisor for additional information.

**Traditional IRA-to-Traditional IRA Rollover.** You may withdraw, tax free, all or a portion of your Traditional IRA if you contribute the amount withdrawn into the same or another Traditional IRA as a rollover. When completing a rollover from a Traditional IRA to a Traditional IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**Traditional IRA-to-SIMPLE IRA Rollover.** An amount distributed from your Traditional IRA may be rolled over to your SIMPLE IRA only after at least two years have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer. When completing a rollover from a Traditional IRA to a SIMPLE IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**Traditional IRA-to-Employer Retirement Plan Rollover.** If your employer's retirement plan accepts rollovers from IRAs, you may complete a direct or indirect rollover of your pre-tax assets in your Traditional IRA into your employer retirement plan. If you take constructive receipt of a distribution from your Traditional IRA to complete a rollover to an employer plan (i.e., an indirect rollover), you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution.

**SIMPLE IRA-to-Traditional IRA Rollover.** To complete a rollover of a SIMPLE IRA distribution to a Traditional IRA, at least two years must have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer, and you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**Employer Retirement Plan-to-Traditional IRA Rollover (by Traditional IRA Owner).** Eligible rollover distributions from qualifying employer retirement plans may be rolled over, directly, or indirectly, to your Traditional IRA. Qualifying employer retirement plans include qualified plans (e.g., 401(k) plans or profit-sharing plans), governmental 457(b) plans, the federal Thrift Savings Plan, 403(b) arrangements and 403(a) arrangements. Amounts that may not be rolled over to your Traditional IRA include any required minimum distributions, hardship distributions, any part of a series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, certain deemed distributions related to defaulted loans, dividends on employer securities, the cost of life insurance coverage, and distributions consisting of designated Roth contributions (and earnings thereon) from a 401(k), 403(b), governmental 457(b) plan, or the federal Thrift Savings Plan.

To complete a direct rollover from an employer plan to your Traditional IRA, you must generally instruct the plan administrator to send the distribution to your Traditional IRA Custodian. To complete an indirect rollover, you must generally request that the plan administrator make a distribution directly to you. You must generally complete the rollover transaction not later than the 60th day after the date on which you received the eligible rollover distribution. For certain plan loan offsets due to plan termination or termination of employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs. Any amount not properly rolled over will generally be taxable in the year distributed (except for any amount that represents after-tax contributions) and may be, if you are under the age of 59½, subject to the early distribution penalty tax. If you choose the indirect rollover method, the plan administrator is typically required to withhold 20% of the eligible rollover distribution amount for purposes of federal income tax withholding. You may, however, make up the withheld amount out of pocket and roll over the full amount. If you do not make up the withheld amount out of pocket, the 20% withheld (and not rolled over) will be treated as a distribution, subject to applicable taxes and penalties. In the case of an overpayment that has been directly rolled over to your IRA, you are typically eligible to contest the plan sponsor's recoupment effort of such overpayment. While you contest the efforts to recoup, the Custodian will retain the contested assets pending the outcome of the procedures and, in the event the payment is found to be an overpayment, return such overpayment to the distributing plan.

**Employer Retirement Plan-to-Traditional IRA Rollover (by Inherited IRA Owner).** Please refer to the section of this document entitled "Inherited IRA."

**Rollover of Exxon Valdez Settlement Income.** Certain income received as an Exxon Valdez qualified settlement may be rolled over to a Traditional IRA or another eligible retirement plan. The amount contributed cannot exceed the lesser of \$100,000 (reduced by the amount of any qualified settlement income contributed to an eligible retirement plan in prior tax years) or the amount of qualified settlement income received during the tax year. Contributions for the year can be made up until the due date for filing your return, not including extensions.

**Rollover of Wrongful IRS Levy.** A wrongful IRS levy of assets from an IRA (including an Inherited IRA) or an employer-sponsored retirement plan that are returned to the taxpayer may be rolled over to an IRA (including an Inherited IRA) by the tax return deadline (not including extensions) for the year the assets are returned. The one IRA-to-IRA rollover per 12-month period limitation does not apply to such rollovers.

**Conversion of Traditional IRA to Roth IRA.** Generally, you may convert all or a portion of your Traditional IRA to a Roth IRA provided you meet any applicable eligibility requirements as defined in the Code and Regulations. Except for amounts that represent basis, amounts converted are generally treated as taxable distributions. Amounts that represent basis may only be converted as permitted under the Code and/or Regulations. The early distribution penalty that typically applies to taxable withdrawals taken prior to age 59½, does not apply to amounts converted from a Traditional IRA to a Roth IRA. Required minimum distributions (RMDs) may not be converted. All RMDs must be withdrawn as required under the Code and Regulations prior to a conversion. Traditional IRA-to-Roth IRA conversions are not subject to the 12-month rollover restriction that typically applies to rollovers between IRAs. Roth IRA conversions may not be recharacterized.

## RECHARACTERIZATIONS

**Recharacterize a Contribution.** You may recharacterize a contribution made to one type of IRA (either Traditional or Roth IRA) and treat it as if it were made to a different type of IRA (Traditional or Roth IRA). Both the contribution amount along with the net income attributable to the contribution must be transferred. If there was a loss, the amount of any loss will reduce the amount you transfer. The deadline for completing a recharacterization is your tax return due date (including any extensions) for the year for which the contribution was made to the first IRA. Recharacterization requests must be made in a form and manner acceptable to the Custodian. Report recharacterizations to the IRS by attaching a statement to your Form 1040. You may also need to file Form 8606. You may not recharacterize a Roth IRA conversion.

## TRANSFERS

**Transfers.** You may move your IRA from one trustee custodian, or issuer to an IRA maintained by another trustee, custodian, or issuer by requesting a direct transfer. Federal law does not limit the number of transfers you may make during any year.

**Transfers Incident to Divorce.** Under a valid divorce decree or separate maintenance decree, or a written document incident to such a decree, all or part of your IRA may be transferred to your ex-spouse, or you may receive all or part of your ex-spouse's IRA.

## TAX TREATMENT OF IRA CONTRIBUTIONS

**Deductions.** Whether your IRA contributions are tax deductible depends on whether you and/or your spouse (if you are married) are considered covered by an employer retirement plan and the amount of your modified adjusted gross income (MAGI).

**Covered by an Employer Retirement Plan.** You are generally considered covered by an employer retirement plan if a contribution is made to your account, or you are eligible to earn retirement credits. Examples of retirement plans include simplified employee pension (SEP) plans, SIMPLE plans, plans qualified under Code section 401(a) such as pension, profit-sharing or 401(k) plans, 403(b) arrangements, 403(a) arrangements, or certain government plans. Generally, your employer is required to indicate on your Form W-2 if you were covered by a retirement plan for the year. If you (and/or your spouse, if you are married) are covered by an employer retirement plan, you may not be able to deduct some or all your IRA contribution depending on your MAGI.

If your MAGI is equal to or below the lower limit of the phase-out range, your IRA contributions are fully deductible. If your MAGI is equal to or exceeds the upper limit of the phase-out range, your IRA contributions are not deductible. If your MAGI is within the phase-out range, you may take

a partial deduction. The MAGI thresholds (for 2022 and 2023) are summarized in the chart below for individuals covered by an employer retirement plan.

**MAGI Limits for Eligibility for Tax Deduction**

Year	Married Filing Jointly*	Single Taxpayers
2023	\$116,000-\$136,000	\$73,000-\$83,000
2022	\$109,000-\$129,000	\$68,000-\$78,000

\* If you are married and filing a joint federal income tax return, your MAGI is the combined MAGI of you and your spouse.

For tax years after 2023, the MAGI thresholds for deduction phase-out listed above will be increased to reflect a cost-of-living adjustment, if any.

If you are married, filing a separate federal income tax return, and are covered by an employer retirement plan, your MAGI threshold is \$0-\$10,000. However, if you did not live with your spouse at any time during the year and you file a separate return, your filing status, for purposes of determining your IRA tax deduction, is single.

For more information on determining your MAGI and your IRA deduction, consult your tax advisor, instructions to Form 1040 and/or IRS Publication 590-A.

**Not Covered by an Employer Retirement Plan.** If you are single and are not considered covered by an employer retirement plan, or if you are married and neither you nor your spouse are considered covered by an employer retirement plan, your IRA contributions are fully tax-deductible, regardless of your MAGI or your tax filing status.

If you are married, filing jointly, and you are not covered by an employer retirement plan, but your spouse is covered, the combined MAGI threshold for determining the deductible amount of your Traditional IRA contribution is \$204,000-\$214,000 for 2022, and \$218,000-\$228,000 for 2023. For tax years after 2023, this MAGI threshold will be increased to reflect a cost-of-living adjustment, if any.

If you are married (and lived with your spouse at any time during the year), filing separate returns, and you are not covered by an employer retirement plan, but your spouse is covered, your MAGI threshold for determining the deductible amount of your Traditional IRA contribution is \$0-\$10,000.

**Nondeductible Contributions.** Regardless of whether your IRA contribution is deductible, you may contribute to your IRA up to the allowable limits. The difference between your total permitted contributions and your IRA deduction, if any, is your nondeductible contribution. If you receive difficulty of care payments as a foster care provider and your compensation that is included in your gross income is less than the maximum contribution amount allowable for the tax year under Code section 219(b), you may elect to increase your nondeductible contribution limit by the amount of excludable difficulty of care payments you have received during the year provided your total contribution amount does not exceed the maximum allowable under Code section 219(b). Earnings derived from nondeductible contributions are not taxed until distributed. If you make nondeductible IRA contributions, a cost basis is created in your IRA equal to the sum of your nondeductible contributions minus any withdrawals or distributions of nondeductible contributions. Report your nondeductible contributions on IRS Form 8606. If you fail to report your nondeductible contributions, or if you overstate your nondeductible contributions, you may be subject to taxes and penalties.

**Tax Credits for Contributions.** You may be eligible for a tax credit for your Traditional IRA contribution, provided you meet any applicable eligibility requirements as defined in the Code and Regulations. The tax credit is based on your adjusted gross income as defined by the Code.

**DISTRIBUTIONS DURING YOUR LIFETIME**

You may withdraw any or all of your IRA balance at any time. However, certain taxes and penalties may apply.

**Tax Treatment.** In general, distributions from your Traditional IRA are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, consult your tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B.

**Distributions Before Age 59½.** If you are under the age of 59½, and take a distribution, the distribution is commonly referred to as an early distribution. Early distributions that are includible in gross income are also subject to a 10% early distribution penalty tax unless you are eligible for one of the following early distribution penalty exceptions.

1. You have unreimbursed medical expenses that are more than the applicable percentage of your adjusted gross income and provided certain conditions apply.
2. You are unemployed and receive federal or state unemployment benefits for 12 consecutive weeks, or would have if not self-employed, and you receive the distribution during that or the succeeding tax year that does not exceed more than the amount you paid during the distribution year for medical insurance for yourself, your spouse, and your dependents.
3. You can provide proof that you are disabled as defined by the Code.
4. You are receiving substantially equal periodic payments consistent with the Code and Regulations.
5. The distributions are not more than the qualified higher education expenses of you, your spouse, or the children or grandchildren of you or your spouse.
6. The distribution, of up to a \$10,000 lifetime limit, is used within 120 days of withdrawal to buy or build a home that will be a principal residence for a qualified first-time homebuyer. Adjustments to lifetime limit amount may be authorized by the federal government.

7. The distribution is due to an IRS levy on the IRA.
8. The distribution is a qualified reservist distribution as defined by the Code.
9. The distribution is a qualified birth or adoption distribution as defined by the Code, Regulations, and other applicable guidance.
10. The distribution is a coronavirus-related distribution as defined by the Code.
11. The distribution is a qualified disaster recovery distribution as defined by the Code, Regulations, and other applicable guidance.
12. The distribution is to an individual who is terminally ill as defined by the Code, Regulations, and other applicable guidance.
13. The distribution is withdrawn on or after January 1, 2024, and is withdrawn for certain emergency personal expenses as defined by the Code, Regulations, and other applicable guidance.
14. The distribution is withdrawn on or after January 1, 2024, and is considered an eligible distribution to a domestic abuse victim as defined by the Code, Regulations, and other applicable guidance.

Note: In addition to the early distribution penalty exceptions noted above, the federal government may authorize additional exceptions.

**Reporting Early Distribution Penalty Tax.** For distributions taken prior to age 59½, you may be required to file Form 5329 with the IRS to either report and pay the 10% early distribution penalty tax or to claim an exception to the 10% early distribution penalty tax.

**Distributions After Age 59½ but Before Required Distributions Must Begin.** Once you reach age 59½ but before the year for which you must begin taking required minimum distributions, distributions from your IRA are optional. Any amounts you withdraw and keep during this period, except for amounts that represent the return of nondeductible basis, will generally be subject to ordinary income tax.

**Required Distributions.** You must withdraw your required minimum distributions (RMDs) each year as prescribed by the Code and Treasury Regulations. The first year for which you are required to withdraw an RMD is dependent on your date of birth.

- If you were born before July 1, 1949, the first year for which you must withdraw an RMD is the year in which you turn 70½ years of age.
- If you were born after June 30, 1949, and before January 1, 1951, the first year for which you must withdraw an RMD is the year in which you turn 72 years of age.
- If you were born after December 31, 1950, and before January 1, 1960, the first year for which you must withdraw an RMD is the year in which you turn 73 years of age.
- If you were born after December 31, 1959, the first year for which you must withdraw a RMD is the year in which you turn 75 years of age.

Your first RMD must be withdrawn no later than your required beginning date which is April 1 following the year you reach the age for which you must begin RMDs. RMDs for subsequent years must be withdrawn by December 31 of that year. To determine your RMD each year, you generally divide your IRA balance as of December 31 of the prior year by the applicable denominator (determined by the applicable IRS life expectancy table). If the purchase of a qualified longevity annuity contract (QLAC) is permitted by the Custodian under the terms of your IRA, the December 31 balance used to calculate your RMD does not include the value of any QLAC held within your IRA, provided such contract was purchased on or after July 2, 2014.

Each year you are subject to the RMD requirements, your Custodian will provide you with a notice. Along with the distribution deadline, the notice will either inform you of your RMD amount or provide you with guidance on how to contact the Custodian for assistance in determining your RMD. Your Custodian is also required to notify the IRS each year you are required to take an RMD.

If you have more than one IRA, determine the RMD separately for each IRA. However, you may total the RMDs and take the total from any one or more of your IRAs (excluding Roth IRAs).

**Excess Accumulation Penalty.** If you do not take the RMD, you may be subject to a 50% excess accumulation penalty tax on the amount not distributed as required. You must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with your payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for IRA owners who take a corrective distribution and submit a modified federal income return within the applicable correction window. The correction window begins on the date the excess accumulation penalty is incurred and, generally, ends on the last day of the second tax year following year in which the penalty was incurred. For additional information regarding your RMD, consult your tax advisor and/or IRS Publication 590-B.

**Special Tax Treatment.** IRA distributions are not eligible for capital gains treatment or lump-sum income averaging.

**Tax Treatment of Coronavirus-Related Distribution.** If you are a qualified individual (as defined by the Code and Treasury Regulations), you may take coronavirus-related distributions from your IRA. Coronavirus-related distributions are eligible for flexible taxation and repayment options. Coronavirus-related distributions must be withdrawn on or after January 1, 2020, and before December 31, 2020, and may not exceed, in aggregate, \$100,000. Coronavirus-related distributions must generally be included in taxable income either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on coronavirus-related distributions by making one or more repayments to your IRA (or another eligible retirement plan). For assistance in determining whether you are eligible for a coronavirus-related distribution, consult your tax advisor.

**Tax Treatment of Qualified Birth or Adoption Distribution.** You may take qualified birth or adoption distributions from your IRA, if made during the 1-year period beginning on the date on which your child was born or the date on which the legal adoption of your child, who is an eligible adoptee as defined by the Code and Regulations, was finalized. Qualified birth or adoption distributions may not exceed, in aggregate, \$5,000 per adoption or birth. Adjustments to this amount may be authorized by the federal government. Qualified birth or adoption distributions are exempt from the 10% early distribution penalty tax and may be repaid. See “**Other Distributions Eligible for Repayment**” in this document for more information. For assistance in determining whether you are eligible for a qualified birth or adoption distribution, consult your tax advisor.

**Tax Treatment of Qualified Disaster Recovery Distribution.** You may take qualified disaster recovery distributions from your IRA if your principal place of abode is in a qualified disaster area during the incident period and you have sustained an economic loss by reason of such qualified disaster. Such distributions must generally be made on or after the first day of the incident period and no later than 180 days from the later of the date of the disaster declaration or December 29, 2022. Qualified disaster recovery distributions may not exceed, in aggregate, \$22,000. Adjustments to this amount may be authorized by the federal government. For purposes of qualified disaster recovery distributions, qualified disaster is a major disaster declared by the Federal Emergency Management Agency (FEMA) which has occurred on or after January 26, 2021. The incident period is the period during which a disaster occurred and is declared by FEMA. Qualified disaster recovery distributions must generally be included in taxable income either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on qualified disaster recovery distributions by making one or more repayments to your IRA (or another eligible retirement plan). See **“Other Distributions Eligible for Repayment.”** in this document for more information. Qualified disaster recovery distributions are exempt from the 10% early distribution penalty tax. For assistance in determining whether you are eligible for a qualified disaster recovery distribution, consult your tax advisor.

**Tax Treatment of Withdrawals for Terminal Illness.** If you are terminally ill as defined in the Code, Regulations, or other applicable guidance and you take distribution from your IRA, such distribution(s) are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information.

**Tax Treatment of Eligible Distributions to Domestic Abuse Victim.** Beginning January 1, 2024, if you are the victim of domestic abuse (as defined by the Code, Regulations, or other IRS guidance) by your spouse or domestic partner you may take eligible distributions from your Traditional IRA as a domestic abuse victim during the 1-year period beginning on any date on which you were a victim of such abuse. Eligible distributions to a domestic abuse victim are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. The aggregate amount that may be treated as an eligible distribution to a domestic abuse victim is generally limited to \$10,000 for tax year 2024 with possible cost-of-living adjustments each year thereafter. For assistance in determining whether you meet the eligibility for an eligible distribution to a domestic abuse victim, consult your tax advisor.

**Tax Treatment of Emergency Personal Expense Distribution.** Beginning January 1, 2024, you may take an emergency personal expense distribution as defined by the Code, Regulations, or other IRS guidance from your Traditional IRA. Emergency personal expense distributions are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. If you take an emergency personal expense distribution from an IRA or eligible retirement plan, you are prohibited from taking another emergency personal expense distribution during that same calendar year from any IRA or eligible retirement plan. Under certain circumstances, if you do not repay an emergency personal expense distribution, you are restricted from taking another emergency personal expense distribution during the three calendar years immediately following the distribution. For assistance in determining whether you are eligible for an emergency personal expense distribution, consult your tax advisor.

**Qualified Charitable Distributions.** If you are age 70½ or older, you may be eligible to make a qualified charitable distribution (QCD) from your Traditional IRA. A qualified charitable distribution is generally not subject to federal income tax. If you make deductible Traditional IRA contributions for any year in which you are age 70½ or older, all or a portion of your qualified charitable distributions may be subject to federal income tax. Beginning in 2023, if you are eligible to make a QCD, you may make a one-time election for a taxable year to treat any distribution from an IRA which is made directly to a split-interest entity (as defined by the Code, Regulations, and other IRS guidance) as a QCD. For 2023, the maximum QCD amount overall is \$100,000. For 2023, the maximum QCD amount that may be paid to a split-interest entity under the special one-time election is \$50,000. For future years the dollar limitations will be increased to reflect a cost-of-living adjustment, if any. For further detailed information you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. For assistance in determining whether you are eligible to make a QCD from your IRA, consult your tax advisor.

**Qualified Health Savings Account (HSA) Funding Distribution.** If you are an HSA eligible individual, you may be eligible to do a tax-free transfer of IRA assets to your HSA. This transfer, which is referred to as a qualified HSA funding distribution, is subject to HSA contribution limits. You must irrevocably elect to treat such distribution as a qualified HSA funding distribution. Generally, you are limited to one qualified HSA funding distribution from any of your IRAs during your lifetime. If an employer contribution under Simplified Employee Pension (SEP) plan is made to this IRA for the plan year ending with or within your tax year in which the qualified HSA funding distribution would be made, you are ineligible to do a qualified HSA funding distribution from this IRA for that year. For assistance in determining to what extent you may be eligible to make a qualified HSA funding distribution, consult your tax advisor.

## **BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER BEFORE JANUARY 1, 2020**

Any amounts remaining in your IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** In general, distributions from your Traditional IRA to your beneficiary are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, your beneficiary should consult their tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B. Distributions withdrawn by your beneficiary from the Inherited IRA are not subject the 10% early distribution penalty tax.

**Beneficiary Distribution Requirements.** If you die before January 1, 2020, the rules determining the distribution of your IRA balance depend on several factors including whether you had a designated beneficiary, your relationship to the beneficiary (spouse or nonspouse) and whether you died before or after required minimum distributions (RMDs) were required to begin.

**Designated Beneficiary.** A designated beneficiary is an individual who is designated by you in writing as a beneficiary of this Traditional IRA in a manner acceptable to the Custodian or designated as a beneficiary under the terms of the plan agreement. With the exception of certain qualified see-through trust beneficiaries, only individuals may be treated as designated beneficiaries for purposes of determining required distributions under Code Section 401(a)(9) following your death. Except as provided otherwise in applicable Treasury Regulations, for purposes of determining the applicable distribution period following your death, your designated beneficiary will be determined based on the beneficiaries designated as of your date of death who remain beneficiaries as of September 30 of the calendar year following the calendar year of your death.

**If You Die Before April 1 Following the Year you Reach Age 70½.** Generally, if you die before April 1 following the year you reach age 70½ and your designated beneficiary(ies) is an individual, they may elect a distribution method. Your beneficiary(ies) may elect to deplete the IRA by the end of the fifth calendar year following your death or to receive payments based on the designated beneficiary(ies)'s life expectancy. If life expectancy payments are elected, the payments must begin by December 31 of the first calendar year following your death. However, if your surviving spouse is your sole designated beneficiary, they may delay the first distribution until December 31 of the year you would have attained age 70½ (if your date of birth is before July 1, 1949), age 72 (if your date of birth is after June 30, 1949 and before January 1, 1951), age 73 (if your date of birth is after December 31, 1950 and before January 1, 1960), or age 75 (if your date of birth is after December 31, 1959), if later.

If your designated beneficiary is not an individual or a qualified trust, your IRA must be distributed by the end of the fifth calendar year following your death.

Generally, each beneficiary may elect the timing and manner regarding the distribution of their portion of the IRA. Elections must generally be made by December 31 of the year following your death. If timely elections are not made, your beneficiary is required to take distributions according to the applicable default provision. The default distribution option for designated beneficiaries who are individuals is the life expectancy option and the default distribution option for designated beneficiaries that are not individuals is the 5-year rule.

If your surviving spouse is the sole designated beneficiary of your IRA, they may treat your IRA as their own IRA by redesignating your IRA as their own IRA, failing to take a required distribution as a beneficiary, or by making a contribution. Regardless of whether your spouse is the sole designated beneficiary, they may roll distributions from your IRA into their own IRA generally within 60 days of receipt. Additional restrictions may apply.

Pursuant to the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act), certain beneficiaries taking distributions in accordance with the 5-year rule are afforded an extra year to complete distribution from the Inherited IRA.

**If You Die on or After April 1 Following the Year You Attain Age 70½.** If you die on or after April 1 following the year you attain age 70½, the designated beneficiary(ies) must continue taking distributions from your IRA. The time frame for receiving payouts is the longer of the remaining single life expectancy of the applicable designated beneficiary or your remaining single life expectancy factor determined as of the year of your death. Distributions must commence by December 31 of the calendar year following your death. If your designated beneficiary is not an individual or a qualified trust, your IRA must be distributed using your single life expectancy (had you not died) reduced by one each year. Your beneficiary(ies) must withdraw your required minimum distribution for the year of your death if you do not withdraw it before your death.

If your surviving spouse is the sole designated beneficiary of your IRA, they may treat your IRA as their own IRA by redesignating your IRA as his or her own IRA, failing to take a required distribution as a beneficiary, or by making a contribution. Regardless of whether your spouse is the sole designated beneficiary, they may roll distributions from your IRA into their own IRA generally within 60 days of receipt. Additional restrictions may apply.

**Excess Accumulation Penalty.** If your beneficiary does not withdraw the amount required to be distributed each year on or before December 31, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed as required. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with their payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited IRA no later than the applicable deadline. The applicable deadline by which the Inherited IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary's death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited IRA may result in an excess accumulation penalty.

## **BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER ON OR AFTER JANUARY 1, 2020**

Any amounts remaining in your IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** In general, distributions from your Traditional IRA to your beneficiary are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, your beneficiary should consult their tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B. Distributions withdrawn by your beneficiary from the Inherited IRA are not subject to the 10% early distribution penalty tax.

**Beneficiary Distribution Requirements.** If you die on or after January 1, 2020, how quickly the assets must be withdrawn from the Traditional IRA by your beneficiary depends on the beneficiary type (i.e., an eligible designated beneficiary, an individual that is not an eligible designated beneficiary, a nonperson beneficiary such as a charity or other entity, or a trust beneficiary) and the timing of your death (i.e., before your required beginning date, or on/after your required beginning date).

#### Beneficiary Types

<b>Eligible Designated Beneficiary</b>	Eligible designated beneficiary status is determined on the date of your death. The following types of designated beneficiaries generally qualify as an eligible designated beneficiary: your spouse, a disabled individual (as defined under Code section 72(m) and Regulations), a chronically ill individual as defined in Code section 401(a)(9)(E)(ii)(IV) and Regulations, your child who has not attained age 21, or an individual who was not born more than 10 years after your date of birth. For a disabled or chronically ill individual to be considered an eligible designated beneficiary documentation of the disability or chronic illness must be received by the Custodian no later than October 31 of the calendar year following your death. Such documentation requirements are also applicable to qualified see-through trusts whose beneficiaries include disabled and/or chronically ill individuals. If such documentation is not received by the applicable deadline, such disabled or chronically ill individuals are noneligible designated beneficiaries.
<b>Noneligible Designated Beneficiary</b>	Noneligible designated beneficiary is any individual who is not an eligible designated beneficiary.
<b>Nonperson Beneficiary</b>	Nonperson beneficiaries include nonqualified trusts (i.e., trusts that are not qualified see-through trusts), estates, charities, and other nonperson entities.
<b>Qualified See-Through Trust Beneficiary</b>	A qualified see-through trust beneficiary, as defined under Regulations, is a trust that is valid under state law (or would be valid but for the fact that there is no corpus), is irrevocable (or becomes irrevocable upon your death) and has identifiable beneficiaries. In addition, to be considered a qualified see-through trust, required trust documentation must be provided to the Custodian no later than October 31 of the year following the year of your death.

#### Beneficiary Distribution Requirements – Death Before Required Beginning Date

The chart below outlines the distribution requirements for each beneficiary type if you pass away before April 1 following the year for which you are required to begin taking required minimum distributions (RMDs). The information in the chart below assumes each beneficiary’s interest in the inherited IRA funds is separately accounted for according to the Regulations no later than December 31 of the year following the year of your death. The beneficiary distribution options and/or requirements outlined below may be restricted, accelerated, or modified if separate accounting of each beneficiary’s share is not completed by such deadline. Such beneficiaries should consult with their tax and legal counsel for advice on required distributions from the inherited IRA funds.

<b>Eligible Designated Beneficiary (Spouse)</b>	<p>Your spouse beneficiary may continue to maintain the inherited IRA funds in an Inherited IRA or may choose to move the inherited IRA funds to an IRA of their own through a direct transfer (if eligible) or a rollover.</p> <p><b>Spouse Move to Own IRA.</b> Your spouse beneficiary may choose to move the inherited IRA funds to their own IRA through a direct transfer (if eligible) or a rollover. If your spouse beneficiary moves the inherited funds into an IRA of their own, they will generally be subject to required minimum distribution rules as the IRA owner.</p> <p>In a transfer, IRA funds are moved directly from the Inherited IRA to your spouse’s own IRA. The deadline for your spouse to transfer the inherited funds to their own IRA is <i>the later of</i> December 31 of the year following your death, or December 31 of the year your spouse attains the applicable age. Your spouse’s applicable age is</p> <ul style="list-style-type: none"> <li>• age 70½, if their date of birth is June 30, 1949, or earlier,</li> <li>• age 72, if their date of birth is after June 30, 1949, but before January 1, 1951,</li> <li>• age 73, if their date of birth is after December 31, 1950, but before January 1, 1960, or</li> <li>• age 75 if their date of birth is January 1, 1960, or later.</li> </ul> <p>In a rollover, your spouse beneficiary withdraws the inherited funds and then subsequently deposits the funds into their own IRA as a rollover contribution, generally within 60 days. Your spouse beneficiary may choose to roll over the inherited IRA funds to their own IRA at any time, so long as rollover eligibility requirements are satisfied. <b>Note:</b> Your spouse beneficiary may not roll over any required distributions (including hypothetical RMD amounts).</p> <p>If your spouse beneficiary fails to take a required distribution from the inherited IRA funds or contributes additional funds to the Inherited IRA, such IRA will automatically become your spouses’ own IRA.</p> <p><b>Inherited IRA Distribution Requirements.</b> If your death is before your required beginning date and your spouse chooses to leave the inherited funds in an Inherited IRA, your spouse beneficiary may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your spouse beneficiary to make the election between the 10-Year Rule and Life Expectancy Payment options is generally December 31 of the year following your year of death. However, if you pass away prior to the year in which you attain a certain applicable age (based on your date of birth), your spouse beneficiary will typically have until the earlier of December 31 of year you would have attained the applicable age or December 31 of the tenth calendar year following your death. If your spouse does not make an election by the deadline, your spouse will be required to take distributions according to the Life Expectancy Payments option. For purposes of this deadline, the applicable age (based on your date of birth) is</p> <ul style="list-style-type: none"> <li>• age 72, if you were born before January 1, 1951,</li> <li>• age 73 if you were born after December 31, 1950, and before January 1, 1960, or</li> </ul>
---	--

	<ul style="list-style-type: none"> <li>• age 75 if you were born after December 31, 1959.</li> </ul> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following your death. If your spouse beneficiary elects to take distributions from the Inherited IRA in accordance with the 10-Year Rule, because your death is before your required beginning date, they are not subject to a distribution requirement each year.</p> <p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your spouse beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. However, if your surviving spouse is your sole designated beneficiary, they may generally elect to delay the first distribution until the year you would have been required to begin taking RMDs from a Traditional IRA. The life expectancy payment is the required minimum amount to be withdrawn each year; your spouse beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<b>Eligible Designated Beneficiary (Nonspouse)</b>	<p>If you pass away before your required beginning date, your nonspouse beneficiary who qualifies as an eligible designated beneficiary (nonspouse) may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your eligible designated beneficiary (nonspouse) to elect between the 10-Year Rule and Life Expectancy Payments options is December 31 of the calendar year following your death. If your beneficiary does not make an election by the deadline, your beneficiary will be required to take minimum distributions each year in accordance with the Life Expectancy Payments option.</p> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following your death. If an eligible designated beneficiary elects to take distributions from the Inherited IRA in accordance with the 10-Year Rule, because your death is before your required beginning date, they are not subject to a distribution requirement each year.</p> <p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. To determine the minimum required distribution amount for a given year, the IRA balance (i.e., generally the fair market value of the Inherited IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator is derived from the Single Life Expectancy table. For the first distribution year, the life expectancy used is the single life expectancy that corresponds to the age the beneficiary attains on their birthday in the calendar year following the year of your death. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The life expectancy payment is the required minimum amount to be withdrawn each year; the eligible designated beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>If your child, who is under age 21 at the time of your death, elects to take distributions in accordance with the Life Expectancy Payments option, they must generally deplete the entire Inherited IRA by December 31 of year they attain age 31. However, this deadline does not apply if your child is disabled or chronically at the time of your death and required documentation is provided to the IRA Custodian by the applicable deadline.</p>
<b>Noneligible Designated Beneficiary</b>	<p>If you pass away before your required beginning date, your noneligible designated beneficiary is required to take distribution of the Inherited IRA under the 10-Year Rule. The 10-Year Rule requires depletion of the inherited IRA funds by the end of the tenth calendar year following the year of your death. During the 10-year period they are not subject to a distribution requirement each year because your death is before your required beginning date.</p>
<b>Nonperson Beneficiary</b>	<p>Your nonperson beneficiary is required to take distribution of the Inherited IRA under the 5-Year Rule. The 5-Year Rule requires depletion of the Inherited IRA by the end of the fifth calendar year following your death. Nonperson beneficiaries taking distributions in accordance with the 5-Year Rule are not subject to a distribution requirement each year.</p>
<b>Qualified See-Through Trust Beneficiary</b>	<p>Your qualified see-through trust beneficiary must deplete the Inherited IRA in accordance with the Code and Treasury Regulations under either the 10-Year Rule or, if applicable, under the Life Expectancy Payments option. Beneficiary distribution requirements for a qualified see-through trust are dependent on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries. Trustees of a trust named as an IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.</p>

#### **Beneficiary Distribution Requirements – Death On/After Required Beginning Date**

If you pass away on or after your required beginning date, in addition to the distribution requirements outlined below, your beneficiary(ies) must also withdraw a distribution in the year of your death if you did not withdraw your required minimum distribution (RMD) before your death.

The chart below outlines the distribution requirements for each beneficiary type if you pass away on or after April 1 following the year for which you are required to begin taking required minimum distributions (RMDs). The information in the chart below assumes each beneficiary's interest in the inherited IRA funds is separately accounted for according to the Regulations no later than December 31 of the year following the year of your death. The beneficiary distribution options and/or requirements outlined below may be restricted, accelerated, or modified if separate accounting of each beneficiary's share is not completed by such deadline. Such beneficiaries should consult with their tax and legal counsel for advice on required distributions from the inherited IRA funds.

<b>Eligible Designated Beneficiary (Spouse)</b>	<p>Your spouse beneficiary may continue to maintain the inherited IRA funds in an Inherited IRA or may choose to move the inherited IRA funds to an IRA of their own through a direct transfer (if eligible) or a rollover.</p> <p><b>Spouse Move to Own IRA.</b> Your spouse beneficiary may choose to move the inherited IRA funds to their own IRA through a direct transfer (if eligible) or a rollover. If your spouse beneficiary moves the inherited funds into an IRA of their own, they will generally be subject to required minimum distribution rules as the IRA owner.</p>
---	---



	<p>In a transfer, IRA funds are moved directly from the Inherited IRA to an IRA of your spouse's own. The deadline for your spouse to transfer the inherited funds to their own IRA is <b>the later of</b> December 31 of the year following your death, or December 31 of the year your spouse attains the applicable age. Your spouse's applicable age is</p> <ul style="list-style-type: none"> <li>• age 70½, if their date of birth is June 30, 1949, or earlier,</li> <li>• age 72, if their date of birth is after June 30, 1949, but before January 1, 1951,</li> <li>• age 73, if their date of birth is after December 31, 1950, but before January 1, 1960, or</li> <li>• age 75 if their date of birth is January 1, 1960, or later.</li> </ul> <p>In a rollover, your spouse beneficiary withdraws the inherited funds and then subsequently deposits the funds into their own IRA as a rollover contribution, generally within 60 days. Your spouse beneficiary may choose to roll over the inherited IRA funds to their own IRA at any time, so long as rollover eligibility requirements are satisfied. <b>Note:</b> Your spouse beneficiary may not roll over any required distributions (including hypothetical RMD amounts).</p> <p>If your spouse beneficiary fails to take a required distribution from the inherited IRA funds or contributes additional funds to the Inherited IRA, such IRA will automatically become your spouses' own IRA.</p> <p><b>Inherited IRA Distribution Requirements.</b> If your spouse beneficiary chooses to leave the inherited funds in an Inherited IRA, they must take a required minimum distribution (RMD) each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the IRA balance (i.e., generally the fair market value of the Inherited IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. While your spouse is alive, the applicable denominator is the <b>longer of</b> the single life expectancy that corresponds to the age your spouse attains on their birthday in the distribution year, or the single life expectancy that corresponds to your age on your birthday in the year of death, reduced by one for each calendar year that has elapsed after the year of your death.</p> <p>The RMD is the minimum amount that must be withdrawn each year; your spouse beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<p><b>Eligible Designated Beneficiary (Nonspouse)</b></p>	<p>If you pass away on or after your required beginning date, your nonspouse beneficiary who qualifies as an eligible designated beneficiaries (nonspouse) must take a required minimum distribution (RMD) each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the IRA balance (i.e., generally the fair market value of the Inherited IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD for the is derived from the Single Life Expectancy table. For the first distribution year, the applicable denominator is the <b>longer of</b> the single life expectancy that corresponds to the age the beneficiary attains on their birthday in the distribution year, or the single life expectancy that corresponds to your age on your birthday in the year of death, reduced by one. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The required minimum distribution is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>If the eligible designated beneficiary is your child who was not yet 21 years of age when you passed away, in addition to taking the RMDs each year, they must also generally deplete the entire Inherited IRA by December 31 of year they attain age 31. However, this deadline does not apply if your child is disabled or chronically at the time of your death and required documentation is provided to the IRA Custodian by the applicable deadline.</p>
<p><b>Noneligible Designated Beneficiary</b></p>	<p>If you pass away on or after your required beginning date, your noneligible designated beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the IRA balance (i.e., generally the fair market value of the Inherited IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. For the first distribution year, the applicable denominator is the single life expectancy that corresponds to the age the beneficiary attains on their birthday in that calendar year. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>In addition to withdrawing the RMD each year, the noneligible designated beneficiary is also required to withdraw the entire interest in the Inherited IRA no later than December 31 of the 10<sup>th</sup> calendar year following your death.</p>
<p><b>Nonperson Beneficiary</b></p>	<p>If you pass away on or after your required beginning date, your nonperson beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the IRA balance (i.e., generally the fair market value of the Inherited IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. For the first distribution year the applicable denominator is the single life expectancy that corresponds to your age on your birthday in the year of your death, reduced by one. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<p><b>Qualified See-Through</b></p>	<p>If you pass away on or after your required beginning date, your qualified see-through trust beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. How the</p>

<b>Trust Beneficiary</b>	<p>required minimum amount is calculated is dependent on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>Depending on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries, the qualified see-through trust beneficiary may also be required to withdraw the entire interest in the Inherited IRA by December 31 of the 10<sup>th</sup> calendar year following your death.</p> <p>Trustees of a trust named as an IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.</p>
--------------------------	--

**Excess Accumulation Penalty.** If your beneficiary (excluding your spouse beneficiary) does not withdraw the amount required to be distributed for a given year, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. The correction window begins on the date the excess accumulation penalty is incurred and, generally, ends on the last day of the second tax year following year in which the penalty was incurred. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

Effective January 1, 2022, a beneficiary (excluding your spouse beneficiary) who fails to withdraw an amount by December 31 of the year of your death equal to the amount of your required minimum distribution that you did not withdraw before your death, may qualify for an automatic waiver from the excess accumulation penalty. To qualify for the automatic waiver, the beneficiary must withdraw the required amount no later than the beneficiary's tax filing deadline (including extensions) for the tax year of the missed distribution.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited IRA by the applicable deadline. The applicable deadline by which the Inherited IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary's death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited Traditional IRA may result in an excess accumulation penalty as described above.

## WITHHOLDING

Nonperiodic distributions from your IRA are generally subject to 10% federal income tax withholding. You may elect not to have withholding apply to your IRA distribution in most cases or elect another amount. Any amounts withheld are remitted to federal depositories as prepayment of your federal income tax liability. If you elect not to have withholding applied, or if you do not have enough federal income tax withheld from your IRA distribution, you may be responsible for payment of estimated tax. You may be subject to penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. In addition to federal income tax withholding, distributions from IRAs may also be subject to state income tax withholding.

## CORRECTION OF EXCESS CONTRIBUTIONS

Any amount you contribute for a tax year that exceeds the allowable contribution amount is an excess contribution and subject to a 6% penalty tax each year it remains in the IRA. You may avoid the penalty tax if you remove the excess contribution along with the net income attributable to the excess before your tax return due date, plus extensions. For assistance in calculating the net income attributable to an excess contribution using an IRS-approved method, refer to Treasury Regulation 1.408-11, IRS Publication 590-A and your tax advisor. The net income must be included in your taxable income.

To correct an excess contribution after your tax filing due date (plus extensions), you may withdraw the excess amount (no earnings need to be withdrawn.) Alternatively, if you are eligible to contribute for a subsequent year, you may correct the excess amount by redesignating the amount to a subsequent year. To redesignate a contribution, you under contribute for a subsequent year and claim the original contribution amount when you file your income taxes for that subsequent year. The original amount is either deducted on Form 1040 or claimed as a nondeductible contribution on Form 8606. Regardless of which method you use to correct the excess after your tax return due date, plus extensions, the 6% penalty is required for each year it remained in the IRA as an excess contribution.

## PROHIBITED TRANSACTIONS

If you (or your beneficiary(ies) when you die) engage in a prohibited transaction with your IRA, the entire IRA will be disqualified and treated as a distribution. If you are under the age of 59½, the 10% early distribution penalty tax may apply. Prohibited transactions are defined in Code section 4975. Examples include borrowing money from the IRA, selling property to the IRA, receiving unreasonable compensation for managing the IRA, or buying property with IRA funds for your personal use.

## USING YOUR IRA AS SECURITY FOR A LOAN

If you (or your beneficiary(ies) when you die) pledge all or part of your IRA as security for a loan, the amount pledged is treated as a distribution. If you are under the age of 59½, the amount pledged may also be subject to the 10% early distribution penalty tax.

## INHERITED IRA

**Contributions to Inherited IRA.** Eligible rollover distributions from a deceased participant's qualifying employer retirement plan(s) may be directly rolled over by a spouse, nonspouse or qualified trust beneficiary to an Inherited IRA. Rollovers to an Inherited IRA must be sent directly from the plan administrator to the Inherited IRA Custodian. Qualifying employer retirement plans include qualified plans (e.g., 401(k)) plans or profit-sharing plans), governmental 457(b) plans, the Federal Thrift Savings Plan, 403(b) arrangements and 403(a) arrangements. Amounts that may not be rolled over include any required minimum distributions. In the cases of an overpayment that has been directly rolled over to an Inherited IRA, the Inherited IRA owner is typically eligible to contest the plan sponsor's recoupment effort of such overpayment. While the Inherited IRA owner contests the efforts to recoup, the Custodian will retain the contested assets pending the outcome of the procedures and, in the event the payment is found to be an overpayment, return such overpayment to the distributing plan.

Except for employer retirement plan to Inherited IRA rollovers, Inherited IRA to Inherited IRA transfers and certain recharacterized contributions from Inherited Roth IRAs, no other contribution types are allowed to be contributed to the Inherited IRA, unless defined as allowable under the Code or Regulations.

**Distributions to Inherited IRA Owners.** Beneficiary payouts from Inherited IRAs must continue as required by the Code and Regulations. See, "BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER BEFORE JANUARY 1, 2020" and "BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER ON OR AFTER JANUARY 1, 2020" in this document for more information.

## MISCELLANEOUS

**Disaster Relief.** If you are affected by certain federally declared disasters, you may be eligible for extended deadlines to complete certain time-sensitive acts (e.g., IRA contributions, rollovers, recharacterizations or correction of certain excess contributions). For detailed information about special IRA rules related to specific federally declared disasters, refer to Treasury Regulation 301.7508A-1(c)(1) Revenue Procedure 2018-58, or the IRS website at [www.irs.gov](http://www.irs.gov).

**Nonforfeitable.** Your interest in your IRA is nonforfeitable at all times.

**Custodian.** The Custodian of your IRA must be a bank, a federally insured credit union, a savings and loan association, a corporation that is incorporated under the laws that it is domiciled and is subject to supervision and examination by the Commissioner of Banking or other officer of such State in charge of the administration of the banking laws of such State or an entity approved by the IRS to act as custodian.

**Investment Restrictions.** Money in your IRA may not be used to buy a life insurance policy or invested in collectibles as defined in Code section 408(m). However, certain gold, silver and platinum coins, bullion and coins issued under state laws are allowable investments.

**No Commingling.** Assets in your IRA may not be combined with other property, except in a common trust fund or common investment fund.

**Beneficiary Designation.** You may designate a beneficiary for your IRA by completing a written designation in a form and manner acceptable to the Custodian. When you die, the proceeds of your IRA will be paid to your beneficiary(ies). If you do not designate a beneficiary, your IRA will be paid to your spouse, if married, or if there is no surviving spouse, to your estate.

**Tax-Deferred Earnings.** The earnings on your IRA balance accumulate tax-deferred meaning they are not taxable until distributed from your IRA.

**Estate Tax.** Generally, for federal estate tax purposes, your IRA assets are includable in your gross estate when you die. Consult your tax and/or legal advisors for specific guidance.

**Tax Filing.** You are responsible for filing the applicable IRS forms to report certain activities, taxable income and/or penalties associated with your IRA.

**IRS Form.** This IRA uses the precise language of Articles I-VII of IRS Form 5305-A, and therefore Articles I-VII are treated as approved by the IRS. Additional language has been included as permitted by such form. The IRS approval represents a determination as to form and not to the merits of the account.

**Additional Information.** Additional information about the rules and options regarding your IRA may be found in IRS Publication 590-A, Publication 590-B, the instructions to the IRS forms and on the IRS website at [www.irs.gov](http://www.irs.gov).

# Roth Individual Retirement Custodial Account

(Under section 408A of the Internal Revenue Code)

Form 5305-RA (Rev. April 2017) Department of the Treasury, Internal Revenue Service. Do not file with the Internal Revenue Service.

The Depositor named on the *Roth IRA Application* is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the *Roth IRA Application* has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor assigned the Custodial IRA the amount indicated on the *Roth IRA Application*. The Depositor and the Custodian make the following Agreement:

## ARTICLE I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a Depositor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married Depositor filing jointly, between AGI of \$186,000 and \$196,000; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

## ARTICLE III

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

## ARTICLE IV

1. No part of the Custodial Account funds may be invested in life insurance contracts, nor may the assets of the Custodial Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the Custodial Account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

## ARTICLE V

1. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting 1 from the divisor for each subsequent year.
3. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

## ARTICLE VI

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

## ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related Regulations, and other published guidance will be invalid.

## ARTICLE VIII

This Agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

## ARTICLE IX

### 1. Definitions.

**Agreement.** Agreement means the Roth IRA Custodial Agreement (IRS Form 5305-RA), Application, Disclosure Statement, Financial Disclosure and accompanying documentation. The Agreement may be amended from time to time as provided in Article VIII.

**Application.** Application means the legal document that establishes this Roth IRA after acceptance by the Custodian by signing the Application. The information and statements contained in the Application are incorporated into this Roth IRA Agreement.

**Authorized Agent.** Authorized Agent means the individual(s) appointed in writing by the Depositor (or by the beneficiary following the Depositor's death) authorized to perform the duties and responsibilities set forth in the Agreement on behalf of the Depositor.

**Code.** Code means the Internal Revenue Code.

**Custodial Account.** Custodial Account means the type of legal arrangement whereby the Custodian is a qualified financial institution that agrees to maintain the Custodial Account for the exclusive benefit of the Depositor and the Depositor's beneficiaries.

**Custodian.** The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian.

**Depositor.** The Depositor is the person who establishes the Custodial Account. In the case of an Inherited Roth IRA, the Depositor is the original owner of the inherited assets.

**Inherited Roth IRA.** An IRA which is designated at the time of establishment of the plan as a Roth IRA and is maintained for the benefit of a beneficiary/Inherited Roth IRA Owner who has acquired such assets by reason of death of an individual. The Inherited Roth IRA must identify both the deceased individual and the beneficiary/Inherited IRA Owner.

**Inherited Roth IRA Owner.** Inherited Roth IRA Owner means the individual for whose benefit the account is maintained as a result of acquiring such assets by reason of the death of another individual.

**Regulations.** Regulations mean the U.S. Treasury Regulations.

2. **Depositor's Responsibilities.** All information that the Depositor has provided or will provide to the Custodian under this Agreement is complete and accurate and the Custodian may rely upon it. The Depositor will comply with all legal requirements governing this Agreement and assumes all responsibility for his or her actions including, but not limited to eligibility determination, contributions, distributions, penalty infractions, proper filing of tax returns and other issues related to activities regarding this Agreement. The Depositor will have 30 days after the receipt of any documents, statements, or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the Depositor does not notify the Custodian within 30 days, the documents, statements, or other information will be deemed correct and accurate, and the Custodian will have no further liability or obligation for such documents, statements, other information, or the transactions described therein. The Depositor will provide to the Custodian the information the Custodian believes appropriate to comply with the requirements of Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. PATRIOT) Act of 2001. The Depositor will pay the Custodian reasonable compensation for its services, as disclosed in the applicable fee schedules.

3. **Investment Responsibilities.** All investment decisions are the sole responsibility of the Depositor and the Depositor is responsible to direct the Custodian in writing, or other acceptable form and manner authorized by the Custodian, regarding how all amounts are to be invested. Subject to the policies and practices of the Custodian, the Depositor may delegate investment authority by appointing an Authorized Agent in writing in a form and manner acceptable to the Custodian. Upon receipt of instructions from the Depositor and proof of acceptance by the Authorized Agent, the Custodian will accept investment direction and may fully rely on those instructions as if the Custodian had received the instructions from the Depositor.

The Custodian will determine the investments available within the Custodial Account. All transactions shall be subject to any and all restrictions that are imposed by the Custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; the Custodian's policies and practices; and this Agreement. The Custodian may change its investment options from time to time and the Depositor may move his or her monies in the Custodial Account to different investments. Any investment changes within the Custodial Account are subject to the terms and conditions of the investments, including but not limited to minimum deposit requirements and early redemption penalties.

The Custodian will not provide any investment direction, suitability recommendations, tax advice, or any other investment guidance. Further, the Custodian has no duty to question the investment directions provided by the Depositor or any issues relating to the management of the Custodial Account. The Depositor will indemnify and hold the Custodian harmless from and against all costs and expenses (including attorney's fees) incurred by the Custodian in connection with any litigation regarding the investments within the Custodial Account where the Custodian is named as a necessary party.

The Custodian will promptly execute investment instructions received from the Depositor if the instructions are in a form and manner acceptable to the Custodian. If the Custodian determines the instructions from the Depositor are unclear or incomplete, the Custodian may request additional instructions. Until clear instructions are received, the Custodian reserves the right, in good faith, to leave the contribution uninvested, place the contribution in a holding account (e.g., a money market account), or return the contribution to the Depositor. The Custodian will not be liable for any investment losses due to such delays in receiving clear investment instructions. Further, the Depositor will indemnify and hold the Custodian harmless for any adverse consequences or losses incurred from the Custodian's actions or inactions relating to the investment directions received from the Depositor or Authorized Agent.

The Depositor will not engage in transactions not permitted under the Agreement, including, but not limited to, the investment in collectibles or life insurance contracts, or engage in a prohibited transaction under Code section 4975.

- 4. Beneficiary Designation.** The Depositor has the right to designate any person(s) or entity(ies) as primary and contingent beneficiaries by completing a written designation in a form and manner acceptable to the Custodian filed with the Custodian during the Depositor's lifetime. Unless otherwise indicated, all subsequent beneficiary designations revoke all prior designations.

If the Depositor is married and subject to the marital or community property laws that require the consent of the Depositor's spouse to name a beneficiary other than or in addition to such spouse, the Depositor understands that he or she is responsible for any and all tax and legal ramifications and he or she should consult a competent tax and/or legal advisor before making such designation.

Unless indicated otherwise in a form and manner acceptable to the Custodian, upon the Depositor's death, the Custodial Account will be paid to the surviving primary beneficiaries in equal shares. If no primary beneficiaries survive the Depositor, the Custodial Account will be paid to surviving contingent beneficiaries in equal shares unless indicated otherwise. If no primary or contingent beneficiaries survive the Depositor or if the Depositor fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Depositor's estate following the Depositor's death.

If the Custodian and applicable laws and Regulations so permit, the right to designate any person(s) and entity(ies) as primary and contingent beneficiaries also extends to the Inherited Roth IRA Owner following the Depositor's death. Unless otherwise indicated, each beneficiary designation filed with the Custodian by the Inherited Roth IRA Owner will cancel all previous designations. Any successor beneficiary so named by the Inherited Roth IRA Owner will be entitled to the proceeds of the Custodial Account if the Inherited Roth IRA Owner dies before receiving his or her entire interest in the Inherited Roth IRA. A designation of successor beneficiaries submitted by the Inherited Roth IRA Owner must be in writing in a form and manner acceptable to the Custodian filed with the Custodian during the lifetime of the Inherited Roth IRA Owner. If no primary or contingent beneficiaries survive the Depositor or if the Depositor fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Depositor's spouse, if married, or if there is no surviving spouse, to the Depositor's estate.

No payment will be made to any beneficiary until the Custodian receives appropriate evidence of the Depositor's (or, if applicable, Inherited Roth IRA owner's) death as determined by the Custodian.

If a beneficiary is a minor, the Custodian is relieved of all its obligations as Custodian by paying the Custodial Account to the minor's parent or legal guardian upon receiving written instructions from such parent or legal guardian.

The Depositor represents and warrants that all beneficiary designations meet the applicable laws. The Custodian will exercise good faith in distributing the Custodial Account consistent with the beneficiary designation. The Depositor, for the Depositor and the heirs, beneficiaries and estate of the Depositor agrees to indemnify and hold the Custodian harmless against any and all claims, liabilities and expenses resulting from the Custodian's payment of the Custodial Account in accordance with such beneficiary designation and the terms of the Agreement.

- 5. Distributions.** Distributions may be requested from the Custodial Account by delivering a request to the Custodian in a form and manner acceptable to the Custodian. The Custodian is not obligated to distribute the Custodial Account unless it is satisfied it has received the required information to perform its administrative and legal reporting obligations. Required information includes, but is not limited to, taxpayer identification number, distribution reason, and proof of identity. Distributions will be subject to all applicable tax, penalty and withholding requirements.
- 6. Amendments and Termination.** The Custodian may amend this Agreement at any time to comply with legal and regulatory changes and to modify the Agreement as the Custodian determines advisable. Any such amendment will be sent to the Depositor at the last known address on file with the Custodian. The amendment will be effective on the date specified in the notice to the Depositor. At the Depositor's discretion, the Depositor may direct that the Custodial Account be transferred to another trustee or custodian. The Custodian will not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Depositor may terminate this Agreement at any time by providing a written notice of such termination to the Custodian in a form and manner acceptable to the Custodian. As of the date of the termination notice, the Custodian will no longer accept additional deposits under the Agreement. Upon receiving a termination notice, the Custodian will continue to hold the assets and act upon the provisions within the Agreement until the Depositor provides additional instructions. If no instructions are provided by the Depositor to the Custodian within 30 days of the termination notice, and unless the Custodian and Depositor agree in writing otherwise, the Custodian will distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Depositor. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Custodian may resign at any time by providing 30 days written notice to the Depositor. Upon receiving such written notice, the Depositor will appoint a successor trustee or custodian in writing. Upon such appointment and upon receiving acknowledgement from the successor trustee or custodian of acceptance of the Custodial Account, the Custodian shall transfer the Custodial Account, less any applicable fees or penalties, to the successor trustee or custodian. If no successor trustee or custodian is appointed and no distribution instructions are provided by the Depositor, the Custodian may, in its own discretion, select a successor trustee or custodian and transfer the Custodial Account, less any

applicable fees or penalties, or may distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Depositor. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

By establishing an individual retirement account with the Custodian, the Depositor agrees to substitute another custodian or trustee in place of the existing Custodian upon notification by the Commissioner of the Internal Revenue Service or his or her delegate, that such substitution is required because the Custodian has failed to comply with the requirements of the Internal Revenue Code by not keeping such records, or making such returns or rendering such statements as are required by the Internal Revenue Code, or otherwise.

- 7. Instructions, Changes of Addresses and Notices.** The Depositor is responsible to provide any instructions, notices, or changes of address in writing to the Custodian. Such communications will be effective upon actual receipt by the Custodian unless otherwise indicated in writing by the Depositor. Any notices required to be sent to the Depositor by the Custodian will be sent to the last address on file with the Custodian and are effective when mailed unless otherwise indicated by the Custodian. If authorized by the Custodian and provided by the Depositor in the Application, Custodial Account Agreement or other documentation deemed acceptable to the Custodian, an electronic address is an acceptable address to provide and receive such communications. . To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, telephonic and electronic mediums.
- 8. Fees and Charges.** The Custodian reserves the right to charge fees for performing its duties and meeting its obligations under this Agreement. All fees, which are subject to change from time to time, will be disclosed on the Custodian's fee schedule or other disclosure document provided by the Custodian. The Custodian will provide the Depositor 30 days written notice of any fee changes. The Custodian will collect all fees from the cash proceeds in the Custodial Account. If there is insufficient cash in the Custodial Account, the Custodian may liquidate investments, at its discretion, to satisfy fee obligations associated with the Agreement. Alternatively, if the Custodian so authorizes and if separate payment of fees or other expenses is permissible under applicable federal and/or state laws, the fees may be paid separately outside of the Custodial Account. If the Custodian offers investments other than depository products, the Depositor recognizes that the Custodian may receive compensation from other parties. The Depositor agrees to pay the Custodian a reasonable charge for distribution from, transfers from, and terminations of this IRA. The Depositor agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with this Agreement. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind that may be levied or assessed with respect to such Custodial Account. The Depositor shall be responsible for any deficiency. If for any reason the Custodian is not certain as to who is entitled to receive all or part of the IRA, the Custodian reserves the right to withhold any payment from the IRA, to request a court ruling to determine the disposition of the IRA assets, and to charge the IRA for any expenses incurred in obtaining such legal determination.
- 9. Transfers and Rollovers.** The Custodian may accept transfers and rollovers to this Custodial Account from other eligible IRAs and employer plans. The Depositor represents and warrants that only eligible transfers and rollovers will be made to the Custodial Account. The Custodian reserves the right to refuse any transfer or rollover and is under no obligation to accept certain investments or property it cannot legally hold or determines is an ineligible investment in the Custodial Account. The Custodian will duly act on written instructions from the Depositor received in a form and manner acceptable to the Custodian to transfer the Custodial Account to a successor trustee or custodian. The Custodian is not liable for any actions or inactions by any predecessor or successor trustee or custodian or for any investment losses resulting from the timing of or sale of assets resulting from the transfer or rollover.
- 10. Beneficiary's (and Inherited Roth IRA Owner's) Rights.** Except as otherwise provided in this Agreement or by applicable law or Regulations, all rights, duties, obligations, and responsibilities of the Depositor under the Agreement will extend to the Depositor's beneficiary(ies) following the death of the Depositor and to the Inherited Roth IRA Owner who establishes the Roth IRA as an Inherited Roth IRA.

Except for eligible transfers of Roth IRA assets acquired by reason of death of the same Depositor or a direct rollover described in Code section 402(c)(11) by an Inherited Roth IRA Owner, beneficiary(ies)/Inherited Roth IRA Owners are prohibited from contributing to the Custodial Account, unless defined as allowable under the Code or Regulations.

Following the death of the Depositor, beneficiary(ies)/Inherited Roth IRA Owners must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement. Following the death of the Inherited Roth IRA owner, successor beneficiaries must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA. The procedures your surviving spouse must follow to treat your Roth IRA as his or her own depend on whether your surviving spouse is your sole designated beneficiary. Your surviving spouse beneficiary will also be entitled to the additional beneficiary distribution options as prescribed by the Code or Regulations.

The Custodian will not be liable for, and the beneficiary(ies)/Inherited Roth IRA Owner will indemnify and hold the Custodian harmless from any adverse consequences and/or penalties resulting from the beneficiary(ies)'s/Inherited Roth IRA Owner's actions or inactions (including errors in calculations resulting from reliance on information provided by the beneficiary(ies)/Inherited Roth IRA Owner) with respect to determining required distributions.

#### **11. Miscellaneous.**

**Reliance and Responsibilities.** The Depositor acknowledges that he or she has the sole responsibility for any taxes, penalties or other fees and expenses associated with his or her actions or inactions regarding the laws, Regulations and rules associated with this Agreement. Further, the Depositor acknowledges and understands that the Custodian will act solely as an agent for the Depositor and bears no fiduciary responsibility. The Custodian will rely on the information provided by the Depositor and has no duty to question or independently verify or investigate any such information. The Depositor will indemnify and hold the Custodian harmless from any liabilities, including claims, judgments, investment

losses, and expenses (including attorney's fees), which may arise under this Agreement, except liability arising from gross negligence or willful misconduct of the Custodian.

**Custodian Acquired/Merged.** If the Custodian is purchased by or merged with another financial institution qualified to serve as a trustee or custodian that institution will automatically become the trustee or custodian of this Roth IRA unless otherwise indicated.

**Maintenance of Records.** The Custodian will maintain adequate records and perform its reporting obligations required under the Agreement. The Custodian's sole duty to the Depositor regarding reporting is to furnish the IRS mandated reports as required in Article VI of this Agreement. The Custodian may, at its discretion, furnish additional reports or information to the Depositor. The Depositor approves any report furnished by the Custodian unless within 30 days of receiving the report the Depositor notifies the Custodian in writing of any discrepancies. Upon receipt of such notice, the Custodian's responsibility is to investigate the request and make any corrections or adjustments accordingly.

**Exclusive Benefit.** The Custodial Account is maintained for the exclusive benefit of the Depositor and his or her beneficiary(ies). Except as required by law, no creditors of the Depositor may at any time execute any lien, levy, assignment, attachment, or garnishment on any of the assets in the Custodial Account.

**Minimum Value.** The Custodian reserves the right to establish Roth IRA account minimums. The Custodian may resign or charge additional fees if the minimums are not met.

**Other Providers.** At its discretion, the Custodian may appoint other service providers to fulfill certain obligations, including reporting responsibilities, and may compensate such service providers accordingly. The Custodian may release nonpublic personal information regarding your Roth IRA to such providers as necessary to provide the products and services made available under this Agreement.

**Agreement.** This Agreement and all amendments are subject to all state and federal laws. The laws of the Custodian's domicile will govern should any state law interpretations be necessary concerning this Agreement.

**Severability.** If any part of this Agreement is invalid or in conflict with applicable law or Regulations, the remaining portions of the Agreement will remain valid.

## GENERAL INSTRUCTIONS

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Purpose of Form.** Form 5305-RA is a model Custodial Account Agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (Depositor or Inherited Roth IRA Owner) and the Custodian. This Account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

**Do not** file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the Depositor's gross income; and distributions after 5 years that are made when the Depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the Custodian must give the Depositor, see **Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs)**, and **Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs)**.

## SPECIFIC INSTRUCTIONS

**Article I.** The Depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, (2) the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

**Article V.** This article describes how distributions will be made from the Roth IRA after the Depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Depositor's intent. Under paragraph 3 of Article V, the Depositor's spouse is treated as the owner of the Roth IRA upon the death of the Depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

**Article IX.** Article IX and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the Agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc.



# Roth IRA Disclosure Statement

(Used with Form 5305-RA)

This Disclosure Statement provides a general review of the terms, conditions and federal laws associated with this Roth IRA (IRA). It is not intended to replace the advice of your own tax and legal advisors. You are encouraged to consult your advisors and/or your state taxing authority concerning any tax and/or compliance questions. You are responsible for complying with the laws that apply to this Roth IRA. The Custodian does not act as your advisor. In addition to the transactions outlined in this Roth IRA Disclosure Statement, the federal government may authorize permissible transactions from time to time. Unless expressly prohibited by the Custodian's policies, such additional federally authorized transactions are hereby incorporated by this reference. If this Roth IRA is established as an Inherited Roth IRA, refer to the "Inherited Roth IRA" section of this document for restrictions and limitations.

## RIGHT TO REVOKE YOUR ROTH IRA

As prescribed by the Code and Regulations, this Roth IRA may be revoked within seven (7) calendar days following the date the Roth IRA is established. Unless indicated otherwise, the Roth IRA is established on the date the Custodian signs the Application. To revoke this Roth IRA, you must provide a written notice to the Custodian at the address listed on the Application (or other address provided to you by the Custodian) that accompanies this Disclosure. The Custodian must receive your revocation notice no later than 7 days after the Roth IRA is established. If your revocation notice is mailed, it will be deemed received as of the postmark date.

If you revoke the Roth IRA within the 7-day revocation period, the Custodian is still required to report the contribution and the distribution to the IRS. If you revoke the Roth IRA within the revocation period, the Custodian will return to you the entire amount you contributed without deducting any administrative fees, penalties or investment losses.

## CONTRIBUTIONS

**Cash.** Except for certain rollovers and transfers, all contributions must be made in the form of money (e.g., cash, check or money order).

**Eligibility.** Regardless of your age, you may set up and contribute to your Roth IRA if you (or, if you file a joint federal income tax return, your spouse) received compensation during the year and if your modified adjusted gross income (MAGI) does not exceed the allowable limit. You are responsible for determining your eligibility to make Roth IRA contributions.

**Compensation.** For purposes of funding an IRA, compensation generally means monies earned from working, such as wages, salaries, tips, professional fees, bonuses and other amounts received from providing personal services. If you are self-employed, your compensation is your earned income. Taxable alimony received under a valid divorce decree or separate maintenance agreement is considered compensation. Nontaxable combat zone pay received by members of the armed forces is generally considered compensation. Compensation for the purpose of making Roth IRA contributions includes differential wage payments made by some employers to employees who have been called to active duty. For tax year 2020 and later years, compensation includes any amount which is included in your gross income that is paid to you for the pursuit of graduate or postdoctoral study. Compensation does not include investment earnings, pension or annuity income or other amounts you receive for which your services are not a material income-producing factor.

**MAGI Limits.** The allowable MAGI limits are listed below. Generally, as your MAGI increases, the maximum amount you are eligible to contribute to your Roth IRA decreases. If your MAGI does not exceed the lowest threshold for your tax filing status, you may be eligible to contribute the maximum amount to your Roth IRA. If your MAGI is equal to or exceeds the highest threshold for your tax filing status, you may not make a Roth IRA contribution. If your MAGI falls within the threshold range, the amount you may contribute to your Roth IRA is reduced (phased out).

**MAGI Limits for Roth IRA Contribution Eligibility**

Tax Filing Status	MAGI Thresholds
Married Filing Jointly*	\$218,000 - \$228,000 (2023) \$204,000 - \$214,000 (2022)
Single, Head of Household, Married Filing Separately (did not live together during the year)	\$138,000 - \$153,000 (2023) \$129,000 - \$144,000 (2022)

\* If you are married and filing a joint federal income tax return, your MAGI is the combined MAGI of you and your spouse.

For tax years after 2023, the MAGI thresholds for Roth IRA contribution eligibility phase-out listed above will be increased annually to reflect a cost-of-living adjustment, if any.

If you are married (and lived with your spouse at any time during the year) and your tax filing status is married, filing separately, your MAGI threshold is \$0-\$10,000.

For more information on determining your MAGI and your eligibility to contribute to a Roth IRA, consult your tax advisor, instructions to Form 1040 and/or IRS Publication 590-A.

**Due Date.** Contributions may be made to your Roth IRA during the tax year and up until the due date for filing your tax return, not including extensions. For most people, the tax return due date is April 15. However, if you are serving in or in support of the armed forces in a designated combat zone or qualified hazardous duty area, your contribution deadline may be extended past April 15. Generally, the extension is 180 days after the last day you are in a qualifying combat zone or hazardous duty area. You may also have an additional extension depending on when you entered

the zone or area. For additional information, refer to IRS Publication 3 or consult your tax advisor. The federal government may authorize a postponed or an extended due date for contributions. Such contributions may be accepted by such due date provided you meet any applicable eligibility requirements as defined in the Code, Regulations, or other applicable guidance.

**Previous Year Contributions.** If you contribute between January 1 and April 15 in a manner acceptable to the Custodian, you may designate the contribution as a contribution for the previous year. If you do not designate a contribution for the previous year, the Custodian will report it to the IRS as a current year contribution (the year received).

**Contributions to Multiple IRAs.** If you have more than one Roth IRA, the contribution limits listed below apply to the total amount you may contribute to all your Roth IRAs for the year. If you also have a Traditional IRA, the contribution limits listed below are reduced by any amounts you contribute to your Traditional IRA for the tax year. In addition, employer retirement plans may establish separate accounts to receive voluntary employee contributions. If the account meets the requirements of an IRA and you make voluntary employee contributions to that separate account, the total amount listed below that you may contribute to all your IRAs is reduced by those voluntary employee contributions.

**Contribution Limits.** Your annual contribution amount may not exceed \$6,000 for tax year 2022 and \$6,500 for tax year 2023 with possible cost-of-living adjustments each year thereafter. For each year in which you are age 50 or older before the end of the calendar year, you may make an additional catch-up contribution of up to \$1,000 for tax year 2022 and \$1,000 for tax year 2023 with possible cost-of-living adjustments each year thereafter. Your total contribution amount (including catch-up, if applicable) may not, however, exceed an amount equal to your compensation for that tax year unless you are married and filing a joint tax return. If you are married, filing a joint federal income tax return, the total amount you and your spouse may contribute to IRAs in aggregate for any tax year (including catch-up contributions, if applicable) may not exceed the combined compensation of you and your spouse for that same tax year. If your MAGI is above a certain amount, your contribution limit may be reduced, see MAGI Limits above.

**Simplified Employee Pension (SEP) Plan.** For taxable years beginning after December 31, 2022, if you participate in your employer's SEP plan, your employer may make SEP contributions to your Roth IRA as allowed under the Code, Regulations, and other applicable guidance.

**Repayments of Qualified Reservist Distributions.** You may repay qualified reservist distributions (as defined by the Code and Treasury Regulations) by making one or more contributions to your Roth IRA within two years of the end of your active duty. The aggregate amount that may be repaid may not exceed the amounts of such distributions and is in addition to other eligible contribution amounts. No tax deduction is allowed for these contributions. For more information, consult your tax advisor.

**Other Distributions Eligible for Repayment.** Certain distributions may be repaid to your Roth IRA. Distributions eligible for repayment include:

1. Qualified birth or adoption distributions (as defined by the Code and Treasury Regulations),
2. Qualified disaster recovery distributions (as defined by the Code and Treasury Regulations),
3. Withdrawals for terminal illness (as defined by the Code and Treasury Regulations),
4. Eligible distributions to domestic abuse victims (as defined by the Code and Treasury Regulations),
5. Emergency personal expense distributions (as defined by the Code and Treasury Regulations),
6. Coronavirus-related distributions, and
7. Any other distributions authorized by the federal government to be repaid under the terms outlined below.

You may repay eligible distributions by making one or more contributions to your Roth IRA any time during the 3-year period beginning on the day after the date on which the distribution was received. Qualified birth or adoption distributions received before December 30, 2022, may be repaid up until December 31, 2025. The aggregate amount that may be repaid may not exceed the amount of such eligible distributions and is in addition to other eligible contribution amounts. For more information on eligible repayments, consult your tax advisor.

**Rollovers.** Generally, a rollover is a movement of cash or assets from one retirement plan to another. Both the distribution and the rollover contribution are reportable when you file your income taxes. You must irrevocably elect to treat such contributions as rollovers.

**Roth IRA-to-Roth IRA Rollover.** You may withdraw, tax free, all or a portion of your Roth IRA if you contribute the amount withdrawn into the same or another Roth IRA as a rollover. When completing a rollover from a Roth IRA to a Roth IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not on the date you complete the rollover transaction. Amounts withdrawn (including any amounts withheld for federal, state, or other income taxes that you did not receive) that are not rolled over will be treated as a distribution from the Roth IRA and may be subject to tax and/or early distribution penalty.

**Employer Retirement Plan-to-Roth IRA Rollover (by Roth IRA Owner).** Eligible rollover distributions consisting of designated Roth contributions (and earnings thereon) from a 401(k), 403(b), or 457(b) plan may be rolled over, directly, or indirectly, to your Roth IRA. You are solely responsible for tracking the taxable and nontaxable amounts of the assets rolled over. If you roll over a nonqualified distribution from a designated Roth account in a 401(k), 403(b) or 457(b) plan to a Roth IRA, the portion of the distribution that constitutes the contribution basis is treated as basis in your Roth IRA. If you roll over a qualified distribution from a designated Roth account in a 401(k), 403(b) or 457(b) plan, the entire amount of the rollover contribution is considered basis in the Roth IRA.

Eligible rollover distributions from qualifying employer retirement plans may be rolled over, directly, or indirectly, to your Roth IRA, if you meet applicable eligibility requirements. Qualifying employer retirement plans include qualified plans (e.g., 401(k) plans or profit-sharing plans), governmental 457(b) plans, the federal Thrift Savings Plan, 403(b) arrangements, and 403(a) arrangements. Amounts rolled over from an employer plan to a Roth IRA (other than amounts distributed from a designated Roth account) are generally treated as taxable distributions from your

employer retirement plan (except for amounts representing after-tax employee contributions). However, the early distribution penalty (that typically applies to taxable withdrawals taken prior to age 59½) does not apply to amounts rolled over from your employer's retirement plan to your Roth IRA. Amounts that may not be rolled over to your Roth IRA include required minimum distributions, hardship distributions, any part of a series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions, and any income allocable to the excess, certain deemed distributions related to defaulted loans, dividends on employer securities, and the cost of life insurance coverage.

To complete a direct rollover, from an employer plan to your Roth IRA, you must generally instruct the plan administrator to send the distribution directly to your Roth IRA Custodian. To complete an indirect rollover to your Roth IRA, you must generally request that the plan administrator make a distribution directly to you. You must generally complete the rollover transaction not later than the 60th day after the date on which you received the eligible rollover distribution. For a plan loan offset due to termination of employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs. If you choose the indirect rollover method, the plan administrator is typically required to withhold 20% of the eligible rollover distribution amount for purposes of federal income tax withholding. You may, however, make up the withheld amount out of pocket and roll over the full amount. If you do not make up the withheld amount out of pocket, the 20% withheld (and not rolled over) will be treated as a distribution, subject to applicable taxes and penalties. In the cases of an overpayment that has been directly rolled over to your Roth IRA, you are typically eligible to contest the plan sponsor's recoupment effort of such overpayment. While you contest the efforts to recoup, the Custodian will retain the contested assets pending the outcome of the procedures and, in the event the payment is found to be an overpayment, return such overpayment to the distributing plan.

**Employer Retirement Plan-to-Roth IRA Rollover (by Inherited Roth IRA Owner).** Please refer to the section of this document entitled "Inherited Roth IRA."

**Roth IRA-to-Employer Plan Rollovers Not Permitted.** Distributions from your Roth IRA are not eligible for rollover to a designated Roth account in a 401(k), 403(b), or 457(b) plan.

**Rollover of Wrongful IRS Levy.** A wrongful IRS levy of assets from an IRA (including an Inherited IRA) or an employer-sponsored retirement plan that are returned to the taxpayer may be rolled over to an IRA (including an Inherited IRA) by the tax return deadline (not including extensions) for the year the assets are returned. The one IRA-to-IRA rollover per 12-month period limitation does not apply to such rollovers.

**Conversions to Roth IRAs.** You may convert all or a portion of your Traditional IRA (or SIMPLE IRA) to a Roth IRA provided you meet any applicable eligibility requirements as defined in the Code and Regulations. To complete a conversion of a SIMPLE IRA distribution to a Roth IRA, at least two years must have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer. Except for amounts that represent basis, amounts converted are generally treated as taxable distributions. Amounts that represent basis may only be converted as permitted under the Code and/or Regulations. The early distribution penalty that typically applies to taxable withdrawals taken prior to age 59½, does not apply to amounts converted from a Traditional IRA (or SIMPLE IRA) to a Roth IRA. Required minimum distributions (RMDs) may not be converted. All RMDs must be withdrawn as required under the Code and Regulations prior to a conversion. Conversions are not subject to the 12-month rollover restriction that typically applies to rollovers between IRAs. Roth IRA conversions may not be recharacterized.

**Rollover of Exxon Valdez Settlement Income.** Certain income received as an Exxon Valdez qualified settlement may be rolled over to a Roth IRA or another eligible retirement plan. The amount contributed cannot exceed the lesser of \$100,000 (reduced by the amount of any qualified settlement income contributed to an eligible retirement plan in prior tax years) or the amount of qualified settlement income received during the tax year. Contributions for the year can be made up until the due date for filing your return, not including extensions. Qualified settlement income that is contributed to a Roth IRA is included in your taxable income for the year the qualified settlement income was received and treated as part of your cost basis (investment in the contract) in the Roth IRA that is not taxable when distributed.

**Rollover of Military Death Gratuity or SGLI (Servicemembers' Group Life Insurance) Program.** Eligible death payments including military death gratuities and SGLI payments may be rolled over, tax-free into a Roth IRA. The amount you can roll over to your Roth IRA cannot exceed the total amount that you received reduced by any part of that amount that was contributed to a Coverdell ESA or another Roth IRA. Any military death gratuity or SGLI payment contributed to a Roth IRA is disregarded for purposes of the 12-month waiting period between rollovers. The rollover must be completed within one year of the date on which the payment is received. The amount contributed to your Roth IRA is treated as part of your cost basis (investment in the contract) in the Roth IRA that is not taxable when distributed. You can contribute (roll over) all or part of the amount received to your Roth IRA.

**Rollover of Qualified Tuition Program Distribution.** Beginning January 1, 2024, distributions from qualified tuition programs that meet the eligibility requirements in the Code, Regulations and other applicable guidance may be rolled over to your Roth IRA. Rollovers from qualified tuition programs are subject to annual Roth IRA contribution limit and are reduced by any other contributions you make for the tax year to any of your Roth and/or Traditional IRAs. The maximum lifetime limit that may be rolled over to your Roth IRAs from a qualified tuition program, in aggregate, is \$35,000. Adjustments to lifetime limit amount may be authorized by the federal government.

## RECHARACTERIZATIONS

**Recharacterize a Contribution.** You may recharacterize a contribution made to one type of IRA (either Traditional or Roth IRA) and treat it as though it was made to a different type of IRA (Traditional or Roth IRA). Both the contribution amount along with the net income attributable to the contribution must be transferred. If there was a loss, the amount of any loss will reduce the amount you transfer. The deadline for completing a recharacterization is your tax return due date (including any extensions) for the year for which the contribution was made to the first IRA.

Recharacterization requests must be made in a form and manner acceptable to the Custodian. Report recharacterizations to the IRS by attaching a statement to your Form 1040. You may also need to file Form 8606. You may not recharacterize a Roth IRA conversion.

## TRANSFERS

**Transfers.** You may move your Roth IRA from one trustee, custodian, or issuer to a Roth IRA maintained by another trustee, custodian, or issuer by requesting a direct transfer. Federal law does not limit the number of transfers you may make during any year.

**Transfers Incident to Divorce.** Under a valid divorce decree or separate maintenance decree, or a written document incident to such a decree, all or part of your Roth IRA may be transferred to your ex-spouse, or you may receive all or part of your ex-spouse's Roth IRA.

## TAX TREATMENT OF ROTH IRA CONTRIBUTIONS

**No Deduction.** You may not take a tax deduction for Roth IRA contributions.

**Tax Credits for Contributions.** You may be eligible for a tax credit for your Roth IRA contribution, provided you meet any applicable eligibility requirements as defined in the Code and Regulations. The tax credit is based on your adjusted gross income as defined by the Code.

## DISTRIBUTIONS DURING YOUR LIFETIME

You may withdraw any or all your Roth IRA balance at any time. If you take a qualified distribution from your Roth IRA, neither the contributions nor the earnings are taxable. If your Roth IRA distributions are nonqualified distributions, certain taxes and penalties may apply. Due to the complexity of the Roth IRA distribution rules and tax ramifications, you should consult a tax advisor prior to taking distributions from your Roth IRA.

**Distribution Ordering Rules.** The ordering rules treat distributions as coming from the following categories in the following order:

1. Roth IRA basis;
2. Conversion contributions and rollover contributions from employer retirement plans; and then
3. Earnings.

For further detailed information on ordering rules, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS.

**Qualified Distributions.** A qualified distribution from your Roth IRA is not subject to federal income tax. A qualified distribution may be made after five or more years provided you (i) are age 59½ or older, (ii) are disabled, (iii) qualify for a special purpose distribution such as the purchase of a first home, or (iv) are deceased.

The five-year holding period begins with the first tax year for which you make a regular contribution, or if earlier, the first tax year in which a conversion or an employer plan rollover is made to your Roth IRA. A subsequent contribution, conversion or rollover will not start a new five-year period for the purposes of determining a qualified distribution.

**Nonqualified Distributions.** If you receive a distribution from your Roth IRA that does not constitute a qualified distribution, a portion of it may be taxable and may be subject to the 10% early distribution penalty tax (if you do not qualify for an exception). You must apply the ordering rules discussed above to determine whether part of your nonqualified distribution represents a taxable amount.

Nonqualified distributions of conversion amounts and amounts rolled over from employer retirement plans distributed within five years of the conversion may be subject to the 10% early distribution penalty tax, explained below.

**Distributions Prior to Age 59½ Exemption from 10% Penalty Tax.** The 10% penalty tax on early distributions does not apply to distributions made to you before you attain age 59½ if you are eligible for one of the following early distribution penalty exceptions.

1. You have unreimbursed medical expenses that are more than the applicable percentage of your adjusted gross income and provided certain conditions apply.
2. You are unemployed and receive federal or state unemployment benefits for 12 consecutive weeks, or would have if not self-employed, and you receive the distribution during that or the succeeding tax year that does not exceed more than the amount you paid during the distribution year for medical insurance for yourself, your spouse, and your dependents.
3. You can provide proof that you are disabled as defined by the Code.
4. You are receiving substantially equal periodic payments consistent with the Code and Regulations.
5. The distributions are not more than the qualified higher education expenses of you, your spouse, or the children or grandchildren of you or your spouse.
6. The distribution, of up to a \$10,000 lifetime limit, is used within 120 days of withdrawal to buy or build a home that will be a principal residence for a qualified first-time homebuyer. Adjustments to lifetime limit amount may be authorized by the federal government.
7. The distribution is due to an IRS levy on the Roth IRA.
8. The distribution is a qualified reservist distribution as defined by the Code.
9. The distribution is a qualified birth or adoption distribution as defined by the Code, Regulations, and other applicable guidance.
10. The distribution is a coronavirus-related distribution as defined by the Code.
11. The distribution is a qualified disaster recovery distribution as defined by the Code, Regulations, and other applicable guidance.
12. The distribution is to an individual who is terminally ill as defined by the Code, Regulations, and other applicable guidance.

13. The distribution is withdrawn on or after January 1, 2024, and is withdrawn for certain emergency personal expenses as defined by the Code, Regulations, and other applicable guidance.
14. The distribution is withdrawn on or after January 1, 2024, and is considered an eligible distribution to a domestic abuse victim as defined by the Code, Regulations, and other applicable guidance.

Note: In addition to the early distribution penalty exceptions noted above, the federal government may authorize additional exceptions.

**Reporting Early Distribution Penalty Tax.** For distributions taken prior to age 59½, you may be required to file Form 5329 with the IRS to either report and pay the 10% early distribution penalty tax or to claim an exception to the 10% early distribution penalty tax.

**No Required Distributions.** You are not required to take distributions from your Roth IRA. However, when you die, your beneficiary(ies) must receive minimum distributions.

**Coronavirus-Related Distribution Tax Treatment.** If you are a qualified individual (as defined by the Code and Treasury Regulations), you may take coronavirus-related distributions from your Roth IRA. Coronavirus-related distributions are eligible for flexible taxation and repayment options. Coronavirus-related distributions must be withdrawn on or after January 1, 2020, and before December 31, 2020, and may not exceed, in aggregate, \$100,000. The taxable portion of coronavirus-related distributions from your Roth IRA must generally be included in taxable income either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on taxable portion of your coronavirus-related distributions by making one or more repayments to your Roth IRA. For assistance in determining whether you are eligible for a coronavirus-related distribution, consult your tax advisor.

**Tax Treatment of Qualified Birth or Adoption Distribution.** You may take qualified birth or adoption distributions from your Roth IRA if made during the 1-year period beginning on the date on which your child was born or the date on which the legal adoption of your child, who is an eligible adoptee as defined by the Code and Regulations, was finalized. Qualified birth or adoptions distributions may not exceed, in aggregate, \$5,000 per adoption or birth. Adjustments to this amount may be authorized by the federal government. Qualified birth or adoption distributions are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. For assistance in determining whether you are eligible for a qualified birth or adoption distribution, consult your tax advisor.

**Tax Treatment of Qualified Disaster Recovery Distribution.** You may take qualified disaster recovery distributions from your Roth IRA if your principal place of abode is in a qualified disaster area during the incident period and you have sustained an economic loss by reason of such qualified disaster. Such distributions generally must be made on or after the first day of the incident period and no later than 180 days from the later of the date of the disaster declaration or December 29, 2022. Qualified disaster recovery distributions may not exceed, in aggregate, \$22,000. Adjustments to this amount may be authorized by the federal government. For purposes of qualified disaster recovery distributions, qualified disaster is a major disaster declared by the Federal Emergency Management Agency (FEMA) which has occurred on or after January 26, 2021. The incident period is the period during which a disaster occurred and is declared by FEMA. Qualified disaster recovery distributions must generally be included in taxable income (to the extent taxable) either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on qualified disaster recovery distributions by making one or more repayments to your Roth IRA. See **“Other Distributions Eligible for Repayment”** in this document for more information. Qualified disaster recovery distributions are exempt from the 10% early distribution penalty tax. For assistance in determining whether you are eligible for a qualified disaster recovery distribution, consult your tax advisor.

**Tax Treatment of Withdrawals for Terminal Illness.** If you are terminally ill as defined in the Code, Regulations, or other applicable guidance and you take distribution from your Roth IRA, such distribution(s) are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information.

**Tax Treatment of Eligible Distributions to Domestic Abuse Victim.** Beginning January 1, 2024, if you are the victim of domestic abuse (as defined by the Code, Regulations, or other IRS guidance) by your spouse or domestic partner you may take eligible distributions from your Roth IRA as a domestic abuse victim during the 1-year period beginning on any date on which you were a victim of such abuse. Eligible distributions to a domestic abuse victim are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. The aggregate amount that may be treated as an eligible distribution to a domestic abuse victim is generally limited to \$10,000 for tax year 2024 with possible cost-of-living adjustments each year thereafter. For assistance in determining whether you meet the eligibility for an eligible distribution to a domestic abuse victim, consult your tax advisor.

**Tax Treatment of Emergency Personal Expense Distribution.** Beginning January 1, 2024, you may take an emergency personal expense distribution as defined by the Code, Regulations, or other IRS guidance from your Roth IRA. Emergency personal expense distributions are exempt from the 10% early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. If you take an emergency personal expense distribution from a Roth IRA or eligible retirement plan, you are prohibited from taking another emergency personal expense distribution during that same calendar year from any Roth IRA or eligible retirement plan. Under certain circumstances, if you do not repay an emergency personal expense distribution, you are restricted from taking another emergency personal expense distribution during the three calendar years immediately following the distribution. For assistance in determining whether you are eligible for an emergency personal expense distribution, consult your tax advisor.

**Qualified Charitable Distributions.** If you are age 70½ or older, you may be eligible to make a qualified charitable distribution (QCD) from your Roth IRA. A qualified charitable distribution is generally not subject to federal income tax. If you make deductible Traditional IRA contributions for any year in which you are age 70½ or older, all or a portion of your qualified charitable distributions may be subject to federal income tax. Beginning in 2023, if you are eligible to make a QCD, you may make a one-time election for a taxable year to treat any distribution from an IRA which is made directly to a split-interest entity (as defined by the Code, Regulations, and other IRS guidance) as a QCD. For 2023, the maximum QCD amount overall is \$100,000. For 2023, the maximum QCD amount that may be paid to a split-interest entity under the special one-time election is \$50,000.

For future years the dollar limitations will be increased to reflect a cost-of-living adjustment, if any. For further detailed information you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. For assistance in determining whether you are eligible to make a QCD from your IRA, consult your tax advisor.

**Qualified Health Savings Account (HSA) Funding Distribution.** If you are an HSA eligible individual, you may be eligible to do a tax-free transfer of IRA assets to your HSA. This transfer, which is referred to as a qualified HSA funding distribution, is subject to HSA contribution limits. You must irrevocably elect to treat such distribution as a qualified HSA funding distribution. Generally, you are limited to one qualified HSA funding distribution from any of your IRAs during your lifetime. For assistance in determining to what extent you may be eligible to make a qualified HSA funding distribution, consult your tax advisor.

## **BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER BEFORE JANUARY 1, 2020**

Any amounts remaining in your Roth IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** Distributions to your beneficiary(ies) within the 5-year qualified distribution holding period may be taxed as ordinary income. The 10% penalty tax for early distributions does not apply to distributions to your beneficiary(ies) after your death. Beneficiaries must ensure the five-year holding period has been satisfied to receive qualified distributions. The years you were alive are credited toward the five-year waiting period. That is, the five-year waiting period is not reset upon your death. The period begins January 1 of the first year for which you made a regular/spousal contribution, a conversion or an employer plan rollover to any Roth IRA you own.

**Beneficiary Distribution Requirements.** If you die before January 1, 2020, the period of time over which your Roth IRA balance may be distributed to your beneficiary(ies) depends on whether you had a designated beneficiary, and your relationship to the beneficiary (spouse or nonspouse).

A designated beneficiary is an individual who is designated by you in writing as a beneficiary of this Roth IRA in a manner acceptable to the Custodian or designated as a beneficiary under the terms of the plan agreement. With the exception of certain qualified see-through trust beneficiaries, only individuals may be treated as designated beneficiaries for purposes of determining required distributions under Code Section 401(a)(9) following your death. Except as provided otherwise in applicable Treasury Regulations, for purposes of determining the applicable distribution period following your death, your designated beneficiary will be determined based on the beneficiaries designated as of your date of death who remain beneficiaries as of September 30 of the calendar year following the calendar year of your death.

Generally, when you die, designated beneficiary(ies) who are individuals may elect to deplete the Roth IRA by the end of the fifth calendar year following your death or to receive payments based on the designated beneficiary(ies)'s life expectancy. If life expectancy payments are elected, the payments must generally begin by December 31 of the first calendar year following your death. However, if your surviving spouse is your sole designated beneficiary, they may delay the first distribution until December 31 of the year you would have attained age 70½ (if your date of birth is before July 1, 1949), age 72 (if your date of birth is after June 30, 1949 and before January 1, 1951), age 73 (if your date of birth is after December 31, 1950 and before January 1, 1960), or age 75 (if your date of birth is after December 31, 1959), if later.

If your designated beneficiary is not an individual or a qualified trust, your Roth IRA must be distributed by the end of the fifth calendar year following your death.

Generally, each beneficiary may elect the timing and manner regarding the distribution of their portion of the Roth IRA. Elections must generally be made by December 31 of the year following your death. If timely elections are not made, your beneficiary is required to take distributions according to the applicable default provision. The default distribution option for designated beneficiaries who are individuals is the life expectancy option and the default distribution option for designated beneficiaries that are not individuals is the 5-year rule.

If your surviving spouse is the sole designated beneficiary of your Roth IRA, they may treat your Roth IRA as their own Roth IRA by redesignating your Roth IRA as their own Roth IRA, failing to take a required distribution as a beneficiary, or by making a contribution. Regardless of whether your spouse is the sole designated beneficiary, they may roll distributions from your Roth IRA into their own Roth IRA generally within 60 days of receipt. Additional restrictions may apply.

Pursuant to the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act), certain beneficiaries taking distributions in accordance with the 5-year rule are afforded an extra year to complete distribution from the Inherited IRA.

**Excess Accumulation Penalty.** If your beneficiary does not withdraw the amount required to be distributed each year on or before December 31, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed as required. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with their payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited Roth IRA by the applicable deadline. The applicable deadline by which the Inherited Roth IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary's death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited Roth IRA may result in an excess accumulation penalty.

**BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER ON OR AFTER JANUARY 1, 2020**

Any amounts remaining in your IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** Distributions to your beneficiary(ies) within the 5-year qualified distribution holding period may be taxed as ordinary income. The 10% penalty tax for early distributions does not apply to distributions to your beneficiary(ies) after your death. Beneficiaries must ensure the five-year holding period has been satisfied to receive qualified distributions. The years you were alive are credited toward the five-year waiting period. That is, the five-year waiting period is not reset upon your death. The period begins January 1 of the first year for which you made a regular/spousal contribution, a conversion, or an employer plan rollover to any Roth IRA you own.

**Beneficiary Distribution Requirements.** If you die on or after January 1, 2020, how quickly the assets must be withdrawn from the Roth IRA by your beneficiary depends on the beneficiary type (i.e., an eligible designated beneficiary, an individual that is not an eligible designated beneficiary, a nonperson beneficiary such as a charity or other entity, or a trust beneficiary) which are defined in the chart below.

**Beneficiary Types**

<b>Eligible Designated Beneficiary</b>	Eligible designated beneficiary status is determined on the date of your death. The following types of designated beneficiaries generally qualify as an eligible designated beneficiary: your spouse, a disabled individual (as defined under Code section 72(m) and Regulations), a chronically ill individual as defined in Code section 401(a)(9)(E)(ii)(IV) and Regulations, your child who has not attained age 21, or an individual who was not born more than 10 years after your date of birth. For a disabled or chronically ill individual to be considered an eligible designated beneficiary, documentation of the disability or chronic illness must be received by the Custodian no later than October 31 of the calendar year following your death. Such documentation requirements are also applicable to qualified see-through trusts whose beneficiaries include disabled and/or chronically ill individuals. If such documentation is not received by the applicable deadline, such disabled or chronically ill individuals are noneligible designated beneficiaries.
<b>Noneligible Designated Beneficiary</b>	Noneligible designated beneficiary is any individual who is not an eligible designated beneficiary.
<b>Nonperson Beneficiary</b>	Nonperson beneficiaries include nonqualified trusts (i.e., trusts that are not qualified see-through trusts), estates, charities, and other nonperson entities.
<b>Qualified See-Through Trust Beneficiary</b>	A qualified see-through trust beneficiary, as defined under Regulations, is a trust that is valid under state law (or would be valid but for the fact that there is no corpus), is irrevocable (or becomes irrevocable upon your death) and has identifiable beneficiaries. In addition, to be considered a qualified see-through trust, required trust documentation must be provided to the Custodian no later than October 31 of the year following the year of your death.

**Beneficiary Distribution Requirements**

The chart below outlines the distribution requirements for each beneficiary type assuming each beneficiary’s interest in the inherited Roth IRA funds is separately accounted for according to the Regulations by no later than December 31 of the year following the year of your death. The beneficiary distribution options and/or requirements outlined below may be restricted, accelerated, or modified if separate accounting of each beneficiary’s share is not completed by such deadline. Such beneficiaries should consult with their tax and legal counsel for advice on required distributions from the inherited Roth IRA funds.

<b>Eligible Designated Beneficiary (Spouse)</b>	<p>Your spouse beneficiary may continue to maintain the inherited IRA funds in an Inherited Roth IRA or may choose to move the inherited Roth IRA funds to a Roth IRA of their own through a direct transfer (if eligible) or a rollover.</p> <p><b>Spouse Move to Own Roth IRA.</b> Your spouse beneficiary may choose to move the inherited Roth IRA funds to their own Roth IRA through a direct transfer (if eligible) or a rollover. If your spouse beneficiary moves the inherited funds into a Roth IRA of their own, they will generally not be subject to required minimum distributions.</p> <p>In a transfer, Roth IRA funds are moved directly from the Inherited Roth IRA to your spouse’s own Roth IRA. The deadline for your spouse to transfer the inherited funds to their own Roth IRA is <i>the later of</i> December 31 of the year following your death, or December 31 of the year your spouse attains the applicable age. Your spouse’s applicable age is</p> <ul style="list-style-type: none"> <li>• age 70½, if their date of birth is June 30, 1949, or earlier,</li> <li>• age 72, if their date of birth is after June 30, 1949, but before January 1, 1951,</li> <li>• age 73, if their date of birth is after December 31, 1950, but before January 1, 1960, or</li> <li>• age 75 if their date of birth is January 1, 1960, or later.</li> </ul> <p>In a rollover, your spouse beneficiary withdraws the inherited funds and then subsequently deposits the funds into their own Roth IRA as a rollover contribution, generally within 60 days. Your spouse beneficiary may choose to roll over the inherited Roth IRA funds to their own IRA at any time, so long as rollover eligibility requirements are satisfied. <b>Note:</b> Your spouse beneficiary may not roll over any required distributions (including hypothetical RMD amounts).</p> <p>If your spouse beneficiary fails to take a required distribution from the inherited Roth IRA funds or contributes additional funds to the Inherited Roth IRA, such Roth IRA will automatically become your spouses’ own Roth IRA.</p>
---	---

	<p><b>Inherited Roth IRA Distribution Requirements.</b> If your spouse chooses to leave the inherited funds in an Inherited Roth IRA, your spouse beneficiary may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your spouse beneficiary to make the election between the 10-Year Rule and Life Expectancy Payment options is generally December 31 of the year following your year of death. However, if you pass away prior to the year in which you attain a certain applicable age (based on your date of birth), your spouse beneficiary will typically have until the earlier of December 31 of year you would have attained the applicable age or December 31 of the tenth calendar year following your death. If your spouse does not make an election by the deadline, your spouse will be required to take distributions according to the Life Expectancy Payments option. For purposes of this deadline, the applicable age (based on your date of birth) is</p> <ul style="list-style-type: none"> <li>• age 72, if you were born before January 1, 1951,</li> <li>• age 73 if you were born after December 31, 1950, and before January 1, 1960, or</li> <li>• age 75 if you were born after December 31, 1959.</li> </ul> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following your death. If your spouse beneficiary elects to take distributions from the Inherited Roth IRA in accordance with the 10-Year Rule, they are not subject to a distribution requirement each year.</p> <p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your spouse beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. However, if your surviving spouse is your sole designated beneficiary, they may generally elect to delay the first distribution until the year you would have attained RMD age (i.e., age 72 if born after June 30, 1949, but before January 1, 1951, age 73 if born after December 31, 1950, and before January 1, 1960, and age 75 if born after December 31, 1959). The life expectancy payment is the required minimum amount to be withdrawn each year; your spouse beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance..</p>
<p><b>Eligible Designated Beneficiary (Nonspouse)</b></p>	<p>Your nonspouse beneficiary who qualifies as an eligible designated beneficiary may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your eligible designated beneficiary (nonspouse) to elect between the 10-Year Rule and the Life Expectancy Payments option is December 31 of the calendar year following your death. If your beneficiary does not make an election by the deadline, your beneficiary will be required to take minimum distributions each year in accordance with the Life Expectancy Payments option.</p> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following the year of your death. If an eligible designated beneficiary elects to take distributions from the Inherited Roth IRA in accordance with the 10-Year Rule, they are not subject to a distribution requirement each year.</p> <p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. To determine the minimum required distribution amount for a given year, the Roth IRA balance (i.e., generally the fair market value of the Inherited Roth IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator is derived from the Single Life Expectancy table. For the first distribution year, the life expectancy used is the single life expectancy that corresponds to the age the beneficiary attains on their birthday in the calendar year following the year of your death. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The life expectancy payment is the required minimum amount to be withdrawn each year; the eligible designated beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>If your child, who is under age 21 at the time of your death, elects to take distributions in accordance with the Life Expectancy Payments option, they must generally deplete the entire Inherited Roth IRA by December 31 of year they attain age 31. However, this deadline does not apply if your child is disabled or chronically at the time of your death and required documentation is provided to the Roth IRA Custodian by the applicable deadline.</p>
<p><b>Noneligible Designated Beneficiary</b></p>	<p>Your noneligible designated beneficiary is required to take distribution of the Inherited Roth IRA under the 10-Year Rule. The 10-Year Rule requires depletion of the inherited Roth IRA funds by the end of the tenth calendar year following your death. Under a Roth IRA, noneligible designated beneficiaries taking distributions in accordance with the 10-Year Rule are not subject to a minimum distribution requirement each year.</p>
<p><b>Nonperson Beneficiary</b></p>	<p>Your nonperson beneficiary is required to take distribution of the Inherited Roth IRA under the 5-Year Rule. The 5-Year Rule requires depletion of the Inherited Roth IRA by the end of the fifth calendar year following your death. Under a Roth IRA, nonperson beneficiaries taking distributions in accordance with the 5-Year Rule are not subject to a distribution requirement each year.</p>
<p><b>Qualified See-Through Trust Beneficiary</b></p>	<p>Your qualified see-through trust beneficiary must deplete the Inherited Roth IRA in accordance with the Code and Treasury Regulations under either the 10-Year Rule or, if applicable, under the Life Expectancy Payments option. Beneficiary distribution requirements for a qualified see-through trust are dependent on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries. Trustees of a trust named as a Roth IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.</p>

**Excess Accumulation Penalty.** If your beneficiary (excluding your spouse beneficiary) does not withdraw the amount required to be distributed for a given year, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with payment. For taxable years beginning after December 29, 2022,



the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. The correction window begins on the date the excess accumulation penalty is incurred and, generally, ends on the last day of the second tax year following year in which the penalty was incurred. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited Roth IRA by the applicable deadline. The applicable deadline by which the Inherited Roth IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary's death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited Roth IRA may result in an excess accumulation penalty as described above.

## WITHHOLDING

Taxable, nonperiodic distributions from your Roth IRA are generally subject to 10% federal income tax. You may elect not to have withholding apply to your IRA distribution in most cases or elect another amount. Any amounts withheld are remitted to federal depositories as prepayment of your federal income tax liability. If you elect not to have withholding applied, or if you do not have enough federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may be subject to penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. In addition to federal income tax withholding, distributions from Roth IRAs may also be subject to state income tax withholding.

## CORRECTION OF EXCESS CONTRIBUTIONS

Any amount you contribute for a tax year that exceeds the allowable contribution amount is an excess contribution and subject to a 6% penalty tax each year it remains in the Roth IRA. You may avoid the penalty tax if you remove the excess contribution along with the net income attributable to the excess before your tax return due date, plus extensions. For assistance in calculating the net income attributable to an excess contribution using an IRS-approved method, refer to Treasury Regulation 1.408-11, IRS Publication 590-A and/or your tax advisor. The net income must be included in your taxable income.

To correct an excess contribution after your tax filing due date (plus extensions), you may withdraw the excess amount (no earnings need to be withdrawn.) Alternatively, if you are eligible to contribute for a subsequent year, you may correct the excess amount by redesignating the amount to a subsequent year. To redesignate a contribution, you under contribute for a subsequent year and claim the original contribution amount when you file your income taxes for that subsequent year. Regardless of which method you use to correct the excess after your tax return due date, plus extensions, the 6% penalty is required for each year it remained in the Roth IRA as an excess contribution.

## PROHIBITED TRANSACTIONS

If you (or your beneficiary(ies) when you die) engage in a prohibited transaction with your Roth IRA, the entire Roth IRA will be disqualified, and treated as a distribution. If you are under the age of 59½, the 10% early distribution penalty tax may apply. Prohibited transactions are defined in Code section 4975. Examples include borrowing money from the Roth IRA, selling property to the Roth IRA, receiving unreasonable compensation for managing the Roth IRA, or buying property with Roth IRA funds for your personal use.

## USING YOUR ROTH IRA AS SECURITY FOR A LOAN

If you (or your beneficiary(ies) when you die) pledge all or part of your Roth IRA as security for a loan, the amount pledged is treated as a distribution. If you are under the age of 59½, the amount pledged may also be subject to the 10% early distribution penalty tax.

## INHERITED ROTH IRA

**Contributions to Inherited Roth IRA.** Except for direct rollovers of designated Roth assets from a deceased participant's 401(k) plan(s), 403(b) arrangement(s) and 457(b) plan(s), qualified rollover contributions from inherited eligible retirement plan(s) other than a Roth IRA, direct transfers from another Inherited Roth IRA, and certain recharacterized contributions from Inherited Traditional IRAs, no other contribution types are allowed to be contributed to the Inherited Roth IRA, unless defined as allowable under the Code or Regulations.

**Rollover of Designated Roth Contributions.** Eligible rollover distributions of designated Roth contributions (and earnings thereon) from a 401(k), 403(b), or 457(b) plan may be directly rolled over by a spouse, nonspouse, or qualified trust beneficiary to an Inherited Roth IRA. Rollovers to an Inherited Roth IRA must be sent directly from the plan administrator to the Inherited Roth IRA Custodian. The beneficiary may not have constructive receipt of the assets. The beneficiary is solely responsible for tracking the taxable and nontaxable amounts of the assets rolled over. If a nonqualified distribution is rolled over from a designated Roth account in a 401(k), 403(b) or 457(b) plan to a Roth IRA, the portion of the distribution that constitutes the contribution basis is treated as basis in the Roth IRA. If a qualified distribution is rolled over from a designated Roth account in a 401(k), 403(b) or 457(b) plan to a Roth IRA, the entire amount of the rollover contribution is considered basis in the Roth IRA. In the cases of an overpayment that has been directly rolled over to an Inherited Roth IRA, the Inherited Roth IRA owner is typically eligible to contest the plan sponsor's recoupment effort of such overpayment. While the Inherited Roth IRA owner contests the efforts to recoup,

the Custodian will retain the contested assets pending the outcome of the procedures and, in the event the payment is found to be an overpayment, return such overpayment to the distributing plan.

**Qualified Rollover Contributions.** If current eligibility requirements as defined by the Code and Regulations are met, spouse, nonspouse, or qualified trust beneficiary may make a qualified rollover contribution to a Roth IRA from an eligible retirement plan other than a Roth IRA. A qualified rollover contribution must be sent in a direct rollover from the distributing plan to the Inherited Roth IRA. The beneficiary may not have constructive receipt of the assets. For assistance in determining qualified rollover contribution eligibility and the tax consequences of such a transaction, consult a tax advisor.

**Distributions to Inherited Roth IRA Owners.** Beneficiary payouts from Inherited Roth IRAs must continue as required by the Code and Regulations. See, “**BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER BEFORE JANUARY 1, 2020**” and “**BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER ON OR AFTER JANUARY 1, 2020**” in this document for more information.

## MISCELLANEOUS

**Disaster Relief.** If you are affected by certain federally declared disasters, you may be eligible for extended deadlines to complete certain time-sensitive acts (e.g., IRA contributions, rollovers, recharacterizations or correction of certain excess contributions). For detailed information about special IRA rules related to specific federally declared disasters, refer Treasury Regulation 301.7508A-1(c)(1), Revenue Procedure 2018-58, or the IRS website at [www.irs.gov](http://www.irs.gov).

**Nonforfeitable.** Your interest in your Roth IRA is nonforfeitable at all times.

**Custodian.** The Custodian of your Roth IRA must be a bank, a federally insured credit union, a savings and loan association, a corporation that is incorporated under the laws that it is domiciled and is subject to supervision and examination by the Commissioner of Banking or other officer of such State in charge of the administration of the banking laws of such State or an entity approved by the IRS to act as custodian.

**Investment Restrictions.** Money in your Roth IRA may not be used to buy a life insurance policy or invested in collectibles as defined in Code section 408(m). However, certain gold, silver and platinum coins, bullion and coins issued under state laws are allowable investments.

**No Commingling.** Assets in your Roth IRA may not be combined with other property, except in a common trust fund or common investment fund.

**Beneficiary Designation.** You may designate a beneficiary for your Roth IRA by completing a written designation in a form and manner acceptable to the Custodian. When you die, the proceeds of your Roth IRA will be paid to your beneficiary(ies). If you do not designate a beneficiary, your Roth IRA will be paid to your spouse, if married, or if there is no surviving spouse, to your estate.

**Tax Free Earnings.** When you take qualified distributions from your Roth IRA, both the contributions and the earnings are tax free. Note, however, if you take nonqualified distributions as discussed earlier, the earnings may be subject to taxes and penalties, if applicable.

**Estate Tax.** Generally, for federal estate tax purposes, your Roth IRA assets are includable in your gross estate when you die. Consult your tax and/or legal advisors for specific guidance.

**No Special Tax Treatment.** Roth IRA distributions are not eligible for capital gains treatment or lump-sum income averaging.

**Tax Filing.** You are responsible for filing the applicable IRS forms to report certain activities, taxable income and/or penalties associated with your Roth IRA.

**IRS Form.** This Roth IRA uses the precise language of Articles I-VIII of IRS Form 5305-RA, and therefore Articles I-VIII are treated as approved by the IRS. Additional language has been included as permitted by such form. The IRS approval represents a determination as to form and not to the merits of the account.

**Additional Information.** Additional information about the rules and options regarding your Roth IRA may be found in IRS Publication 590-A, Publication 590-B, the instructions to the IRS forms and on the IRS website at [www.irs.gov](http://www.irs.gov).

# SIMPLE Individual Retirement Custodial Account

(Under section 408(p) of the Internal Revenue Code)

Form 5305-SA (Rev. April 2017) Department of the Treasury, Internal Revenue Service. Do not file with the Internal Revenue Service.

The Participant named on the Application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the Application has given the Participant the disclosure statement required by Regulations section 1.408-6. The Participant and the Custodian make the following Agreement:

## ARTICLE I

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the Participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the Custodian.

## ARTICLE II

The Participant's interest in the balance in the Custodial Account is nonforfeitable.

## ARTICLE III

1. No part of the Custodial Account funds may be invested in life insurance contracts, nor may the assets of the Custodial Account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the Custodial Account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

## ARTICLE IV

1. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the Regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Participant's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Participant's required beginning date, April 1 following the calendar year in which the Participant reaches age 70½. By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated beneficiary.
3. If the Participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Participant dies on or after the required beginning date and:
    - (i) The designated beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) The designated beneficiary is not the Participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Participant as determined in the year of the Participant's death and reduced by 1 for each subsequent year.
  - (b) If the Participant dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below.
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Participant's death. If, however, the designated beneficiary is the Participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Participant would have reached age 70½. But, in such case, if the Participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death.
4. If the Participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the Participant's surviving spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Participant reaches age 70½, is the Participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Participant's (or, if applicable, the Participant and spouse's) attained age (or ages) in the year.
  - (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Participant's death (or the year the Participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the Participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

## ARTICLE V

1. The Participant agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Participant the reports prescribed by the IRS.
3. The Custodian also agrees to provide the Participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

## ARTICLE VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with sections 408(a) and 408(p) and the related regulations will be invalid.

## ARTICLE VII

This Agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

## ARTICLE VIII

### 1. Definitions.

**Agreement.** Agreement means the SIMPLE IRA Custodial Agreement (IRS Form 5305-SA), Application, Disclosure Statement, Financial Disclosure and accompanying documentation. The Agreement may be amended from time to time as provided in Article VII.

**Application.** Application means the legal document that establishes this SIMPLE IRA after acceptance by the Custodian by signing the Application. The information and statements contained in the Application are incorporated into this SIMPLE IRA Agreement.

**Authorized Agent.** Authorized Agent means the individual(s) appointed in writing by the Participant (or by the beneficiary following the Participant's death) authorized to perform the duties and responsibilities set forth in the Agreement on behalf of the Participant.

**Code.** Code means the Internal Revenue Code.

**Custodial Account.** Custodial Account means the type of legal arrangement whereby the Custodian is a qualified financial institution that agrees to maintain the Custodial Account for the exclusive benefit of the Participant and the Participant's beneficiaries.

**Custodian.** The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian.

**Inherited IRA.** An IRA maintained for the benefit of a beneficiary/Inherited IRA Owner who has acquired such assets by reason of death of an individual. The Inherited IRA must identify both the deceased individual and the beneficiary/Inherited IRA Owner.

**Inherited IRA Owner.** Inherited IRA Owner means the individual for whose benefit the account is maintained as a result of acquiring such assets by reason of the death of another individual.

**Participant.** The participant is the person who establishes the Custodial Account. In the case of an Inherited IRA, the Participant is the original owner of the inherited assets.

**Regulations.** Regulations mean the U.S. Treasury Regulations.

2. **Participant's Responsibilities.** All information that the Participant has provided or will provide to the Custodian under this Agreement is complete and accurate and the Custodian may rely upon it. The Participant will comply with all legal requirements governing this Agreement and assumes all responsibility for his or her actions including, but not limited to eligibility determination, contributions, distributions, penalty infractions, proper filing of tax returns and other issues related to activities regarding this Agreement. The Participant will have 30 days after the receipt of any documents, statements, or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the Participant does not notify the Custodian within 30 days, the documents, statements, or other information will be deemed correct and accurate, and the Custodian will have no further liability or obligation for such

documents, statements, other information, or the transactions described therein. The Participant will provide to the Custodian the information the Custodian believes appropriate to comply with the requirements of section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (U.S.A. PATRIOT) Act of 2001. The Participant will pay the Custodian reasonable compensation for its services, as disclosed in the applicable fee schedules.

- 3. Investment Responsibilities.** All investment decisions are the sole responsibility of the Participant and the Participant is responsible to direct the Custodian in writing, or other acceptable form and manner authorized by the Custodian, regarding how all amounts are to be invested. Subject to the policies and practices of the Custodian, the Participant may delegate investment authority by appointing an Authorized Agent in writing in a form and manner acceptable to the Custodian. Upon receipt of instructions from the Participant and proof of acceptance by the Authorized Agent, the Custodian will accept investment direction and may fully rely on those instructions as if the Custodian had received the instructions from the Participant.

The Custodian will determine the investments available within the Custodial Account. All transactions shall be subject to any and all restrictions that are imposed by the Custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; the Custodian's policies and practices; and this Agreement.

The Custodian may change its investment options from time to time and the Participant may move his or her monies in the Custodial Account to different investments. Any investment changes within the Custodial Account are subject to the terms and conditions of the investments, including but not limited to minimum deposit requirements and early redemption penalties. The Custodian will not provide any investment direction, suitability recommendations, tax advice, or any other investment guidance. Further, the Custodian has no duty to question the investment directions provided by the Participant or any issues relating to the management of the Custodial Account. The Participant will indemnify and hold the Custodian harmless from and against all costs and expenses (including attorney's fees) incurred by the Custodian in connection with any litigation regarding the investments within the Custodial Account where the Custodian is named as a necessary party.

The Custodian will promptly execute investment instructions received from the Participant if the instructions are in a form and manner acceptable to the Custodian. If the Custodian determines the instructions from the Participant are unclear or incomplete, the Custodian may request additional instructions. Until clear instructions are received, the Custodian reserves the right, in good faith, to leave the contribution uninvested, place the contribution in a holding account (e.g., a money market account), or return the contribution to the Participant. The Custodian will not be liable for any investment losses due to such delays in receiving clear investment instructions. Further, the Participant will indemnify and hold the Custodian harmless for any adverse consequences or losses incurred from the Custodian's actions or inactions relating to the investment directions received from the Participant or Authorized Agent.

The Participant will not engage in transactions not permitted under the Agreement, including, but not limited to, the investment in collectibles or life insurance contracts, or engage in a prohibited transaction under Code section 4975.

- 4. Beneficiary Designation.** The Participant has the right to designate any person(s) or entity(ies) as primary and contingent beneficiaries by completing a written designation in a form and manner acceptable to the Custodian filed with the Custodian during the Participant's lifetime. Unless otherwise indicated, all subsequent beneficiary designations revoke all prior designations.

If the Participant is married and subject to the marital or community property laws that require the consent of the Participant's spouse to name a beneficiary other than or in addition to such spouse, the Participant understands that he or she is responsible for any and all tax and legal ramifications and he or she should consult a competent tax and/or legal advisor before making such designation.

Unless indicated otherwise in a form and manner acceptable to the Custodian, upon the Participant's death, the Custodial Account will be paid to the surviving primary beneficiaries in equal shares. If no primary beneficiaries survive the Participant, the Custodial Account will be paid to surviving contingent beneficiaries in equal shares unless indicated otherwise. If no primary or contingent beneficiaries survive the Participant or if the Participant fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Participant's spouse, if married, or if there is no surviving spouse, to the Participant's estate.

If the Custodian and applicable laws and Regulations so permit, the right to designate any person(s) and entity(ies) as primary and contingent beneficiaries also extends to the Inherited IRA Owner following the Participant's death. Unless otherwise indicated, each beneficiary designation filed with the Custodian by the Inherited IRA Owner will cancel all previous designations. Any successor beneficiary so named by the Inherited IRA Owner will be entitled to the proceeds of the Custodial Account if the Inherited IRA Owner dies before receiving his or her entire interest in the Inherited IRA. A designation of successor beneficiaries submitted by the Inherited IRA Owner must be in writing in a form and manner acceptable to the Custodian filed with the Custodian during the lifetime of the Inherited IRA Owner. If no primary or contingent beneficiaries survive the Inherited IRA Owner or if the Inherited IRA Owner fails to designate beneficiaries during his or her lifetime, the Custodial Account will be paid to the Inherited IRA Owner's spouse, if married, or if there is no surviving spouse, to the Inherited IRA Owner's estate.

No payment will be made to any beneficiary until the Custodian receives appropriate evidence of the Participant's (or, if applicable, Inherited IRA owner's) death as determined by the Custodian.

If a beneficiary is a minor, the Custodian is relieved of all of its obligations as Custodian by paying the Custodial Account to the minor's parent or legal guardian upon receiving written instructions from such parent or legal guardian. The Participant represents and warrants that all beneficiary designations meet the applicable laws. The Custodian will exercise good faith in distributing the Participant's Custodial Account consistent with the beneficiary designation. The Participant, for the Participant and the heirs, beneficiaries and estate of the Participant agrees to indemnify and hold the Custodian harmless against any and all claims, liabilities and expenses resulting from the Custodian's payment of the Custodial Account in accordance with such beneficiary designation and the terms of the Agreement.

5. **Distributions.** Distributions may be requested from the Custodial Account by delivering a request to the Custodian in a form and manner acceptable to the Custodian. The Custodian is not obligated to distribute the Custodial Account unless it is satisfied it has received the required information to perform its administrative and legal reporting obligations. Required information includes, but is not limited to, taxpayer identification number, distribution reason, and proof of identity. Distributions will be subject to all applicable tax, penalty and withholding requirements.
6. **Required Minimum Distributions.** The Custodian will send the Participant a notice each year the Participant is subject to the requirements of Article IV. Such notice will include the distribution deadline and will inform the Participant of the required minimum distribution (RMD) amount or provide guidance to the Participant on how to contact the Custodian for assistance in determining the RMD amount. The Custodian reserves the right to determine each year the method of providing the RMD notice. The RMD amount, if provided, may be calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Participant's spouse is the sole designated beneficiary for the entire distribution year and is more than 10 years younger than the Participant, the Participant's minimum amount required to be distributed by the Participant is an amount calculated using the joint and last survivor table in Regulations section 1.401(a)(9)-9. The Custodian will not be liable for and the Participant will indemnify and hold the Custodian harmless for any adverse consequences and/or penalties resulting from the Participant's actions or inactions (including errors in calculations resulting from reliance on information provided by the Participant) with respect to determining such RMDs.
7. **Amendments and Termination.** The Custodian may amend this Agreement at any time to comply with legal and regulatory changes and to modify the Agreement as the Custodian determines advisable. Any such amendment will be sent to the Participant at the last known address on file with the Custodian. The amendment will be effective on the date specified in the notice to the Participant. At the Participant's discretion, the Participant may direct that the Custodial Account be transferred to another trustee or custodian. The Custodian will not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Participant may terminate this Agreement at any time by providing a written notice of such termination to the Custodian in a form and manner acceptable to the Custodian. As of the date of the termination notice, the Custodian will no longer accept additional deposits under the Agreement. Upon receiving a termination notice, the Custodian will continue to hold the assets and act upon the provisions within the Agreement until the Participant provides additional instructions. If no instructions are provided by the Participant to the Custodian within 30 days of the termination notice, and unless the Custodian and Participant agree in writing otherwise, the Custodian will distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Participant. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

The Custodian may resign at any time by providing 30 days written notice to the Participant. Upon receiving such written notice, the Participant will appoint a successor trustee or custodian in writing. Upon such appointment and upon receiving acknowledgement from the successor trustee or custodian of acceptance of the Custodial Account, the Custodian shall transfer the Custodial Account, less any applicable fees or penalties, to the successor trustee or custodian. If no successor trustee or custodian is appointed and no distribution instructions are provided by the Participant, the Custodian may, in its own discretion, select a successor trustee or custodian and transfer the Custodial Account, less any applicable fees or penalties, or may distribute the Custodial Account, less any applicable fees or penalties, as a single payment to the Participant. The Custodian shall not be liable for any losses from any actions or inactions of any successor trustee or custodian.

By establishing an individual retirement account with the Custodian, the Participant agrees to substitute another custodian or trustee in place of the existing Custodian upon notification by the Commissioner of the Internal Revenue Service or his or her delegate, that such substitution is required because the Custodian has failed to comply with the requirements of the Internal Revenue Code by not keeping such records, or making such returns or rendering such statements as are required by the Internal Revenue Code, or otherwise.

8. **Instructions, Changes of Addresses and Notices.** The Participant is responsible to provide any instructions, notices or changes of address in writing to the Custodian. Such communications will be effective upon actual receipt by the Custodian unless otherwise indicated in writing by the Participant. Any notices required to be sent to the Participant by the Custodian will be sent to the last address on file with the Custodian and are effective when mailed unless otherwise indicated by the Custodian. If authorized by the Custodian and provided by the Participant in the Application, Custodial Account Agreement or other documentation deemed acceptable to the Custodian, an electronic address is an acceptable address to provide and receive such communications. . To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, telephonic and electronic mediums.
9. **Fees and Charges.** The Custodian reserves the right to charge fees for performing its duties and meeting its obligations under this Agreement. All fees, which are subject to change from time to time, will be disclosed on the Custodian's fee schedule or other disclosure document provided by the Custodian. The Custodian will provide the Participant 30 days written notice of any fee changes. The Custodian will collect all fees from the cash proceeds in the Custodial Account. If there is insufficient cash in the Custodial Account, the Custodian may liquidate investments, at its discretion, to satisfy fee obligations associated with the Agreement. Alternatively, if the Custodian so authorizes and if separate payment of fees or other expenses is permissible under applicable federal and/or state laws, the fees may be paid separately outside of the Custodial Account. If the Custodian offers investments other than depository products, the Participant recognizes that the Custodian may receive compensation from other parties. The Participant agrees to pay the Custodian a reasonable charge for distribution from, transfers from, and terminations of this IRA. The Participant agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with this Agreement. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, and any taxes of any kind that may be levied or assessed with respect to such Custodial Account. The Participant shall be responsible for any deficiency. If for any reason the Custodian is not certain as to who is entitled to receive all or part of the IRA, the Custodian reserves the right to withhold any payment from the IRA, to request a court ruling to determine the disposition of the IRA assets, and to charge the IRA for any expenses incurred in obtaining such legal determination.

**10. Transfers and Rollovers.** The Custodian may accept transfers and rollovers to this Custodial Account from other eligible IRAs and employer plans. The Participant represents and warrants that only eligible transfers and rollovers will be made to the Custodial Account. The Custodian reserves the right to refuse any transfer or rollover and is under no obligation to accept certain investments or property it cannot legally hold or determines is an ineligible investment in the Custodial Account. The Custodian will duly act on written instructions from the Participant received in a form and manner acceptable to the Custodian to transfer the Custodial Account to a successor trustee or custodian. The Custodian is not liable for any actions or inactions by any predecessor or successor trustee or custodian or for any investment losses resulting from the timing of or sale of assets resulting from the transfer or rollover.

**11. Beneficiary's (and Inherited IRA Owner's) Rights.** Except as otherwise provided in this Agreement or by applicable law or Regulations, all rights, duties, obligations, and responsibilities of the Participant under the Agreement will extend to the Participant's beneficiary(ies) following the death of the Participant and to the Inherited IRA Owner who establishes the SIMPLE IRA as an Inherited IRA.

Except for eligible transfers of IRA assets acquired by reason of death of the same Participant or a direct rollover described in Code section 402(c)(11) by an Inherited IRA Owner, beneficiary(ies)/Inherited IRA Owners are prohibited from contributing to the Custodial Account, unless defined as allowable under the Code or Regulations.

Following the death of the Participant, beneficiary(ies)/Inherited IRA Owners must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement. Following the death of the Inherited IRA owner, successor beneficiaries must take distributions in accordance with Code section 401(a)(9), the Regulations and this Agreement.

The Custodian will not be liable for, and the beneficiary(ies)/Inherited IRA Owner will indemnify and hold the Custodian harmless from any adverse consequences and/or penalties resulting from the beneficiary(ies)'s/Inherited IRA Owner's actions or inactions (including errors in calculations resulting from reliance on information provided by the beneficiary(ies)/Inherited IRA Owner) with respect to determining required distributions.

**12. Miscellaneous.**

**Reliance and Responsibilities.** The Participant acknowledges that he or she has the sole responsibility for any taxes, penalties or other fees and expenses associated with his or her actions or inactions regarding the laws, Regulations and rules associated with this Agreement. Further, the Participant acknowledges and understands that the Custodian will act solely as an agent for the Participant and bears no fiduciary responsibility. The Custodian will rely on the information provided by the Participant and has no duty to question or independently verify or investigate any such information. The Participant will indemnify and hold the Custodian harmless from any liabilities, including claims, judgments, investment losses, and expenses (including attorney's fees), which may arise under this Agreement, except liability arising from gross negligence or willful misconduct of the Custodian.

**Custodian Acquired/Merged.** If the Custodian is purchased by or merged with another financial institution qualified to serve as a trustee or custodian that institution will automatically become the trustee or custodian of this IRA unless otherwise indicated.

**Maintenance of Records.** The Custodian will maintain adequate records and perform its reporting obligations required under the Agreement. The Custodian's sole duty to the Participant regarding reporting is to furnish the IRS mandated reports as required in Article V of this Agreement. The Custodian may, at its discretion, furnish additional reports or information to the Participant. The Participant approves any report furnished by the Custodian unless within 60 days of receiving the report, the Participant notifies the Custodian in writing of any discrepancies. Upon receipt of such notice, the Custodian's responsibility is to investigate the request and make any corrections or adjustments accordingly.

**Exclusive Benefit.** The Custodial Account is maintained for the exclusive benefit of the Participant and his or her beneficiary(ies). Except as required by law, no creditors of the Participant may at any time execute any lien, levy, assignment, attachment or garnishment on any of the assets in the Custodial Account.

**Minimum Value.** The Custodian reserves the right to establish IRA account minimums. The Custodian may resign or charge additional fees if the minimums are not met.

**Other Providers.** At its discretion, the Custodian may appoint other service providers to fulfill certain obligations, including reporting responsibilities, and may compensate such service providers accordingly. The Custodian may release nonpublic personal information regarding your SIMPLE IRA to such providers as necessary to provide the products and services made available under this Agreement.

**Agreement.** This Agreement and all amendments are subject to all state and federal laws. The laws of the Custodian's domicile will govern should any state law interpretations be necessary concerning this Agreement.

**Severability.** If any part of this Agreement is invalid or in conflict with applicable law or Regulations, the remaining portions of the Agreement will remain valid.

## GENERAL INSTRUCTIONS

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Purpose of Form.** Form 5305-SA is a model Custodial Account Agreement that meets the requirements of section 408(a) and 408(p). However, only Articles I through VII have been reviewed by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (Participant) and the Custodian. This account must be created in the United States for the exclusive benefit of the Participant and his or her beneficiaries.

**Do not** file Form 5305-SA with the IRS. Instead, keep it with your records.

For more information on SIMPLE IRAs, including the required disclosures the Custodian must give the Participant, see **Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs)**; **Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs)**; and **Pub 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)**.

**Transfer SIMPLE IRA.** This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(l)(2) do not apply to transfer SIMPLE IRAs.

## **SPECIFIC INSTRUCTIONS**

**Article IV.** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Participant reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

**Article VIII.** Article VIII and any that follow it may incorporate additional provisions that are agreed to by the Participant and Custodian to complete the Agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Participant, etc.



# SIMPLE IRA DISCLOSURE STATEMENT

(Used with Form 5305-SA)

This Disclosure Statement provides a general review of the terms, conditions and federal laws associated with this SIMPLE IRA (IRA). It is not intended to replace the advice of your own tax and legal advisors. You are encouraged to consult with your advisors and/or your state taxing authority concerning any tax and/or compliance questions. You are responsible for complying with the laws that apply to this SIMPLE IRA. The Custodian does not act as your advisor. In addition to the transactions outlined in this SIMPLE IRA Disclosure Statement, the federal government may authorize permissible transactions from time to time. Unless expressly prohibited by the Custodian's policies, such additional federally authorized transactions are hereby incorporated by this reference.

## RIGHT TO REVOKE YOUR IRA

As prescribed by the Code and Regulations, this SIMPLE IRA may be revoked within seven (7) calendar days following the date the SIMPLE IRA is established. Unless indicated otherwise, the SIMPLE IRA is established on the date the Custodian signs the Application. To revoke this SIMPLE IRA, you must provide a written notice to the Custodian at the address listed on the Application (or other address provided to you by the Custodian) that accompanies this Disclosure. The Custodian must receive your revocation notice no later than 7 days after the SIMPLE IRA is established. If your revocation notice is mailed, it will be deemed received as of the postmark date. If you revoke the SIMPLE IRA within the 7-day revocation period, the Custodian is still required to report the contribution and the distribution to the IRS. If you revoke the SIMPLE IRA within the revocation period, the Custodian will return to you the entire amount you contributed without deducting any administrative fees, penalties or investment losses.

## GENERAL

A SIMPLE IRA plan is a tax-favored retirement plan that certain small employers may establish for the benefit of their employees. Your employer has chosen to establish a SIMPLE IRA plan and will make plan contributions on your behalf to your SIMPLE IRA for each year you are eligible. Specific information regarding your eligibility to participate in your employer's SIMPLE IRA plan is included in the summary description provided to you by your employer.

## CONTRIBUTIONS

**Cash.** Except for certain rollovers and transfers, all contributions must be made in the form of money (e.g., cash, check or money order).

**Type.** Contributions under a SIMPLE IRA plan are in the form of employee salary deferrals, employer contributions (either matching or nonelective) and any other type permitted by the Code or Regulations.

**Employee Deferrals.** Regular employee salary deferral contribution may not exceed the lesser of 100% of your compensation or \$14,000 for 2022 (\$15,500 for 2023) with possible cost-of-living adjustments each year thereafter. If you will be age 50 or older by the close of the plan year, you may make an additional catch-up deferral contribution to your SIMPLE IRA. The maximum standard catch-up deferral contribution is \$3,000 for 2022 (\$3,500 for 2023 with possible cost-of-living adjustments each year thereafter. For taxable years beginning after December 31, 2024, in a tax year you attain age 60, 61, 62 and 63 years of age, you qualify for a higher catch-up deferral contribution equal to the greater of \$10,000 or 50% more than the maximum allowed as a standard catch-up deferral contribution for the applicable year.

For taxable years beginning after December 31, 2023, if your employer is eligible and elects in a manner prescribed by the Secretary, the regular deferral limit and the standard catch-up deferral contribution limit is increased by 10%.

**Employer Contributions.** There are two types of employer contributions: matching and nonelective employer contributions. Your employer will notify you each year of the contribution type and amount. If your employer elects matching contributions, your employer will match your deferrals up to the applicable percentage of your compensation. If your employer intends to make a matching contribution for the coming year, your employer is required to provide notice to you prior to the beginning of the plan year as to what the applicable percentage will be for the upcoming plan year.

For taxable years beginning after December 31, 2023, your employer may make an additional nonelective contribution of up to 10% of your compensation (not to exceed \$5,000 for 2024, with possible cost-of-living adjustments each year thereafter) if you meet the eligibility requirements as prescribed in the Code, Regulations, other applicable guidance.

**Repayments of Qualified Reservist Distributions.** You may repay qualified reservist distributions (as defined by the Code and Treasury Regulations) by making one or more contributions to your SIMPLE IRA within two years of the end of your active duty. The aggregate amount that may be repaid may not exceed the amounts of such distributions and is in addition to other eligible contribution amounts. No tax deduction is allowed for these contributions. For more information, consult your tax advisor.

**Other Distributions Eligible for Repayment.** Certain distributions may be repaid to your SIMPLE IRA. Distributions eligible for repayment include:

1. Qualified birth or adoption distributions (as defined by the Code and Treasury Regulations),
2. Qualified disaster recovery distributions (as defined by the Code and Treasury Regulations),
3. Withdrawals for terminal illness (as defined by the Code and Treasury Regulations),
4. Eligible distributions to domestic abuse victims (as defined by the Code and Treasury Regulations),
5. Emergency personal expense distributions (as defined by the Code and Treasury Regulations),
6. Coronavirus-related distributions, and

7. Any other distributions authorized by the federal government to be repaid under the terms outlined below.

You may repay eligible distributions by making one or more contributions to your SIMPLE IRA any time during the 3-year period beginning on the day after the date on which the distribution was received. Qualified birth or adoption distributions received before December 30, 2022, may be repaid up until December 31, 2025. The aggregate amount that may be repaid may not exceed the amount of such eligible distributions and is in addition to other eligible contribution amounts. For more information on eligible repayments, consult your tax advisor.

**Rollovers.** Generally, a rollover is a movement of cash or assets from one retirement plan to another. Both the distribution and the rollover contribution are reportable when you file your income taxes, however, if you roll over the entire amount of an IRA or retirement plan distribution (including any amount withheld for federal, state, or other income taxes that you did not receive), you generally do not have to report the distribution as taxable income. If you must take a required minimum distribution (RMD) for the year, you may not roll over the RMD. All RMDs must be withdrawn as required under the Code and Regulations prior to a rollover. You must irrevocably elect to treat such contributions as rollovers.

**SIMPLE IRA-to-SIMPLE IRA Rollover.** You may withdraw, tax free, all or a portion of your SIMPLE IRA if you contribute the amount withdrawn into the same or another SIMPLE IRA as a rollover. When completing a rollover from a SIMPLE IRA to a SIMPLE IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**SIMPLE IRA-to-Traditional IRA Rollover.** You may withdraw, tax free, all or a portion of your SIMPLE IRA, if you contribute the amount withdrawn into a Traditional IRA as a rollover. When completing a rollover from a SIMPLE IRA to a Traditional IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. To complete a rollover of a SIMPLE IRA distribution to a Traditional IRA, at least two years must have elapsed from the date on which you first participated in any SIMPLE IRA plan maintained by the employer. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**SIMPLE IRA-to-Employer Retirement Plan Rollover.** If your employer's retirement plan accepts rollovers from IRAs, you may complete a direct or indirect rollover of your pre-tax assets in your SIMPLE IRA into your employer retirement plan if at least two years have elapsed from the date on which you first participated in any SIMPLE IRA plan maintained by the employer. If you take constructive receipt of a distribution from your SIMPLE IRA to complete a rollover to an employer plan (i.e., an indirect rollover), you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution.

**Traditional IRA-to-SIMPLE IRA Rollover.** An amount distributed from your Traditional IRA may be rolled over to your SIMPLE IRA only after at least two years have elapsed from the date on which you first participated in any SIMPLE IRA Plan maintained by the employer. When completing a rollover from a Traditional IRA to a SIMPLE IRA, you must generally complete the rollover transaction not later than the 60th day after the date on which you received the distribution. Only one IRA distribution within any 12-month period may be rolled over in an IRA-to-IRA rollover transaction. The 12-month waiting period begins on the date you receive an IRA distribution that you subsequently roll over, not the date you complete the rollover transaction.

**Employer Retirement Plan-to-SIMPLE IRA.** Eligible rollover distributions from qualifying employer retirement plans may be rolled over, directly, or indirectly, to your SIMPLE IRA only after at least two years have elapsed from the date on which you first participated in any SIMPLE IRA plan maintained by the employer. Qualifying employer retirement plans include qualified plans (e.g., 401(k) plans or profit-sharing plans), governmental 457(b) plans, the federal Thrift Savings Plan, 403(b) arrangements and 403(a) arrangements. Amounts that may not be rolled over to your SIMPLE IRA include any required minimum distributions, hardship distributions, any part of a series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, certain deemed distributions related to defaulted loans, dividends on employer securities, the cost of life insurance coverage, and distributions consisting of designated Roth contributions (and earnings thereon) from a 401(k), 403(b), governmental 457(b) plan, or the federal Thrift Savings Plan.

To complete a direct rollover from an employer plan to your SIMPLE IRA, you must generally instruct the plan administrator to send the distribution to your SIMPLE IRA Custodian. To complete an indirect rollover to your SIMPLE IRA, you must generally request that the plan administrator make a distribution directly to you. You typically have 60 days from the date you receive an eligible rollover distribution to complete an indirect rollover. You must generally complete the rollover transaction not later than the 60th day after the date on which you received the eligible rollover distribution. For certain plan loan offsets due to plan termination or termination of employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs. Any amount not properly rolled over will generally be taxable in the year distributed (except for any amount that represents after-tax contributions) and may be, if you are under the age of 59½, subject to the early distribution penalty tax. If you choose the indirect rollover method, the plan administrator is typically required to withhold 20% of the eligible rollover distribution amount for purposes of federal income tax withholding. You may, however, make up the withheld amount out of pocket and roll over the full amount. If you do not make up the withheld amount out of pocket, the 20% withheld (and not rolled over) will be treated as a distribution, subject to applicable taxes and penalties. In the cases of an overpayment that has been directly rolled over to your SIMPLE IRA, you are typically eligible to contest the plan sponsor's recoupment effort of such overpayment. While you contest the efforts to recoup, the Custodian will retain the contested assets pending the outcome of the procedures and, in the event the payment is found to be an overpayment, return such overpayment to the distributing plan.

**Rollover of Wrongful IRS Levy.** A wrongful IRS levy of assets from a SIMPLE IRA (including an Inherited SIMPLE IRA) or another eligible employer-sponsored retirement plan that are returned to the taxpayer may be rolled over to a SIMPLE IRA (including an Inherited SIMPLE IRA) by the tax return deadline (not including extensions) for the year the assets are returned. The one IRA-to-IRA rollover per 12-month period limitation does not apply to such rollovers.

**Conversion of SIMPLE IRA to Roth IRA.** After you have been a SIMPLE IRA plan participant for two years, you may convert all or a portion of your SIMPLE IRA to a Roth IRA provided you meet any applicable eligibility requirements as defined in the Code and Regulations. Except for amounts that represent basis, amounts converted are generally treated as taxable distributions. Amounts that represent basis may only be converted as permitted under the Code and/or Regulations. The early distribution penalty that typically applies to taxable withdrawals taken prior to age 59½, does not apply to amounts converted from a SIMPLE IRA to a Roth IRA. Required minimum distributions (RMDs) may not be converted. All RMDs must be withdrawn as required under the Code and Regulations prior to a conversion. SIMPLE IRA-to-Roth IRA conversions are not subject to the 12-month rollover restriction that typically applies to rollovers between IRAs. Roth IRA conversions may not be recharacterized.

## TRANSFERS

**Transfers.** You may move your SIMPLE IRA from one trustee, custodian, or issuer to a SIMPLE IRA maintained by another trustee, custodian, or issuer by requesting a direct transfer. Federal law does not limit the number of transfers you may make during any year.

**Transfers Incident to Divorce.** Under a valid divorce decree or separate maintenance decree, or a written document incident to such a decree, your SIMPLE IRA may be transferred to your ex-spouse, or you may receive all or part of your ex-spouse's SIMPLE IRA.

## TAX TREATMENT OF SIMPLE IRA CONTRIBUTIONS

**No Deduction.** No tax deduction is allowed for either your salary deferrals or your employer contributions. Amounts you elect to defer on a pre-tax basis reduce your taxable income for the year. When you participate in your employer's SIMPLE IRA plan, you are considered an active participant in a retirement plan which may affect your ability to deduct contributions you make to your Traditional IRA.

**Tax Credits for Salary Deferral Contributions.** You may be eligible for a tax credit for your salary deferrals to your SIMPLE IRA, provided you meet any applicable eligibility requirements as defined in the Code and Regulations. The tax credit is based on your adjusted gross income as defined by the Code.

## DISTRIBUTIONS DURING YOUR LIFETIME

You may withdraw any or all of your SIMPLE IRA balance at any time. However, certain taxes and penalties may apply.

**Tax Treatment.** In general, distributions from your SIMPLE IRA are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution from your SIMPLE IRA is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, consult your tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B.

**Distributions Before Age 59½.** If you are under the age of 59½, and take a distribution, the distribution is commonly referred to as an early distribution. Early distributions that are includible in gross income are also subject to a 10% early distribution penalty tax, unless the distribution is taken before you have been a SIMPLE participant for two years, in which case the penalty amount is increased to a 25%. The two-year waiting period begins on the first day you participate in your employer's SIMPLE IRA plan. If, however, you are eligible for one of the following early distribution penalty exceptions, you will be exempt from the additional penalty tax.

1. You have unreimbursed medical expenses that are more than the applicable percentage of your adjusted gross income and provided certain conditions apply.
2. You are unemployed and receive federal or state unemployment benefits for 12 consecutive weeks, or would have if not self-employed, and you receive the distribution during that or the succeeding tax year that does not exceed more than the amount you paid during the distribution year for medical insurance for yourself, your spouse, and your dependents.
3. You can provide proof that you are disabled as defined by the Code.
4. You are receiving substantially equal periodic payments consistent with the Code and Regulations.
5. The distributions are not more than the qualified higher education expenses of you, your spouse, or the children or grandchildren of you or your spouse.
6. The distribution, of up to a \$10,000 lifetime limit, is used within 120 days of withdrawal to buy or build a home that will be a principal residence for a qualified first-time homebuyer. Adjustments to lifetime limit amount may be authorized by the federal government.
7. The distribution is due to an IRS levy on the SIMPLE IRA.
8. The distribution is a qualified reservist distribution as defined by the Code.
9. The distribution is a qualified birth or adoption distribution as defined by the Code, Regulations, and other applicable guidance.
10. The distribution is a coronavirus-related distribution as defined by the Code.
11. The distribution is a qualified disaster recovery distribution as defined by the Code, Regulations, and other applicable guidance.
12. The distribution is to an individual who is terminally ill as defined by the Code, Regulations, and other applicable guidance.
13. The distribution is withdrawn on or after January 1, 2024, and is withdrawn for certain emergency personal expenses as defined by the Code, Regulations, and other applicable guidance.
14. The distribution is withdrawn on or after January 1, 2024, and is considered an eligible distribution to a domestic abuse victim as defined by the Code, Regulations, and other applicable guidance.

Note, in addition to the early distribution penalty exceptions noted above, the federal government may authorize additional exceptions.

**Reporting Early Distribution Penalty Tax.** For distributions taken prior to age 59½, you may be required to file Form 5329 with the IRS to either report and pay the early distribution penalty tax or to claim an exception to the early distribution penalty tax.

**Distributions After Age 59½ but Before Required Distributions Must Begin.** Once you reach age 59½ but before the year for which you must begin taking required minimum distributions, distributions from your SIMPLE IRA are optional. Any amounts you withdraw and keep during this period, except for amounts that represent the return of nondeductible basis, will generally be subject to ordinary income tax.

**Required Distributions.** You must withdraw your required minimum distributions (RMDs) each year as prescribed by the Code and Treasury Regulations. The first year for which you are required to withdraw an RMD is dependent on your date of birth.

- If you were born before July 1, 1949, the first year for which you must withdraw an RMD is the year in which you turn 70½ years of age.
- If you were born after June 30, 1949, and before January 1, 1951, the first year for which you must withdraw an RMD is the year in which you turn 72 years of age.
- If you were born after December 31, 1950, and before January 1, 1960, the first year for which you must withdraw an RMD is the year in which you turn 73 years of age.
- If you were born after December 31, 1959, the first year for which you must withdraw a RMD is the year in which you turn 75 years of age.

Your first RMD must be withdrawn no later than your required beginning date which is April 1 following the year you reach the age for which you must begin RMDs. RMDs for subsequent years must be withdrawn by December 31 of that year. To determine your RMD each year, you generally divide your IRA balance as of December 31 of the prior year by the applicable denominator (determined by the applicable IRS life expectancy table). If the purchase of a qualified longevity annuity contract (QLAC) is permitted by the Custodian under the terms of your IRA, the December 31 balance used to calculate your RMD does not include the value of any QLAC held within your IRA, provided such contract was purchased on or after July 2, 2014.

Each year you are subject to the RMD requirements, your Custodian will provide you with a notice. Along with the distribution deadline, the notice will either inform you of your RMD amount or provide you with guidance on how to contact the Custodian for assistance in determining your RMD. Your Custodian is also required to notify the IRS each year you are required to take an RMD.

If you have more than one IRA, determine the RMD separately for each IRA. However, you may total the RMDs and take the total from any one or more of your IRAs (excluding Roth IRAs).

**Excess Accumulation Penalty.** If you do not take the RMD, you may be subject to a 50% excess accumulation penalty tax on the amount not distributed as required. You must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with your payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for IRA owners who take a corrective distribution and submit a modified federal income return within the applicable correction window. The correction window begins on the date the excess accumulation penalty is incurred and, generally, ends on the last day of the second tax year following year in which the penalty was incurred. For additional information regarding your RMD, consult your tax advisor and/or IRS Publication 590-B.

**Special Tax Treatment.** IRA distributions are not eligible for capital gains treatment or lump-sum income averaging.

**Tax Treatment of Coronavirus-Related Distribution.** If you are a qualified individual (as defined by the Code and Treasury Regulations), you may take coronavirus-related distributions from your SIMPLE IRA. Coronavirus-related distributions are eligible for flexible taxation and repayment options. Coronavirus-related distributions must be withdrawn on or after January 1, 2020, and before December 31, 2020 and may not exceed, in aggregate, \$100,000. Coronavirus-related distributions must generally be included in taxable income either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on coronavirus-related distributions by making one or more repayments to your SIMPLE IRA (or another eligible retirement plan). For assistance in determining whether you are eligible for a coronavirus-related distribution, consult your tax advisor.

**Tax Treatment of Qualified Birth or Adoption Distribution.** You may take qualified birth or adoption distributions from your SIMPLE IRA, if made during the 1-year period beginning on the date on which your child was born or the date on which the legal adoption of your child, who is an eligible adoptee as defined by the Code and Regulations, was finalized. Qualified birth or adoptions distributions may not exceed, in aggregate, \$5,000 per adoption or birth. Adjustments to this amount may be authorized by the federal government. Qualified birth or adoption distributions are exempt from the early distribution penalty tax and may be repaid. See **“Other Distributions Eligible for Repayment”** in this document for more information. For assistance in determining whether you are eligible for a qualified birth or adoption distribution, consult your tax advisor.

**Tax Treatment of Qualified Disaster Recovery Distribution.** You may take qualified disaster recovery distributions from your SIMPLE IRA if your principal place of abode is in a qualified disaster area during the incident period and you have sustained an economic loss by reason of such qualified disaster. Such distributions must generally be made on or after the first day of the incident period and no later than 180 days from the later of the date of the disaster declaration or December 29, 2022. Qualified disaster recovery distributions may not exceed, in aggregate, \$22,000. Adjustments to this amount may be authorized by the federal government. For purposes of qualified disaster recover distributions, qualified disaster is a major disaster declared by the Federal Emergency Management Agency (FEMA) which has occurred on or after January 26, 2021. The incident period is the period during which a disaster occurred and is declared by FEMA. Qualified disaster recovery distributions must generally be included in taxable income either in the year in which the assets are distributed or ratably over a three-year period. You have up to three years to avoid paying taxes on qualified disaster recovery distributions by making one or more repayments to your SIMPLE IRA (or another eligible retirement plan). See **“Other Distributions Eligible for Repayment.”** in this document for more information. Qualified disaster recovery distributions are exempt from the early distribution penalty tax. For assistance in determining whether you are eligible for a qualified disaster recovery distribution, consult your tax advisor.

**Tax Treatment of Withdrawals for Terminal Illness.** If you are terminally ill as defined in the Code, Regulations, or other applicable guidance and you take distribution from your SIMPLE IRA, such distribution(s) are exempt from the early distribution penalty tax and may be repaid. See “**Other Distributions Eligible for Repayment**” in this document for more information.

**Tax Treatment of Eligible Distributions to Domestic Abuse Victim.** Beginning January 1, 2024, if you are the victim of domestic abuse (as defined by the Code, Regulations, or other IRS guidance) by your spouse or domestic partner you may take eligible distributions from your SIMPLE IRA as a domestic abuse victim during the 1-year period beginning on any date on which you were a victim of such abuse. Eligible distributions to a domestic abuse victim are exempt from the early distribution penalty tax and may be repaid. See “**Other Distributions Eligible for Repayment**” in this document for more information. The aggregate amount that may be treated as an eligible distribution to a domestic abuse victim is generally limited to \$10,000 for tax year 2024 with possible cost-of-living adjustments each year thereafter. For assistance in determining whether you meet the eligibility for an eligible distribution to a domestic abuse victim, consult your tax advisor.

**Tax Treatment of Emergency Personal Expense Distribution.** Beginning January 1, 2024, you may take an emergency personal expense distribution as defined by the Code, Regulations, or other IRS guidance from your SIMPLE IRA. Emergency personal expense distributions are exempt from the 10% early distribution penalty tax and may be repaid. See “**Other Distributions Eligible for Repayment**” in this document for more information. If you take an emergency personal expense distribution from an IRA or eligible retirement plan, you are prohibited from taking another emergency personal expense distribution during that same calendar year from any IRA or eligible retirement plan. Under certain circumstances, if you do not repay an emergency personal expense distribution, you are restricted from taking another emergency personal expense distribution during the three calendar years immediately following the distribution. For assistance in determining whether you are eligible for an emergency personal expense distribution, consult your tax advisor.

**Qualified Charitable Distributions.** If you are age 70½ or older, you may be eligible to make a qualified charitable distribution (QCD) from your SIMPLE IRA. A qualified charitable distribution is generally not subject to federal income tax. If you make deductible Traditional IRA contributions for any year in which you are age 70½ or older, all or a portion of your qualified charitable distributions may be subject to federal income tax. Beginning in 2023, if you are eligible to make a QCD, you may make a one-time election for a taxable year to treat any distribution from an IRA which is made directly to a split-interest entity (as defined by the Code, Regulations, and other IRS guidance) as a QCD. For 2023, the maximum QCD amount overall is \$100,000. For 2023, the maximum QCD amount that may be paid to a split-interest entity under the special one-time election is \$50,000. For future years the dollar limitations will be increased to reflect a cost-of-living adjustment, if any. For further detailed information you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. For assistance in determining whether you are eligible to make a QCD from your IRA, consult your tax advisor.

**Qualified Health Savings Account (HSA) Funding Distribution.** If you are an HSA eligible individual, you may be eligible to do a tax-free transfer of SIMPLE IRA assets to your HSA. This transfer, which is referred to as a qualified HSA funding distribution, is subject to HSA contribution limits. You must irrevocably elect to treat such distribution as a qualified HSA funding distribution. Generally, you are limited to one qualified HSA funding distribution from any of your IRAs during your lifetime. To be eligible for a qualified HSA funding distribution from your SIMPLE IRA, an employer contribution under the SIMPLE IRA plan cannot be made for the plan year ending with or within the taxable year in which you make the qualified HSA funding distribution. For assistance in determining to what extent you may be eligible to make a qualified HSA funding distribution, consult your tax advisor.

## **BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER BEFORE JANUARY 1, 2020**

Any amounts remaining in your SIMPLE IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** In general, distributions from your SIMPLE IRA to your beneficiary are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution from your SIMPLE IRA is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, consult your tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B. Distributions withdrawn by your beneficiary from the Inherited IRA are not subject the early distribution penalty tax.

**Beneficiary Distribution Requirements.** If you die before January 1, 2020, the rules determining the distribution of your SIMPLE IRA balance depend on several factors including whether you had a designated beneficiary, your relationship to the beneficiary (spouse or nonspouse) and whether you died before or after required minimum distributions (RMDs) were required to begin.

**Designated Beneficiary.** A designated beneficiary is an individual who is designated by you in writing as a beneficiary of this SIMPLE IRA in a manner acceptable to the Custodian or designated as a beneficiary under the terms of the plan agreement. With the exception of certain qualified see-through trust beneficiaries, only individuals may be treated as designated beneficiaries for purposes of determining required distributions under Code Section 401(a)(9) following your death. Except as provided otherwise in applicable Treasury Regulations, for purposes of determining distribution requirements/options following your death, your designated beneficiary will be determined based on the beneficiaries designated as of your date of death who remain beneficiaries as of September 30 of the calendar year following the calendar year of your death.

**If You Die Before April 1 Following the Year you Reach Age 70½.** Generally, if you die before April 1 following the year you reach age 70½ and your designated beneficiary(ies) is an individual, they may elect a distribution method. Your beneficiary(ies) may elect to deplete the SIMPLE IRA by the end of the fifth calendar year following your death or to receive payments based on the designated beneficiary(ies)'s life expectancy. If life expectancy payments are elected, the payments must begin by December 31 of the first calendar year following your death. However, if your

surviving spouse is your sole designated beneficiary, they may delay the first distribution until December 31 of the year you would have attained age 70½ (if your date of birth is before July 1, 1949), age 72 (if your date of birth is after June 30, 1949 and before January 1, 1951), age 73 (if your date of birth is after December 31, 1950 and before January 1, 1960), or age 75 (if your date of birth is after December 31, 1959), if later.

If your designated beneficiary is not an individual or a qualified trust, your SIMPLE IRA must be distributed by the end of the fifth calendar year following your death.

Generally, each beneficiary may elect the timing and manner regarding the distribution of their portion of the SIMPLE IRA. Elections must generally be made by December 31 of the year following your death. If timely elections are not made, your beneficiary is required to take distributions according to the applicable default provision. The default distribution option for designated beneficiaries who are individuals is the life expectancy option and the default distribution option for designated beneficiaries that are not individuals is the 5-year rule.

If your surviving spouse is the sole designated beneficiary of your SIMPLE IRA, they may treat your SIMPLE IRA as their own SIMPLE IRA by redesignating your SIMPLE IRA as their own SIMPLE IRA, failing to take a required distribution as a beneficiary, or by making a contribution. Regardless of whether your spouse is the sole designated beneficiary, they may roll distributions from your SIMPLE IRA into their own SIMPLE IRA generally within 60 days of receipt. Additional restrictions may apply.

Pursuant to the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act), certain beneficiaries taking distributions in accordance with the 5-year rule are afforded an extra year to complete distribution from the Inherited SIMPLE IRA.

**If You Die on or After April 1 Following the Year You Attain Age 70½.** If you die on or after April 1 following the year you attain age 70½, the designated beneficiary(ies) must continue taking distributions from your SIMPLE IRA. The time frame for receiving payouts is the longer of the remaining single life expectancy of the applicable designated beneficiary or your remaining single life expectancy factor determined as of the year of your death. Distributions must commence by December 31 of the calendar year following your death. If your designated beneficiary is not an individual or a qualified trust, your SIMPLE IRA must be distributed using your single life expectancy (had you not died) reduced by one each year. Your beneficiary(ies) must withdraw your required minimum distribution for the year of your death if you do not withdraw it before your death.

If your surviving spouse is the sole designated beneficiary of your SIMPLE IRA, they may treat your SIMPLE IRA as their own SIMPLE IRA by redesignating your SIMPLE IRA as their own SIMPLE IRA, failing to take a required distribution as a beneficiary, or by making a contribution. Regardless of whether your spouse is the sole designated beneficiary, they may roll distributions from your SIMPLE IRA into their own SIMPLE IRA generally within 60 days of receipt. Additional restrictions may apply.

**Excess Accumulation Penalty.** If your beneficiary does not withdraw the amount required to be distributed each year on or before December 31, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed as required. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with their payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited SIMPLE IRA no later than the applicable deadline. The applicable deadline by which the Inherited SIMPLE IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary’s death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited SIMPLE IRA may result in an excess accumulation penalty.

**BENEFICIARY DISTRIBUTIONS – DEATH OF IRA OWNER ON OR AFTER JANUARY 1, 2020**

Any amounts remaining in your SIMPLE IRA at your death will be paid to your beneficiary(ies) as required under the Code and Treasury Regulations.

**Tax Treatment of Distributions to Beneficiaries.** In general, distributions from your SIMPLE IRA to your beneficiary are taxed as ordinary income in the year in which they are distributed. If you have made nondeductible contributions to any of your Traditional IRAs, a portion of each distribution from your SIMPLE IRA is nontaxable. The nontaxable amount is the pro rata portion of the distribution that represents your remaining nondeductible contributions based upon the value of all your IRAs (excluding Roth IRAs). For assistance in determining the nontaxable portion, consult your tax advisor, instructions to IRS Forms 1040 and 8606, and IRS Publication 590-B. Distributions withdrawn by your beneficiary from the Inherited IRA are not subject the early distribution penalty tax.

**Beneficiary Distribution Requirements.** If you die on or after January 1, 2020, how quickly the assets must be withdrawn from the SIMPLE IRA by your beneficiary depends on the beneficiary type (i.e., an eligible designated beneficiary, an individual that is not an eligible designated beneficiary, a nonperson beneficiary such as a charity or other entity, or a trust beneficiary) and the timing of your death (i.e., before your required beginning date, or on/after your required beginning date).

**Beneficiary Types**

<b>Eligible Designated Beneficiary</b>	Eligible designated beneficiary status is determined on the date of your death. The following types of designated beneficiaries generally qualify as an eligible designated beneficiary: your spouse, a disabled individual (as defined under Code section 72(m) and Regulations), a chronically ill individual as defined in Code section 401(a)(9)(E)(ii)(IV)
--	---

	and Regulations, your child who has not attained age 21, or an individual who was not born more than 10 years after your date of birth. For a disabled or chronically ill individual to be considered an eligible designated beneficiary documentation of the disability or chronic illness must be received by the Custodian no later than October 31 of the calendar year following your death. Such documentation requirements are also applicable to qualified see-through trusts whose beneficiaries include disabled and/or chronically ill individuals. If such documentation is not received by the applicable deadline, such disabled or chronically ill individuals are noneligible designated beneficiaries.
<b>Noneligible Designated Beneficiary</b>	Noneligible designated beneficiary is any individual who is not an eligible designated beneficiary.
<b>Nonperson Beneficiary</b>	Nonperson beneficiaries include nonqualified trusts (i.e., trusts that are not qualified see-through trusts), estates, charities, and other nonperson entities.
<b>Qualified See-Through Trust Beneficiary</b>	A qualified see-through trust beneficiary, as defined under Regulations, is a trust that is valid under state law (or would be valid but for the fact that there is no corpus), is irrevocable (or becomes irrevocable upon your death) and has identifiable beneficiaries. In addition, to be considered a qualified see-through trust, required trust documentation must be provided to the Custodian no later than October 31 of the year following the year of your death.

#### **Beneficiary Distribution Requirements – Death Before Required Beginning Date**

The chart below outlines the distribution requirements for each beneficiary type if you pass away before April 1 following the year for which you are required to begin taking required minimum distributions (RMDs). The information in the chart below assumes each beneficiary's interest in the inherited SIMPLE IRA funds is separately accounted for according to the Regulations no later than December 31 of the year following the year of your death. The beneficiary distribution options and/or requirements outlined below may be restricted, accelerated, or modified if separate accounting of each beneficiary's share is not completed by such deadline. Such beneficiaries should consult with their tax and legal counsel for advice on required distributions from the inherited SIMPLE IRA funds.

<b>Eligible Designated Beneficiary (Spouse)</b>	<p>Your spouse beneficiary may continue to maintain the inherited SIMPLE IRA funds in an Inherited SIMPLE IRA or may choose to move the inherited SIMPLE IRA funds to an IRA of their own through a direct transfer (if eligible) or a rollover.</p> <p><b>Spouse Move to Own IRA.</b> Your spouse beneficiary may choose to move the inherited SIMPLE IRA funds to their own IRA through a direct transfer (if eligible) or a rollover. If your spouse beneficiary moves the inherited funds into an IRA of their own, they will generally be subject to required minimum distribution rules as the IRA owner.</p> <p>In a transfer, SIMPLE IRA funds are moved directly from the Inherited SIMPLE IRA to your spouse's own IRA. The deadline for your spouse to transfer the inherited funds to their own IRA is <i>the later of</i> December 31 of the year following your death, or December 31 of the year your spouse attains the applicable age. Your spouse's applicable age is</p> <ul style="list-style-type: none"> <li>• age 70½, if their date of birth is June 30, 1949, or earlier,</li> <li>• age 72, if their date of birth is after June 30, 1949, but before January 1, 1951,</li> <li>• age 73, if their date of birth is after December 31, 1950, but before January 1, 1960, or</li> <li>• age 75 if their date of birth is January 1, 1960, or later.</li> </ul> <p>In a rollover, your spouse beneficiary withdraws the inherited funds and then subsequently deposits the funds into their own IRA as a rollover contribution, generally within 60 days. Your spouse beneficiary may choose to roll over the inherited SIMPLE IRA funds to their own IRA at any time, so long as rollover eligibility requirements are satisfied. <b>Note:</b> Your spouse beneficiary may not roll over any required distributions (including hypothetical RMD amounts).</p> <p>If your spouse beneficiary fails to take a required distribution from the inherited SIMPLE IRA funds or contributes additional funds to the Inherited SIMPLE IRA, such SIMPLE IRA will automatically become your spouses' own SIMPLE IRA.</p> <p><b>Inherited SIMPLE IRA Distribution Requirements.</b> If your death is before your required beginning date and your spouse chooses to leave the inherited funds in an Inherited SIMPLE IRA, your spouse beneficiary may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your spouse beneficiary to make the election between the 10-Year Rule and Life Expectancy Payment options is generally December 31 of the year following your year of death. However, if you pass away prior to the year in which you attain a certain applicable age (based on your date of birth), your spouse beneficiary will typically have until the earlier of December 31 of year you would have attained the applicable age or December 31 of the tenth calendar year following your death. If your spouse does not make an election by the deadline, your spouse will be required to take distributions according to the Life Expectancy Payments option. For purposes of this deadline, the applicable age (based on your date of birth) is</p> <ul style="list-style-type: none"> <li>• age 72, if you were born before January 1, 1951,</li> <li>• age 73 if you were born after December 31, 1950, and before January 1, 1960, or</li> <li>• age 75 if you were born after December 31, 1959.</li> </ul> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following your death. If your spouse beneficiary elects to take distributions from the Inherited SIMPLE IRA in accordance with the 10-Year Rule, because your death is before your required beginning date, they are not subject to a distribution requirement each year.</p>
---	--

	<p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your spouse beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. However, if your surviving spouse is your sole designated beneficiary, they may generally elect to delay the first distribution until the year you would have been required to begin taking RMDs from a SIMPLE IRA. The life expectancy payment is the required minimum amount to be withdrawn each year; your spouse beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<b>Eligible Designated Beneficiary (Nonspouse)</b>	<p>If you pass away before your required beginning date, your nonspouse beneficiary who qualifies as an eligible designated beneficiary (nonspouse) may choose the distribution requirements that apply to them by making an election between two distinct distribution options: 1) Life Expectancy Payments, or 2) the 10-Year Rule. The deadline for your eligible designated beneficiary (nonspouse) to elect between the 10-Year Rule and Life Expectancy Payments options is December 31 of the calendar year following your death. If your beneficiary does not make an election by the deadline, your beneficiary will be required to take minimum distributions each year in accordance with the Life Expectancy Payments option.</p> <p><b>10-Year Rule:</b> The 10-Year Rule requires depletion of the inherited funds by the end of the tenth calendar year following your death. If an eligible designated beneficiary elects to take distributions from the Inherited SIMPLE IRA in accordance with the 10-Year Rule, because your death is before your required beginning date, they are not subject to a distribution requirement each year.</p> <p><b>Life Expectancy Payments:</b> Under the Life Expectancy Payments option, your beneficiary must withdraw a minimum amount each year beginning in the calendar year following your death. To determine the minimum required distribution amount for a given year, the SIMPLE IRA balance (i.e., generally the fair market value of the Inherited SIMPLE IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator is derived from the Single Life Expectancy table. For the first distribution year, the life expectancy used is the single life expectancy that corresponds to the age the beneficiary attains on their birthday in the calendar year following the year of your death. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The life expectancy payment is the required minimum amount to be withdrawn each year; the eligible designated beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>If your child, who is under age 21 at the time of your death, elects to take distributions in accordance with the Life Expectancy Payments option, they must generally deplete the entire Inherited SIMPLE IRA by December 31 of year they attain age 31. However, this deadline does not apply if your child is disabled or chronically at the time of your death and required documentation is provided to the SIMPLE IRA Custodian by the applicable deadline.</p>
<b>Noneligible Designated Beneficiary</b>	<p>If you pass away before your required beginning date, your noneligible designated beneficiary is required to take distribution of the Inherited SIMPLE IRA under the 10-Year Rule. The 10-Year Rule requires depletion of the inherited SIMPLE IRA funds by the end of the tenth calendar year following the year of your death. During the 10-year period they are not subject to a distribution requirement each year because your death is before your required beginning date.</p>
<b>Nonperson Beneficiary</b>	<p>Your nonperson beneficiary is required to take distribution of the Inherited SIMPLE IRA under the 5-Year Rule. The 5-Year Rule requires depletion of the Inherited SIMPLE IRA by the end of the fifth calendar year following your death. Nonperson beneficiaries taking distributions in accordance with the 5-Year Rule are not subject to a distribution requirement each year.</p>
<b>Qualified See-Through Trust Beneficiary</b>	<p>Your qualified see-through trust beneficiary must deplete the Inherited SIMPLE IRA in accordance with the Code and Treasury Regulations under either the 10-Year Rule or, if applicable, under the Life Expectancy Payments option. Beneficiary distribution requirements for a qualified see-through trust are dependent on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries. Trustees of a trust named as a SIMPLE IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.</p>

#### **Beneficiary Distribution Requirements – Death On/After Required Beginning Date**

If you pass away on or after your required beginning date, in addition to the distribution requirements outlined below, your beneficiary(ies) must also withdraw a distribution in the year of your death if you did not withdraw your required minimum distribution (RMD) before your death.

The chart below outlines the distribution requirements for each beneficiary type if you pass away on or after April 1 following the year for which you are required to begin taking required minimum distributions (RMDs). The information in the chart below assumes each beneficiary's interest in the inherited SIMPLE IRA funds is separately accounted for according to the Regulations no later than December 31 of the year following the year of your death. The beneficiary distribution options and/or requirements outlined below may be restricted, accelerated, or modified if separate accounting of each beneficiary's share is not completed by such deadline. Such beneficiaries should consult with their tax and legal counsel for advice on required distributions from the inherited SIMPLE IRA funds.

<b>Eligible Designated Beneficiary (Spouse)</b>	<p>Your spouse beneficiary may continue to maintain the inherited SIMPLE IRA funds in an Inherited SIMPLE IRA or may choose to move the inherited SIMPLE IRA funds to an IRA of their own through a direct transfer (if eligible) or a rollover.</p> <p><b>Spouse Move to Own IRA.</b> Your spouse beneficiary may choose to move the inherited SIMPLE IRA funds to their own IRA through a direct transfer (if eligible) or a rollover. If your spouse beneficiary moves the inherited funds into an IRA of their own, they will generally be subject to required minimum distribution rules as the IRA owner.</p> <p>In a transfer, SIMPLE IRA funds are moved directly from the Inherited SIMPLE IRA to an IRA of your spouse's own. The deadline for your spouse to transfer the inherited funds to their own IRA is <i>the later of</i> December 31 of the year following your death, or December 31 of the year your spouse attains the applicable age. Your spouse's applicable age is</p> <ul style="list-style-type: none"> <li>• age 70½, if their date of birth is June 30, 1949, or earlier,</li> <li>• age 72, if their date of birth is after June 30, 1949, but before January 1, 1951,</li> <li>• age 73, if their date of birth is after December 31, 1950, but before January 1, 1960, or</li> </ul>
---	--



	<ul style="list-style-type: none"> <li>• age 75 if their date of birth is January 1, 1960, or later.</li> </ul> <p>In a rollover, your spouse beneficiary withdraws the inherited funds and then subsequently deposits the funds into their own IRA as a rollover contribution, generally within 60 days. Your spouse beneficiary may choose to roll over the inherited SIMPLE IRA funds to their own IRA at any time, so long as rollover eligibility requirements are satisfied. <b>Note:</b> Your spouse beneficiary may not roll over any required distributions (including hypothetical RMD amounts).</p> <p>If your spouse beneficiary fails to take a required distribution from the inherited SIMPLE IRA funds or contributes additional funds to the Inherited SIMPLE IRA, such SIMPLE IRA will automatically become your spouses' own SIMPLE IRA.</p> <p><b>Inherited SIMPLE IRA Distribution Requirements.</b> If your spouse beneficiary chooses to leave the inherited funds in an Inherited SIMPLE IRA, they must take a required minimum distribution (RMD) each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the SIMPLE IRA balance (i.e., generally the fair market value of the Inherited SIMPLE IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. While your spouse is alive, the applicable denominator is the <i>longer of</i> the single life expectancy that corresponds to the age your spouse attains on their birthday in the distribution year, or the single life expectancy that corresponds to your age on your birthday in the year of death, reduced by one for each calendar year that has elapsed after the year of your death.</p> <p>The RMD is the minimum amount that must be withdrawn each year; your spouse beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<p><b>Eligible Designated Beneficiary (Nonspouse)</b></p>	<p>If you pass away on or after your required beginning date, your nonspouse beneficiary who qualifies as an eligible designated beneficiaries (nonspouse) must take a required minimum distribution (RMD) each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the SIMPLE IRA balance (i.e., generally the fair market value of the Inherited SIMPLE IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD for the is derived from the Single Life Expectancy table. For the first distribution year, the applicable denominator is the <i>longer of</i> the single life expectancy that corresponds to the age the beneficiary attains on their birthday in the distribution year, or the single life expectancy that corresponds to your age on your birthday in the year of death, reduced by one. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The required minimum distribution is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>If the eligible designated beneficiary is your child who was not yet 21 years of age when you passed away, in addition to taking the RMDs each year, they must also generally deplete the entire Inherited SIMPLE IRA by December 31 of year they attain age 31. However, this deadline does not apply if your child is disabled or chronically at the time of your death and required documentation is provided to the SIMPLE IRA Custodian by the applicable deadline.</p>
<p><b>Noneligible Designated Beneficiary</b></p>	<p>If you pass away on or after your required beginning date, your noneligible designated beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the SIMPLE IRA balance (i.e., generally the fair market value of the Inherited SIMPLE IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. For the first distribution year, the applicable denominator is the single life expectancy that corresponds to the age the beneficiary attains on their birthday in that calendar year. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>In addition to withdrawing the RMD each year, the noneligible designated beneficiary is also required to withdraw the entire interest in the Inherited SIMPLE IRA no later than December 31 of the 10<sup>th</sup> calendar year following your death.</p>
<p><b>Nonperson Beneficiary</b></p>	<p>If you pass away on or after your required beginning date, your nonperson beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. To determine the minimum required distribution amount for a given year, the SIMPLE IRA balance (i.e., generally the fair market value of the Inherited SIMPLE IRA on December 31 of the preceding year) is divided by the applicable denominator. The applicable denominator used to calculate the RMD is derived from the Single Life Expectancy table. For the first distribution year the applicable denominator is the single life expectancy that corresponds to your age on your birthday in the year of your death, reduced by one. Once the applicable denominator is determined for the first distribution year, it is reduced by one in each succeeding year. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p>
<p><b>Qualified See-Through Trust Beneficiary</b></p>	<p>If you pass away on or after your required beginning date, your qualified see-through trust beneficiary must withdraw a required minimum distribution (RMD) amount each year beginning in the calendar year following the year of your death. How the required minimum amount is calculated is dependent on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries. The RMD is the minimum amount that must be withdrawn each year; your beneficiary may always withdraw an additional amount, including a lump-sum distribution of the remaining balance.</p> <p>Depending on which underlying trust beneficiaries must be taken into account and the status of those beneficiaries, the qualified see-through trust beneficiary may also be required to withdraw the entire interest in the Inherited SIMPLE IRA by December 31 of the 10<sup>th</sup> calendar year following your death.</p>

Trustees of a trust named as a SIMPLE IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.
---

**Excess Accumulation Penalty.** If your beneficiary (excluding your spouse beneficiary) does not withdraw the amount required to be distributed for a given year, they may be subject to a 50% excess accumulation penalty tax on the amount not distributed. They must report the 50% excess accumulation penalty tax by filing a completed Form 5329 with the IRS along with payment. For taxable years beginning after December 29, 2022, the amount of the excess accumulation penalty tax is reduced from 50% to 25%. The penalty is further reduced to 10% for beneficiaries who take a corrective distribution and submit a modified federal income return within the applicable correction window. The correction window begins on the date the excess accumulation penalty is incurred and, generally, ends on the last day of the second tax year following year in which the penalty was incurred. Beneficiaries should consult a tax and/or legal advisor for the correction window applicable to their specific circumstances.

Effective January 1, 2022, a beneficiary (excluding your spouse beneficiary) who fails to withdraw an amount by December 31 of the year of your death equal to the amount of your required minimum distribution that you did not withdraw before your death, may qualify for an automatic waiver from the excess accumulation penalty. To qualify for the automatic waiver, the beneficiary must withdraw the required amount no later than the beneficiary's tax filing deadline (including extensions) for the tax year of the missed distribution.

**Required Distributions to Successor Beneficiaries.** Distributions following the death of your beneficiary must be withdrawn by the successor beneficiary(ies) as required by the Code and Regulations including any annual required minimum distributions and the depletion of the entire remaining interest in the Inherited SIMPLE IRA by the applicable deadline. The applicable deadline by which the Inherited SIMPLE IRA must be depleted by a successor beneficiary is generally the end of the tenth calendar year following your beneficiary's death or earlier, depending on the circumstances. Failure to withdraw required distributions or deplete the Inherited SIMPLE IRA may result in an excess accumulation penalty as described above.

## WITHHOLDING

Nonperiodic distributions from your SIMPLE IRA are generally subject to 10% federal income tax withholding. You may elect not to have withholding apply to your SIMPLE IRA distribution in most cases or elect another amount. Any amounts withheld are remitted to federal depositories as prepayment of your federal income tax liability. If you elect not to have withholding applied, or if you do not have enough federal income tax withheld from your SIMPLE IRA distribution, you may be responsible for payment of estimated tax. You may be subject to penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. In addition to federal income tax withholding, distributions from SIMPLE IRAs may also be subject to state income tax withholding.

## CORRECTION OF EXCESS CONTRIBUTIONS

An excess may be created from your salary deferrals or from your employer's contributions (either matching or nonelective) and must be corrected.

## PROHIBITED TRANSACTIONS

If you (or your beneficiary(ies) when you die) engage in a prohibited transaction with your SIMPLE IRA, the entire SIMPLE IRA will be disqualified and treated as a distribution. If you are under the age of 59½, the 10% early distribution penalty tax may apply. Prohibited transactions are defined in Code section 4975. Examples include borrowing money from the SIMPLE IRA, selling property to the SIMPLE IRA, receiving unreasonable compensation for managing the SIMPLE IRA, or buying property with SIMPLE IRA funds for your personal use.

## USING YOUR SIMPLE IRA AS SECURITY FOR A LOAN

If you (or your beneficiary(ies) when you die) pledge all or part of your SIMPLE IRA as security for a loan, the amount pledged is treated as a distribution. If you are under the age of 59½, the amount pledged may also be subject to the early distribution penalty tax.

## MISCELLANEOUS

**Disaster Relief.** If you are affected by certain federally declared disasters, you may be eligible extended deadlines to complete certain time-sensitive acts (e.g., IRA contributions, rollovers, recharacterizations or correction of certain excess contributions). For detailed information about special IRA rules related to specific federally declared disasters, refer to Treasury Regulation 301.7508A-1(c)(1), Revenue Procedure 2018-58, or the IRS website at [www.irs.gov](http://www.irs.gov).

**Nonforfeitable.** Your interest in your SIMPLE IRA is nonforfeitable at all times.

**Custodian.** The Custodian of your SIMPLE IRA must be a bank, a federally insured credit union, a savings and loan association, a corporation that is incorporated under the laws that it is domiciled and is subject to supervision and examination by the Commissioner of Banking or other officer of such State in charge of the administration of the banking laws of such State or an entity approved by the IRS to act as custodian.

**Investment Restrictions.** Money in your SIMPLE IRA may not be used to buy a life insurance policy or invested in collectibles as defined in Code section 408(m). However, certain gold, silver and platinum coins, bullion and coins issued under state laws are allowable investments.

**No Commingling.** Assets in your SIMPLE IRA may not be combined with other property, except in a common trust fund or common investment fund.

**Beneficiary Designation.** You may designate a beneficiary for your SIMPLE IRA by completing a written designation in a form and manner acceptable to the Custodian. When you die, the proceeds of your SIMPLE IRA will be paid to your beneficiary(ies). ). If you do not designate a beneficiary, your SIMPLE IRA will be paid to your spouse, if married, or if there is no surviving spouse, to your estate.

**Tax-Deferred Earnings.** The earnings on your SIMPLE IRA balance accumulate tax-deferred, meaning they are not taxable until distributed from your SIMPLE IRA.

**Estate Tax.** Generally, for federal estate tax purposes, your SIMPLE IRA assets are includable in your gross estate when you die. Consult your tax and/or legal advisors for specific guidance.

**Tax Filing.** You are responsible for filing the applicable IRS forms to report certain activities, taxable income and/or penalties associated with your SIMPLE IRA.

**IRS Form.** This SIMPLE IRA uses the precise language of Articles I-VII of IRS Form 5305-SA, and therefore Articles I-VII are treated as approved by the IRS. Additional language has been included as permitted by such form. The IRS approval represents a determination as to form and not to the merits of the account.

**Additional Information.** Additional information about the rules and options regarding your SIMPLE IRA may be found in IRS Publications 560, 590-A and 590-B, the summary description provided by your employer and on the IRS website at [www.irs.gov](http://www.irs.gov).