



MEEDER

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# Meeder Investment Portfolios IRA Account Application

**INSTRUCTIONS:** Please print or type. All applicable fields must be completed in Sections 1–7. Complete Section 8 through 10 for Optional Services. You must sign your name and obtain your Financial Adviser’s signature in Section 11. **Fields marked with an asterisk (\*) are required in accordance with the USA PATRIOT ACT of 2001. Failure to provide this required information will result in processing delays.** If your investment is by bank wire transfer, please call 1.800.325.3539 for instructions. Mail your application with check payable to Meeder Funds to: Meeder Funds, P.O. Box 7177, Dublin, OH 43017-7177. To overnight an application and check, please send to Meeder Funds, 6125 Memorial Drive, Dublin, OH 43017.

Questions? Call Shareholder Services at 1.800.325.3539.

Name of Custodian Huntington National Bank State of Ohio County of Franklin

This application to participate in a self-directed IRA or Roth IRA is made a part of the IRA Custodial Account and the custodian is hereby authorized to act without further inquiry in accordance with its provisions.

## 1. ACCOUNT REGISTRATION, ACCOUNT OWNER AND ADDRESS INFORMATION

NAME*	SOCIAL SECURITY NO.*	DATE OF BIRTH*	
COUNTRY(IES) OF CITIZENSHIP	COUNTRY OF LEGAL RESIDENCE		
PHYSICAL STREET/APARTMENT ADDRESS*	DAYTIME TELEPHONE NO.*	EVENING TELEPHONE NO.*	
CITY*	STATE*	ZIP + 4*	
EMAIL ADDRESSES (MUST COMPLETE FOR E-DELIVERY OF STATEMENTS)	FAX NO.	MARRIED DIVORCED	NOT MARRIED WIDOWED

**ACCOUNT OWNER INFORMATION**

Employment Status (select only one):

Employed      Self-Employed      Retired      Homemaker      Student      Not Employed

Occupation (If employed, select the option that best describes your occupation):

Business Owner/Self-Employed	Information Technology Professional	Clerical/Administrative Services
Executive/Senior Management	Other Professional	Trade/Service/Labor/Manufacturing/Production
Medical Professional	State, Local or Federal Government	Sales/Marketing
Legal Professional	Foreign Government Employee	Consultant
Accounting Professional	Military	Other
Financial Services/Banking Professional	Educator	

EMPLOYER/BUSINESS NAME

EMPLOYER/BUSINESS ADDRESS

CITY

STATE

ZIP CODE

COUNTRY

**ELECTRONIC DELIVERY**

I would like to receive my statements via e-Delivery.

I would like to receive Market Commentary, Investment Updates, and Special Reports via email.

**MAILING ADDRESS (If different):**

PHYSICAL STREET/APARTMENT ADDRESS\*

DAYTIME TELEPHONE NO.\*

EVENING TELEPHONE NO.\*

CITY\*

STATE\*

ZIP + 4\*

**2. INFORMATION ABOUT THE ACCOUNT****SOURCE OF FUNDS**

Please select all of the sources of assets that will be deposited into the account, including the source of any assets to be transferred into the account from another firm or account.

Salary/Wages/Savings	Social Security Benefits	Sale of Property or Business	Family/Relatives/Inheritance
Investment	Gifts	Gambling/Lottery	Other _____

**PURPOSE OF ACCOUNT**

Please select all that apply.

General Investing	Investing for Estate Planning	Investing for Tax Planning	Investing for College	Investing for Retirement
Investment of Pooled Assets	Other _____			

**LIQUID NET WORTH**

Please select the range corresponding to your net liquid assets exclusive of real estate.

\$1-\$25,000	\$25,000-\$50,000	\$50,000-\$100,000	\$100,000-\$250,000	\$250,000-\$500,000
\$500,000-\$1,000,000	\$1,000,000+			

### 3. FINANCIAL ADVISER

Your Financial Adviser is responsible for obtaining information regarding your financial situation and investment objectives, determining whether the offered program would be suitable for you, providing you with information about the program and its adviser, assisting you with the account paperwork, and being reasonably available for ongoing consultation. Your Financial Adviser is not an employee or client of Meeder Asset Management. Your Financial Adviser is an independent contractor and receives cash compensation in exchange for successfully referring clients to Meeder's advisory services.

FINANCIAL ADVISER REPRESENTATIVE

FINANCIAL ADVISER FIRM

ADDRESS

CITY

STATE

ZIP+4

DAYTIME TELEPHONE

EMAIL

DEALER #

BRANCH #

REPRESENTATIVE #

The Financial Adviser Fee is paid to the Financial Adviser Firm listed in this application and compensates the Financial Adviser for referral of the account and support services, including assistance with opening the account and selecting a suitable investment strategy. Your Financial Adviser will be paid the following annual fee, which will be withdrawn and paid quarterly from your account so long as the account remains open. This fee is in addition to fees payable to Meeder for management of the mutual funds in your account. This arrangement provides your Financial Adviser with an incentive to refer clients and secure their participation in the investment advisory program. In addition, your Financial Adviser may participate in other programs that pay compensation for the endorsement of Meeder's products or services.

Financial Advisory Fee: \_\_\_\_\_ % of assets under management.

### 4. FINANCIAL ADVISER AUTHORIZATION

You authorize Meeder to provide your Financial Adviser with access to your account information, including tax information, balances, positions, statements and other non-public information. In addition, you may grant your Financial Adviser Trading or Trading and Disbursement Authorization over your account.

Trading Authorization. I authorize my Financial Adviser to direct exchanges in my account at my direction.

Trading and Disbursement Authorization. I authorize my Financial Adviser to: (1) direct purchases, redemptions, exchanges or transfers in my account at my direction; (2) direct Meeder to remit checks to me at my address of records; and (3) direct Meeder to transfer funds to any other account that I may designate from time to time for which I am the named account holder (first-party transfer).

### 5. INVESTMENT INFORMATION

#### I WANT TO OPEN A:

Rollover IRA

Roth IRA

Traditional IRA

SEP IRA

Beneficiary IRA

#### I WANT TO OPEN AN ACCOUNT BY:

Regular or Spousal, for tax year \_\_\_\_\_

Transfer In from Trustee

Transfer In from another institution

Rollover from Traditional IRA

Rollover from Roth IRA

Rollover from SIMPLE IRA

Rolling over assets from the institution of a qualified plan or TSA

#### METHOD OF INVESTMENT:

I have enclosed a check for a minimum of \$10,000.

I want to transfer from an existing Meeder Account.

I have enclosed a Transfer Request Form to transfer or rollover assets from another institution.

I want to invest by wire. Call 1.800.325.3539 to obtain a Meeder Investment Portfolios account number and wire instructions.

#### COMMINGLING AUTHORIZATION

I understand that commingling contributions from a qualified plan or TSA with regular IRA contributions will prohibit me from rolling over these funds into another qualified plan or TSA.

I authorize commingling of my regular IRA and rollover IRA funds.

I do not authorize commingling of my regular IRA and rollover IRA fund

Meeder Investment Portfolios offer a series of investment strategies allocated exclusively among Meeder mutual funds selected by Meeder to meet specific investment objectives and risk tolerance levels stated in the objective of each portfolio. Meeder is the investment adviser for the Meeder Funds and Meeder and its affiliates earn investment advisory, administrative, transfer agent and distribution fees for various services provided to the funds.

Please complete the Investor Profile Questionnaire and Portfolio Selection Form to select your portfolio strategy and consult your Financial Adviser for additional information regarding investment objectives, strategies and risks of the portfolios. All selections are subject to approval by Meeder prior to investment.

## 6. INVESTMENT RESTRICTIONS:

Identify any investment restrictions or guidelines applicable to the account or the securities available for investment. Restrictions on account management are subject to Meeder's acceptance and may cause lower overall results in comparison to the model investment strategy.

## 7. DESIGNATION OF BENEFICIARIES

I designate the individual(s) named below as my primary and contingent beneficiary(ies) of this Individual Retirement Account (IRA). I revoke all prior IRA beneficiary designations, if any, made by me. I understand that I may change or add beneficiaries at any time by completing a Change of Beneficiary Form with Meeder. (Add pages as needed).

### PRIMARY BENEFICIARY(IES)

NAME	SOCIAL SECURITY NO.*	TRUST DATE
ADDRESS	DATE OF BIRTH *	SHARE (%)
CITY, STATE, ZIP	RELATIONSHIP	
NAME	SOCIAL SECURITY NO.*	TRUST DATE
ADDRESS	DATE OF BIRTH *	SHARE (%)
CITY, STATE, ZIP	RELATIONSHIP	

### CONTINGENT BENEFICIARY(IES)

NAME	SOCIAL SECURITY NO.*	TRUST DATE
ADDRESS	DATE OF BIRTH *	SHARE (%)
CITY, STATE, ZIP	RELATIONSHIP	
NAME	SOCIAL SECURITY NO.*	TRUST DATE
ADDRESS	DATE OF BIRTH *	SHARE (%)
CITY, STATE, ZIP	RELATIONSHIP	

**SPOUSAL CONSENT**

If you live in a community property state, including AZ, CA, ID, LA, NV, NM, TX, WA, and WI, and you have designated someone other than your spouse as the primary beneficiary, state law requires that your spouse consent to such designation. If you do not obtain your spouse's consent to the foregoing designation(s), then such designation(s) may not be effective. Your spouse's signature is required to be notarized if completing this section.

I am the spouse of the IRA account holder named above. I agree to my spouse's naming of a primary beneficiary other than or in addition to myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I also acknowledge that I shall have no claim whatsoever against the Custodian for any payment to my spouse's named beneficiary(ies).

\_\_\_\_\_  
SPOUSE'S SIGNATURE

\_\_\_\_\_  
DATE

**CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC**

In the State of \_\_\_\_\_, in the County of \_\_\_\_\_, on \_\_\_\_\_,  
STATE COUNTY DATE

the above-named individual(s) personally appeared before me and proved to me on the basis of satisfactory evidence to be the person(s) whose names) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY that the foregoing paragraph is true and correct.

\_\_\_\_\_  
NOTARY SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
(NOTARY SEAL)

\_\_\_\_\_  
NOTARY PRINTED NAME

\_\_\_\_\_  
COMMISSION EXPIRES

## 8. TELEPHONE EXCHANGE

I hereby authorize and direct the transfer agent to accept and act upon telephone instructions for exchanges involving the account unless the following is checked:

I do not authorize telephone exchanges.

**Note:** All IRA transactions must be received in writing.

## 9. BANK OF RECORD

If you would like to participate in the Automatic Account Builder (Section 10) and wish for Meeder to execute transactions with your bank account, please fill out the information in this section AND attach a voided or cancelled check over the example below. Please do not staple.

**Please Note:** To set up any of the above mentioned options at a later point in time, you will be required to provide bank information that is Medallion Signature Guaranteed. (A Medallion Signature Guarantee is a stamp that verifies your identity. It can be obtained at a commercial bank or brokerage firm. Notarization by a notary public is not acceptable.)

BANK NAME	ADDRESS	
CITY	STATE	ZIP + 4
ACCOUNT NAME	ACCOUNT NUMBER	
BANK ABA NUMBER		
ACCOUNT TYPE:	CHECKING	SAVINGS

John A. Sample  
123 Same Street  
Anywhere, USA 12345

PAY TO THE ORDER \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

ANY BANK U.S.A.

FOR \_\_\_\_\_

1: 123456789:0123456789012 0001 \_\_\_\_\_ 0001

**Tape Your Voided Check Here.**  
**PLEASE DO NOT STAPLE**

## 10. AUTOMATIC ACCOUNT BUILDER

YES, I authorize the Automatic Account Builder to take place. On the date specified below, money (\$100 minimum) will be deducted by bank Wire or ACH transfers from my Bank Account (listed in Section 9) to purchase shares of a specified Portfolio according to the following instructions. I will receive a confirmation from the transfer agent reflecting each purchase and my bank statement will reflect the amount of the draft.

Monthly                      Start-up Month \_\_\_\_\_ I would like the transaction to take place on the \_\_\_\_\_ day of the month.

Twice a month              Start-up Month \_\_\_\_\_ I would like the first transaction to take place on the \_\_\_\_\_ day of the month  
and the second transaction to take place on the \_\_\_\_\_ day of the month.

Withdraw \$ \_\_\_\_\_ and purchase shares in the previously selected portfolio.

OPTIONAL SERVICES

## 11. SIGNATURES AND CERTIFICATION (Required for application to be complete)

### SELF-DIRECTED IRA FINANCIAL DISCLOSURE INFORMATION

This account is termed a Self-Directed Individual Retirement Account (IRA). You may direct the investment of your funds within this IRA into any portfolio strategy offered by Meeder Investment Portfolios. The Custodian will not exercise any investment discretion regarding your IRA investment decisions, as this is solely your responsibility. Because this is a self-directed IRA, no projection of the growth of your IRA can reasonably be shown or guaranteed. The value of your IRA may increase or decrease depending upon the performance of any investment instrument chosen by you to fund your IRA. Terms and conditions of the self-directed IRA which affect your investment decisions are listed below.

### INVESTMENT OPTIONS

This is a Self-Directed IRA: you choose the investments which will fund your IRA. Contributions to the Individual Retirement Account will be invested in shares of Meeder Investment Portfolios. Earnings are determined by the amount of dividends paid on such shares held in the Individual Retirement Account. Such earnings are allocated to the IRA in which the shares are held. You may receive distributions in the form of income dividends or net realized capital gains distributions. Gross income is reduced by advisory fees and by certain other costs paid for by the mutual fund (accounting fees, taxes, interests, brokerage fees, etc.).

### FEES

- 1) There is an annual custodial maintenance fee of \$10 per account, per year which is deducted from your account each December.
- 2) Redemption/Transfer Fee: Full account balance \$20
- 3) We reserve the right to change any of the above fees after notice to you, as provided in your IRA Plan Agreement.

### QUALIFICATION

I acknowledge that if I am rolling over this deposit within 60 days of receipt of a distribution, I am responsible for the determination that this transaction qualifies for a rollover to an IRA.

Important: Please read before signing. I understand the eligibility requirements for the type of IRA deposit I am making and I state that I do qualify to make the deposit. I have received a copy of the Application; the applicable 5305-A, 5305-RA, or 5305-SEP Plan Agreement; and Disclosure Statement. I understand that the terms and conditions which apply to this Individual Retirement Account are contained in this Application and the applicable 5305-A, 5305-RA, or 5305-SEP Plan Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this IRA I may revoke it without penalty by mailing or delivering a written notice to the Custodian.

I assume complete responsibility for: 1) Determining that I am eligible for an IRA each year I make a contribution; 2) Insuring that all contributions I make are within the limits set forth by the tax laws; 3) The tax consequences of any contribution (including rollover contributions and distributions).

I expressly certify that I take complete responsibility for the type of investment instrument(s) I choose to fund my IRA, and that the Custodian is released of any liability regarding the performance of any investment choice I make.

### CLIENT AUTHORIZATION

By signing this Application, the undersigned requests that Meeder open the designated account and: (1) agrees to the terms of the attached Asset Allocation Agreement; (2) acknowledges disclosure of compensation payable to the listed Financial Adviser; (3) acknowledges granting access to information related to the account, trading or disbursement authority listed herein; and (4) acknowledges delivery of the Meeder Client Relationship Summary, Form ADV Part 2A Brochure and Privacy Policy.

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SIGNATURE

DATE

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AUTHORIZED CUSTODIAN SIGNATURE (TO BE SIGNED AFTER RECEIPT OF COMPLETED APPLICATION)

DATE

### FINANCIAL ADVISER AUTHORIZATION

By signing this Application, the undersigned represents that: (1) Financial Adviser is an investment adviser representative of a firm authorized to endorse and promote the investment program; and (2) that Financial Adviser will carry out the duties allocated to the adviser in the Application and Asset Allocation Agreement.

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FINANCIAL ADVISER SIGNATURE

TITLE (IF APPLICABLE)

DATE

## 12. ATTACHMENTS

Asset Allocation Agreement

Form 5305-A

Form 5305-RA

Form 5305-SEP



# Asset Allocation Agreement

## Meeder Investment Portfolios

This Asset Allocation Agreement (“Agreement”) is effective as of the date executed by and between Meeder Asset Management, Inc., (“Meeder”), its applicable affiliates, and each person named as an account holder on the program application. (“Client”).

1. **Investment Management Program.** The program offers a series of investment strategies consisting of a combination of Meeder Funds designed to meet a given investment objective and risk tolerance. Clients utilizing this program complete a questionnaire to determine their investment risk profile and select a suitable strategy in consultation with their Financial Adviser. All monies deposited to the program will be invested in Meeder Funds consistent with the selected strategy and instructions of the Client. The program is limited to investments in the Meeder Funds and no other securities are available in this program.

2. **Appointment.** Client appoints Meeder as discretionary investment manager to manage the assets deposited in the account (“Account”). Meeder accepts the appointment as investment manager and shall invest, reinvest and manage the securities in the Account in accordance with Client’s stated investment risk profile, selected investment strategy, and applicable restrictions.

3. **Discretionary Authorization.** Client grants Meeder discretionary trading authority and appoints Meeder as agent and attorney-in-fact with respect to the investments in the Account. Meeder shall carry out its authority so long as this Agreement remains in effect and in conformance with any written directions provided by Client and accepted by Meeder. Meeder may direct the purchase, sale, exchange, conversion, delivery or other acquisition or disposition of securities and other investments in the Account, select and appoint subadvisors to manage all or a portion of the account, and act on behalf of Client in all other matters incidental to the handling of Account investments, all without prior consultation with Client.

4. **Investment Instructions and Restrictions.** When opening an account or thereafter, Client may impose reasonable investment restrictions on the account or the securities available for investment within the limitations of the program. Restrictions on account management are subject to Meeder’s acceptance and may cause lower overall results in comparison to the model investment strategy. Client authorizes Meeder to rely on information provided by Client’s Financial Adviser regarding the imposition or modification of investment restrictions for the Account.

5. **Custody.** Meeder will not assume physical custody of the Account or any portion of it. Mutual Funds Service Co., the transfer agent for Meeder Funds and an affiliate of Meeder (“Custodian”), will maintain custody of Meeder Funds shares deposited in the Account. Client will receive a quarterly statement from the Custodian identifying Meeder Funds shares owned at the end of the period and listing all transactions for the period. Client authorizes Custodian to pay all applicable fees, charges and expenses from the assets of the Account and to redeem Meeder Funds shares for this purpose.

6. **Investment Management Fees.** Clients do not pay investment advisory fees to Meeder for management of the portfolio. In addition, transaction execution, custody and reporting are provided at no additional charge to the Client. Separate charges may be levied by the Custodian for certain services or transactions, including wire transfer and electronic fund fees, handling and special service fees, and taxes on brokerage accounts and securities transactions. Clients also pay underlying fund expenses for mutual funds held in the Account.



7. **Duties of Financial Adviser.** The Financial Adviser identified in the program application shall have primary responsibility for all communications and meetings with Client and shall be responsible for: (i) assisting Client in determining whether the investment management program is appropriate and suitable for the Client; (ii) assisting Client with the selection of a risk profile and investment strategy suitable for the Client's needs and circumstances; (iii) determining whether Client wishes to impose any reasonable restrictions on the management of Client's Account; and (iv) contacting the Client at least annually to determine whether there have been any changes in the Client's financial situation or investment objectives. The Financial Adviser shall promptly communicate, in writing, to Meeder any changes in a Client's financial situation or investment objectives or any changes in the instructions or reasonable restrictions imposed by the Client on the management of the Account that Financial Adviser becomes aware of. Client authorizes Financial Adviser to provide such Client and Account information to Meeder, and Client authorizes Meeder to rely on such Client and Account information provided by Financial Adviser to Meeder.

8. **Financial Adviser Fee.** Clients pay a Financial Adviser Fee to unaffiliated investment advisers who refer clients to the program and are compensated for consultation and other services provided to program clients. Meeder will not retain any portion of this fee and your Financial Adviser is not an employee or client of Meeder Asset Management. Your Financial Adviser is an independent contractor and receives cash compensation in exchange for successfully referring clients to Meeder's advisory services. The fee paid to your Financial Adviser is stated on the program application. This arrangement provides your Financial Adviser with an incentive to refer clients and secure their participation in the investment advisory program. In addition, your Financial Adviser may participate in other programs that pay compensation for the endorsement of Meeder's products or services.

9. **Fee Payment Terms.** The Financial Adviser fee is billed quarterly in arrears based on the average daily balance of the Account during the preceding quarter. In the event this Agreement is terminated during a billing period, Client will be billed a fee for that portion of the quarter prior to the date of termination. Fees are deducted by the Custodian pursuant to authority granted by the Client for this purpose.

10. **Affiliated Funds.** Meeder Investment Portfolios are invested entirely in the Meeder Funds. Meeder is the investment adviser for the Meeder Funds and Meeder and its affiliates earn investment advisory, administrative, transfer agent and distribution fees for various services provided to the funds. If your account is a retirement account, you hereby authorize Meeder to invest your account in any affiliated Meeder Funds selected for the Account and acknowledge that Meeder and its affiliates earn fees from these investments. All fees paid to Meeder in connection with investments in affiliated funds are set forth in the Meeder Funds Prospectus. Because Meeder and its affiliates earn fees when Meeder Funds are selected for the Meeder Investment Portfolios, this presents a conflict of interest. To mitigate this conflict, Meeder does not exercise discretion over whether a client is invested in the Meeder Investment Portfolios and does not charge any additional advisory fees to management of the portfolios.

11. **Proxy Voting.** Meeder does not accept or assume authority to vote proxies for clients in this program. Any proxies distributed for mutual funds in the account will be delivered to clients directly by the Custodian.

12. **Cost Basis and Dividends/Capital Gains.** The cost basis method is average cost. Dividends and capital gains will be reinvested.

13. **Changes to Financial Circumstances.** Client is responsible for making Client's Financial Adviser or Meeder aware of any change in Client's goals, financial circumstances or investment objectives. Client's designated Financial Adviser is available to review the selected investment objectives, risk tolerance and recommended portfolio at any time.

14. **Confidentiality.** All information and advice furnished by either party to the other, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as otherwise required by law or as agreed to in writing by Client.

15. **Services to Other Clients.** Client understands that Meeder serves as investment adviser for other clients and will continue to do so. Client also understands that Meeder, its personnel and affiliates may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. Meeder is not obligated to buy, sell or recommend for Client any security or other investment that Meeder or its affiliates may buy, sell or recommend for any other client or their own accounts.

16. **Meeder's Representations.** Meeder represents that it is a registered investment adviser under the Investment Advisers Act of 1940.

17. **Client's Representations.** Client represents and acknowledges that: (i) Client has authority to retain Meeder to manage the Account and to enter into this Agreement; (ii) each named Client in a jointly owned Account may act independently of the others with respect to the Account and all of its assets; (iii) Client has received a copy of the Meeder Funds Prospectus; and (iv) Client has received Meeder's current Client Relationship Summary, ADV Part 2A Disclosure Brochure and Privacy Policy.

18. **Term.** Client may terminate this Agreement at any time by written notice to Meeder. Meeder may terminate this Agreement, suspend or modify program services provided for the Account upon thirty (30) days written notice to Client. Termination of this Agreement will not affect the status, obligations or liabilities of the parties to this Agreement that arose prior to such termination.

19. **Limitation of Liability.** Except for negligence, malfeasance or violation of applicable law, Meeder and its officers, directors or employees shall not be liable to Client for any action performed, or omitted to be performed, or for any errors of judgment in managing the Account. Nor shall Meeder be liable to Client for any act or failure to act by any other third party. The federal securities laws impose liabilities under certain circumstances on persons even when they act in good faith. Therefore, nothing in this Agreement shall in any way constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.

20. **Assignment.** This Agreement may not be assigned by either party without the consent of the other party. Consent to assignment will be presumed in the event Meeder provides Client with notice of an assignment and Client does not object to the assignment within thirty (30) days following the date of the notice.

21. **Amendment.** This Agreement may be amended by Meeder with thirty (30) days prior written notice to Client and may be amended immediately upon notice to the extent reasonably required to satisfy federal or state regulatory requirements.

22. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Ohio without giving effect to any conflict or choice of law provisions of that State.

23. **Severability.** If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect.

24. **Affiliates.** To the extent necessary to carry out the terms of this Agreement, any named affiliate of Meeder shall be deemed to be a party to the Agreement for that purpose.

25. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and same instrument.

26. **Approval.** Clients approve and adopt this Agreement through execution of the program application.

# Traditional Individual Retirement Custodial Account

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

Do not file  
with the Internal  
Revenue Service

## Introduction

The Depositor named on the Application to Participate 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 Application to Participate has given the Depositor the disclosure statement required under Regulations section 1.408-6. The Depositor has assigned the custodial account the sum indicated on the Application to Participate in cash.

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 single sum or
- 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:

- If the Depositor dies on or after the required beginning date and:
  - 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.
  - 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.
  - 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.
- 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:
  - 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.
  - 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:

## 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) 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).

## Definitions

**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.

## 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.

- 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.
- 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 paragraphs 3(a) and 3(b)(i).
- 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 to Participate.

## ARTICLE VIII

**1. Amendments**—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

**2. Responsibilities**—The Custodian shall receive all contributions, shall make distributions and pay benefits from the custodial account, shall file such statements or reports as may be required, and do other things as may be required of a Traditional IRA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the custodial account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this agreement and no responsibility for the administration of the custodial account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this Traditional IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying the required minimum distribution. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

**3. Resignation, Removal, and Appointment of Custodian**—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the Traditional IRA, the resigning Custodian has the right to appoint a successor Custodian of the IRA or, at its sole discretion, the resigning Custodian may transfer the Traditional IRA to a successor Custodian or distribute the Traditional IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Traditional IRA.

**4. Applicable Law**—This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile shall govern.

**5. Severability**—If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

## 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. Attach additional pages if necessary.

## Congratulations

By establishing a Traditional IRA, you have taken an important step toward saving taxes and building a more secure future for your retirement. The earnings and/or investment gain accumulate tax-deferred until distributed.

This means you pay no federal income tax on your Traditional IRA earnings and/or investment gain until you withdraw your funds. This booklet, containing your Traditional IRA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to your Traditional IRA.

Thank you for allowing us to maintain your Traditional IRA. We're here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

## Application to Participate

This Traditional IRA booklet contains two copies of the Application to Participate (printed on carbonless paper). The top copy is perforated, and after completion, is removed for the organization's files. The duplicate copy remains as a permanent part of this booklet for your records.

The Application is used to record all of the participant information necessary to establish the Traditional IRA. It is important that all of the information be completed.

## Traditional Individual Retirement Custodial Account Agreement

This is the legal document that defines the Internal Revenue Service's rules and regulations for Traditional IRAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes your Traditional IRA with our organization.

## Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this Traditional IRA. It is easy to understand, because it's written in layman's language. Explanations are separated by headings that help you locate specific rules about your Traditional IRA.

# Traditional Individual Retirement Custodial Account Disclosure Statement

## Introduction

This disclosure statement describes the statutory and regulatory provisions applicable to the operation and tax treatment of your Traditional Individual Retirement Account (Traditional IRA). It is intended to provide you with a clear explanation of the rules governing your Traditional IRA. Please review the disclosure carefully. Because of the complexity of the rules, particularly those relating to eligibility, active participation, contributions, adjusted gross income, rollovers, correction of contributions, required minimum distributions, possible tax implications, and other matters, you should consult with your own tax advisor if you have any questions about this material. Additional information concerning Traditional IRAs can be obtained from any district office of the Internal Revenue Service (IRS) and IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

## Revocation of Account

**Procedure.** IRS regulations require that this disclosure statement be given to you at least seven days before the account is established, or on the date the account is established if you may revoke the account within at least seven days after it is established. The Traditional IRA described in this statement provides for delivery of the required disclosure statement at the time the Traditional IRA is established. Accordingly, you are entitled to revoke your Traditional IRA for any reason within seven days after the date it is established. Such revocation may be made only by written notice mailed or delivered to the person and the Financial Institution at the address indicated in the Revocation box on your Application to Participate. If mailed, your revocation notice shall be deemed mailed on the date of the postmark if deposited in the mail in the United States in an envelope or other appropriate wrapper with first-class postage prepaid. If sent by registered or certified mail, the date of registration or certification will be the date on which it is deemed mailed. Upon revocation within the seven-day period, you are entitled to a return of the entire amount paid into your Traditional IRA without adjustment for administrative expenses, penalties, commissions or fluctuations in market value.

If you have any questions concerning a revocation of your Traditional IRA, please call the Custodian's contact person at the phone number indicated on your Application to Participate.

## Qualifications

**The Traditional IRA.** A custodial Traditional IRA is a custodial account organized in the United States that allows certain eligible individuals to accumulate funds for retirement under favorable tax conditions. If your Traditional IRA is qualified under the Internal Revenue Code, contributions to it may be deductible from your gross income, and your Traditional IRA (including earnings) is exempt from taxation until distribution occurs, unless it ceases to be a Traditional IRA because you or your beneficiary engage in a prohibited transaction.

**Qualified Custodial Account.** This Individual Retirement Custodial Account uses the precise language of Form 5305-A provided by the Internal Revenue Service (including any additional language permitted by such form) and is treated as approved. IRS approval represents a determination as to form and not to the merits thereof.

**Eligibility.** Any individual who has compensation, defined to include salaries, wages, taxable alimony, professional fees, self-employment income, any amount included in gross income and paid to the individual in the pursuit of graduate or postdoctoral study, and other income for personal services included in gross income, may contribute to a Traditional IRA under this plan. This includes an individual who is a participant in an employer's retirement plan or a government pension plan. Income from property, such as dividends, interest, or rent, does not qualify as compensation under the plan. U.S. military personnel whose taxable compensation is reduced because of pay exclusions for combat service may use such excluded pay for the purpose of making a Traditional IRA contribution.

## Deductible Contributions

All contributions (other than certain rollover or recharacterization contributions) must be made in cash and are subject to the following limitations:

**Regular.** Contributions to a Traditional IRA (except for rollovers, recharacterizations, or employer contributions under a simplified employee pension) may not exceed the amount of compensation includable in gross income for the tax year or the applicable dollar amount (defined below), whichever is less. If neither you nor your spouse is an active participant in an employer plan, you may make a contribution up to this limit and take a deduction for the entire amount contributed. If you or your spouse is an active participant and your adjusted gross income (AGI) is below a certain level, you may also make a contribution and take a deduction for the entire amount contributed. However, if you or your spouse is an active participant and your AGI is above a certain level, the dollar limit of the deductible contribution you make to your Traditional IRA may be reduced or eliminated.

You do not have to file an itemized federal tax return to take a Traditional IRA deduction.

Contributions for a year may be made during such year, or by the tax return filing date for such year (not including extensions) if irrevocably designated for such year, in writing, when such contribution is made.

If you and your spouse each receive compensation during the year and are otherwise eligible, each of you may establish your own Traditional IRA. The contribution limits apply separately to the compensation of each of you, without regard to the community property laws of your state, if any.

**Applicable Dollar Amount.** The applicable dollar amount is higher if you are at least age 50 on December 31 of the year for which you are contributing. The applicable dollar amounts are subject to cost-of-living adjustments. For 2023, the applicable dollar amounts are \$6,500 if under age 50 and \$7,500 if age 50 or older. Beginning in 2024, the \$1,000 catch-up limit if age 50 or older is indexed for inflation.

**Spousal.** You may make spousal Traditional IRA contributions for a year, if: 1) your spouse has compensation that is includable in gross income for such year; 2) you have less compensation than your spouse for such year; and 3) you file a joint federal income tax return for such year.

If you are the higher compensated spouse, your contribution must be made in accordance with the regular contribution rules above. If you are the lower compensated spouse, your contribution may not exceed the lesser of the applicable dollar amount (defined earlier) or 100% of the combined compensation of you and your spouse, reduced by the amount of your spouse's IRA contribution.

Contributions for your spouse must be made to a separate IRA established by your spouse. Your spouse becomes subject to all of the privileges, rules, and restrictions generally applicable to IRAs.

**Active Participant.** If you are not self-employed, your Form W-2 should indicate your participation status. If you have questions about your participation status, see your employer or your tax advisor. You are an active participant for a year if you are covered by a retirement plan such as a profit sharing plan, money purchase plan, defined benefit plan, certain government plans, a salary-reduction arrangement (such as a SIMPLE plan, a 403(b) plan or a 401(k) plan), a simplified employee pension (SEP), or a plan that promises you a retirement benefit based on the number of years of service you have with the employer.

You are covered by a retirement plan for a year if your employer or union has a retirement plan under which money is added to your account, or you are eligible to earn retirement credits, even if you are not yet vested in your retirement plan. Also, if you make required contributions or voluntary contributions to an employer-sponsored retirement plan, you are an active participant. In certain plans, you may be an active participant even if you were with the employer for only part of the year.

Generally, your Traditional IRA deduction will be subject to limitations for a year if either you or your spouse is an active participant in a retirement plan. However, if you are married, but do not live with your spouse at any time during the year, and you are not filing a joint federal income tax return, you will be treated as a "single" individual for purposes of determining the deductibility of your Traditional IRA contribution.

You are not considered an active participant if you participate in a plan only because of your service as: 1) an Armed Forces Reservist, for less than 90 days of active service; or 2) a volunteer firefighter covered by a government plan for firefighting service, if the accrued benefit at the beginning of the tax year is not more than an annual benefit of \$1,800. Of course, if you are covered in any other plan, these exceptions do not apply.

**Adjusted Gross Income (AGI).** If you are an active participant or are married to an active participant, the amount of your AGI for the year (if you and your spouse file a joint tax return, your combined AGI) will be used to determine if you can make a deductible Traditional IRA contribution. The instructions for your tax return will show you how to calculate your AGI for this purpose. If you are at or below a certain AGI level, called the Threshold Level, you can make a deductible contribution under the same rules as a person who is not an active participant. This AGI level may change each year, due to cost-of-living adjustments. The instructions for your tax return will provide the AGI level in effect for that year.

For 2023, for example, if you are single, or treated as being single, your AGI Threshold Level is \$73,000. If you are married and file a joint tax return, your AGI Threshold Level is \$116,000. If you are not an active participant, but you file a joint tax return with your spouse who is an active participant, your AGI Threshold Level is \$218,000. If you are married, file a separate tax return, and live with your spouse for any part of the year, your AGI Threshold Level is \$0.

If your AGI is less than \$10,000\* above your AGI Threshold Level, you will still be able to make a deductible contribution, but it will be limited in amount. The amount by which your AGI exceeds your AGI Threshold Level (AGI minus AGI Threshold Level) is called your Excess AGI. You may determine your Deduction Limit by using the following formula:

$$\frac{\$10,000^* - \text{Excess AGI} \times \text{Applicable Dollar Amount}}{\$10,000} = \text{Deduction Limit}$$

Round the result up to the next higher multiple of \$10 (the next higher whole dollar amount that ends in zero). If the final result is below \$200, but above zero, your Deduction Limit is \$200. Your Deduction Limit cannot exceed 100% of your compensation.

\* \$20,000 if you are an active participant who is married, filing jointly.

**Simplified Employee Pension (SEP).** An employer who establishes a SEP plan will provide each employee with information about eligibility, contributions, and related matters.

**Employer-Union.** Under section 408(c) of the Internal Revenue Code, to the extent that a union or an employer pays any amount to your Traditional IRA (other than a SEP contribution) such payment constitutes taxable income to you. This amount, however, is deductible from gross income as an amount paid to your Traditional IRA provided that this amount does not exceed the limitations of Regular or Spousal Traditional IRA contributions and provided the deduction is not lost or limited because of active participation in a retirement plan.

### **Nondeductible Contributions**

**Eligibility.** Even if your deduction limit is less than the applicable dollar amount, you may still contribute using the rules in the "Deductible Contributions" section above. The portion of your Traditional IRA contribution that is not deductible will be a nondeductible contribution. You may choose to make a nondeductible Traditional IRA contribution even if you could have deducted part or all of the contribution. Generally, interest or other earnings on your Traditional IRA contribution, whether from deductible or nondeductible contributions, will not be taxed until distributed from your Traditional IRA.

**Reporting.** If you make a nondeductible contribution to your Traditional IRA, you must report the amount of the nondeductible contribution to the IRS as a part of your tax return for the year. Form 8606 is used for this purpose. You do not have to designate to the Custodian of your Traditional IRA whether your contribution is deductible. Failure to file Form 8606, if required, will result in a \$50 penalty for each failure.

**Tax Credits for Traditional IRA Contributions.** If you are age 18 or over, and you are not a full-time student or claimed as a dependent on another taxpayer's return, you may be eligible for a nonrefundable tax credit for a Traditional IRA contribution. The credit, which ranges from 10% to 50% of the Traditional IRA contribution (up to \$2,000), is based on your AGI and tax-filing status. Beginning in 2027, the tax credit is replaced by a Saver's Match that must be directly deposited into your Traditional IRA. The match is 50% of your IRA contribution up to \$2,000 and is based on your AGI and tax-filing status.

**Recharacterization of Contributions.** Generally, if you make a contribution to a Traditional IRA or to a Roth IRA, you may transfer (recharacterize) the contribution plus net income attributable to a Roth IRA or to a Traditional IRA by the applicable date (generally October 15 of the year following the year for which the contribution was made). Such a contribution is treated as though it were made to the receiving plan, and not the original plan.

### **Rollover Contributions**

**Introduction.** You may be able to roll over a distribution from a workplace retirement plan (WRP), such as a pension plan, profit sharing plan, 401(k) plan, 403(b) plan, the federal thrift savings plan, or a governmental 457 plan, or a Traditional IRA or retirement bond, by depositing the amount within 60 days of receipt of the distribution (unless an exception applies) in another eligible retirement plan, including a Traditional IRA. However, a tax deduction is not allowed for the amount of a rollover contribution to a Traditional IRA. The designation of a contribution as a rollover contribution is irrevocable. Since penalties may apply if ineligible amounts are rolled over, you should consult with a tax advisor if you have any questions.

**WRP-to-Traditional IRA Rollovers.** Generally, any distribution you are eligible to receive from a WRP (other than a Roth 401(k) or a Roth 403(b)) is an eligible rollover distribution unless it is: (1) a distribution paid in a series of payments over life expectancy, or for a specified period of ten years or more, (2) a required minimum distribution, (3) a hardship distribution, or (4) a death distribution from a decedent other than your spouse. However, if you are a nonspouse beneficiary of a WRP (other than a Roth 401(k) or a Roth 403(b)), you may directly roll over inherited WRP funds to a beneficiary Traditional IRA.

If you are scheduled to receive an eligible rollover distribution over \$200, your employer must allow you to have the assets rolled over directly from the distributing plan to the receiving Traditional IRA or other eligible plan. If you do not choose to have your assets directly rolled over to a Traditional IRA or other eligible plan in this manner, the assets will be paid to you, subject to mandatory federal income tax withholding of 20%. You may then roll over the rollover-eligible amount distributed (including an amount equal to the federal income tax withheld) within 60 days of the date the distribution is received (unless an exception applies).

If you are the surviving spouse of a WRP participant and you receive a distribution of your spouse's assets in a WRP as a result of your spouse's death, or if you are the spouse or former spouse of a WRP participant, and you receive a distribution as a result of a Qualified Domestic Relations Order (QDRO), you may roll over those assets to a Traditional IRA following the same rules that would apply to your spouse or former spouse. The administrator of the WRP is required to provide you with a notice regarding rollover treatment.

**Traditional IRA-to-WRP Rollovers.** You may withdraw all or any portion of the assets from one Traditional IRA (including this one) and roll over all or any part of the taxable amount of these assets to a WRP that accepts such rollovers. Amounts properly rolled over are not taxed until distributed from the WRP. Any part of the distribution retained by you that represents previously untaxed amounts is subject to ordinary income tax. If you are under age 59½, the amount includible in income will be subject to the early distribution penalty tax of 10 percent.

**Traditional IRA-to-Traditional IRA Rollovers.** You may withdraw all or any portion of the assets from one Traditional IRA (including this one) and roll over all or any part of these assets to a Traditional IRA. If the withdrawal includes property (anything other than cash), the property may not be converted to cash for rollover purposes. The actual property received may generally be rolled over. Any part of the distribution retained by you that represents deductible contributions or earnings is subject to ordinary income tax. Amounts properly rolled over are not taxed until distributed from the rollover Traditional IRA. If you are under age 59½, the amount includible in income will be subject to the early distribution penalty tax of 10%. You may roll over only one Traditional, Roth, SEP, or SIMPLE IRA distribution within any one-year period.

**Rollovers After Age 73 or 75.** If you attained age 73 (increases to age 75 in 2033) in the current year or any prior year, and you are rolling over funds, you may not roll over your required minimum distribution for the year. It will be considered an excess contribution in the receiving plan if it is rolled over. The first amounts distributed in a year for which you are required to take a distribution are considered your required minimum distributions until you have received all of your required minimum distributions for the year.

### **Transfers**

**Traditional IRA-to-Traditional IRA Transfers.** You may transfer all or any portion of the assets from one Traditional IRA (including this one) to another Traditional IRA.

**Transfer Incident to Divorce.** As part of a divorce decree, property settlement, or agreement of legal separation, all or a portion of an individual's Traditional IRA may be awarded to a spouse or former spouse. The portion awarded to the receiving spouse will be treated as a Traditional IRA for such spouse.

### **Investment**

**Investment of Contributions.** Contributions to this Traditional IRA are held in a custodial account for your exclusive benefit, or that of your surviving spouse or your beneficiaries who may include your estate, your dependents, or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the custodial account may not be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Internal Revenue Code). At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof and to certain gold, silver, platinum, and palladium bullion.

### **Correction of Contributions**

You may withdraw a Traditional IRA contribution by the applicable date (generally October 15 of the year following the year for which the contribution was made). To do this, you must also withdraw the net income attributable to the contribution and include the net income attributable as income for the year in which the contribution was made.

### **Required Distributions**

**Distribution Calendar Year (DCY).** You must begin to receive required minimum distributions (RMDs) for the year in which you reach age 73 (age 72 prior to 2023 and increases to age 75 in 2033). The RMD for your first DCY must be paid by April 1 of the year after your first DCY. This date is known as the required beginning date (RBD). Distributions for years after your first DCY must be taken by December 31 of each year. This includes the distribution for the second year, the year in which the RBD occurs. If the distribution for your first DCY is delayed until the second year (not later than April 1), you will be taxed on two distributions in the second year.

**Required Minimum Distribution Calculation.** In general, your RMD is determined by dividing your Traditional IRA balance by the applicable distribution period. At any time, you may take more than your RMD.

The balance used in the RMD calculation is generally determined as of December 31 of the year before the year for which the distribution is being made. For example, the balance used to calculate a 2023 RMD is the December 31, 2022 balance. If a rollover or transfer is outstanding on the prior December 31, it will need to be added to the December 31 prior-year balance.

In most cases, to determine the applicable distribution period for the year, simply look up your age attained on your birthday in the year for which the distribution is being determined on the Uniform Lifetime Table and find the corresponding distribution period. Then divide your Traditional IRA balance by this number. However, if your spouse is your sole primary beneficiary during the entire distribution calendar year, and your spouse is more than ten years younger than you, instead of using the Uniform Lifetime Table, you may use the recalculated joint life expectancy of you and your spouse to calculate your RMD.

Each year you must satisfy the RMD for every Traditional IRA that you maintain. However, you may determine the amount of your RMD for each Traditional IRA and then withdraw that RMD total from any one or more Traditional IRAs you maintain. You should inform the Custodian in writing if you do not want to receive an RMD from this Traditional IRA for any given year.

### **Death Benefit Options**

Any beneficiary withdrawing funds from your Traditional IRA should first seek the advice of his own tax advisor as to the tax consequences of each option available. Starting with deaths after 2019, the options available to your beneficiary depend on whether your beneficiary is not a designated beneficiary (generally, not an individual), a designated beneficiary (generally, an individual who is not an eligible designated beneficiary), or an eligible designated beneficiary (generally, your surviving spouse, your minor child, a disabled individual, a chronically ill individual, or an individual who is not more than ten years younger than you) and whether you die before your required beginning date (RBD) or on or after your RBD.

**Not a Designated Beneficiary.** If you die before your required beginning date, your beneficiary must receive the entire balance in the account by December 31 of the fifth year following the year of your death. If you die on or after your required beginning date, your beneficiary must receive a death distribution each year until the Traditional IRA is depleted, using a single life expectancy factor that is determined using your attained age on your birthday in the year of your death, and reduced by one each year thereafter.

**Designated Beneficiary Who is not an Eligible Designated Beneficiary.** Your beneficiary must receive the entire balance in the account by December 31 of the tenth year following the year of your death, subject to annual required minimum distributions (RMDs) if you die on or after your RBD.

**Eligible Designated Beneficiary.** Your beneficiary may choose 1) to receive the entire balance in the account by December 31 of the tenth year following the year of your death (this is an option only if you die before your RBD), or 2) to have the remaining funds distributed in accordance with the life-expectancy rule. If the eligible designated beneficiary is your surviving spouse, his single life expectancy is based on his attained age in the year for which the distribution is being paid. The distributions to your surviving spouse must begin by the end of the year you would have attained age 73 (increases to age 75 in 2033), or December 31 of the year following the year of your death, whichever is later. If the eligible designated beneficiary is an individual who is not your surviving spouse, the eligible designated beneficiary's single life expectancy is based on his attained age in the year following the year of your death and then reduced by one for each subsequent year thereafter. If you die on or after your RBD, single life expectancy distributions are based on the longer of you or your beneficiary's life expectancy. The distributions must begin by December 31 of the year following the year of your death. If the eligible designated beneficiary is your minor child, he may continue to receive the single life expectancy distributions until age 21, then he must receive the entire balance in the account by December 31 of the tenth year following the year he reaches age 21.

**Additional Options Available to the Surviving Spouse.** In addition to the options available above, your surviving spouse beneficiary may elect to treat his or her interest in your Traditional IRA as his or her own Traditional IRA. The result of such an election is that the surviving spouse will then be considered the Traditional IRA owner. The election may be made by your surviving spouse redesignating the Traditional IRA in his or her own name as the Traditional IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) your surviving spouse does not receive a required death distribution in any calendar year following the year of your death, or 2) any additional amounts are contributed to the account by your surviving spouse.

### Tax Treatment of Distributions

**Federal Income Tax.** Generally, distributions from a Traditional IRA are taxable to the recipient at ordinary income tax rates. However, if this Traditional IRA, or any other IRA other than a Roth IRA, contains previously taxed funds, such as nondeductible contributions or a rollover of after-tax funds from a WRP, most distributions from your Traditional IRA will consist of a nontaxable portion (e.g., return of nondeductible contributions) and a taxable portion (e.g., return of deductible contributions, if any, and account earnings).

If you convert a Traditional IRA distribution to a Roth IRA, the taxable portion of the Traditional IRA distribution is included in your income for the year in which the Traditional IRA distribution is received, but the amount is not subject to the IRS 10% early distribution penalty.

**Qualified Charitable Distributions.** If you are age 70½ or older, you can make a qualified charitable distribution (QCD) of otherwise taxable assets directly from your Traditional IRA (not an ongoing SEP IRA) to a qualified charity. This special distribution rule allows you to donate up to \$100,000 (subject to cost-of-living adjustments) annually to charitable organizations completely tax-free. A QCD can be used to satisfy your required minimum distribution for the year. The maximum permitted QCD for a year is reduced by the amount of any deductible Traditional IRA contributions made by the individual for all taxable years the individual is age 70½ or older, less any such reductions for years prior to the current year.

**Reporting.** If you receive a distribution from your Traditional IRA that includes a nontaxable portion, you must file Form 8606 with your tax return to determine the nontaxable portion of your distribution. Failure to file Form 8606, if required, will result in a nondeductible penalty of \$50 for each failure.

**Federal Income Tax Withholding.** Amounts distributed from a Traditional IRA are subject to federal income tax withholding unless you or your beneficiary elect in writing not to have tax withholding apply. Once the election is made, it applies to all future distributions until all of the funds are distributed from the Traditional IRA, or until the election is revoked or a new election is filed with the Custodian. The amount to be withheld from a distribution is determined without regard to whether all or a portion of the distribution represents the return of nondeductible contributions.

**Federal Estate and Gift Tax.** The full value of your Traditional IRA is includible in your estate for federal estate tax purposes. Exercise of an option whereby an annuity or other payment becomes payable to any beneficiary is not considered a transfer for federal gift tax purposes.

### Transactions Subject to Excise Taxes/Disqualification

**Early Distribution Tax.** Generally, the taxable portion of funds withdrawn from your Traditional IRA prior to the date you attain age 59½ are subject to the IRS 10% early distribution penalty tax. Exceptions to this penalty tax include: rollovers; returns of certain contributions; payments on account of your death; certain disability payments; a permissible series of systematic distributions over your single or joint life expectancy; distributions that do not exceed the amount of medical expenses that would be deductible as an itemized federal income tax deduction for the year; distributions that do not exceed the amount you paid, during the year of the distribution, for health insurance for yourself, your spouse, or your dependents, if you have received unemployment compensation for 12 consecutive weeks in the year of the distribution or the immediately preceding year (after you have been employed for at least 60 days after the separation from employment that entitled you to receive such unemployment compensation); a distribution (up to a lifetime limit of \$10,000) used to acquire a principal residence for you, your spouse, or any child, grandchild, or ancestor of you or your spouse, if such home buyer had no ownership interest in a principal residence during the two-year period prior to such home purchase; distributions that do not exceed your higher education expenses for the year for education provided to you, your spouse, or any child or grandchild of you or your spouse; a distribution to satisfy an IRS levy; qualified reservist distributions (QRDs) (to qualify, you must have been a member of the military reserves called to active duty after September 11, 2001 for more than 179 days, or for an indefinite period and you must take the distribution while on active duty. You also may redeposit a QRD within two years after the end of your active duty); qualified birth or adoption distributions (QBAD) (up to \$5,000 per birth or adoption. You may also roll over a QBAD within three years); qualified disaster recovery distributions (QDRDs) taken by affected individuals during a federally declared disaster incident period, up to a limit of \$22,000 per disaster (the income from the distribution can be spread evenly over three years or, alternatively, you can elect to include all the income in the year of withdrawal, and some or all of the distribution can be repaid (rolled over) within three years); and distributions taken if you are terminally ill (you must be certified by a physician as having an illness or physical condition which can be reasonably expected to result in death in 84 months or less and these distributions can be repaid (rolled over) within three years).

Beginning in 2024, exceptions to the penalty tax also include: distributions made to an individual during the one-year period beginning on any date on which the individual is a victim of domestic abuse by a spouse or domestic partner (limited to the lesser of \$10,000, indexed for inflation, or 50% of the account balance); and emergency personal expense distributions (EPEDs) for unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses (only one EPED is permissible per year of up to \$1,000, and an EPED may be repaid (rolled over) within three years. No further emergency distributions are permissible during the three-year repayment period unless repayment occurs.).

**Prohibited Transactions.** The plan prohibits you, your spouse, or beneficiaries from engaging in a prohibited transaction (within the meaning of the Internal Revenue Code section 4975) with respect to the Traditional IRA. In addition, the Custodian or any other disqualified party may

not engage in a prohibited transaction with respect to the Traditional IRA. If such a transaction is engaged in, the Traditional IRA will cease to be qualified, and will lose its exemption from taxation. The full Traditional IRA balance will be treated as having been distributed to you, subject to the income and penalty taxes discussed above.

**Penalty for Using Plan Assets as Security for Loans.** If you use all or any portion of your interest in the Traditional IRA as security for a loan, the portion of the Traditional IRA so used will be treated as if it were distributed to you, subject to the income and penalty taxes discussed above. As a result, this Traditional IRA specifically prohibits pledging the Traditional IRA assets as security for a loan.

**Penalty for Borrowing Traditional IRA Assets.** If you borrow money from your Traditional IRA, it will cease to be a Traditional IRA as of the first day of the tax year in which the loan was made. Disqualification of the account triggers a constructive distribution to you equal to the fair market value of all of the assets of the account as of the first day of such tax year and will be subject to the income and penalty taxes discussed above.

**Penalty for Excess Contributions.** An "excess contribution" is a Traditional IRA contribution that exceeds the maximum amount allowed to be contributed to a Traditional IRA for that tax year. An IRS penalty tax equal to 6% of the amount of the excess contribution is imposed on an excess contribution as of the close of any tax year. The penalty may be avoided if you withdraw the excess contribution from your Traditional IRA before the applicable date (generally October 15 of the year following the year for which the contribution was made). The net income attributable to the excess contribution must also be withdrawn and included in your gross income for the year in which the excess contribution was made. Withdrawals of an excess contribution after the applicable date will not avoid imposition of the 6% penalty for previous years, but will avoid that penalty for the current and future years. When such a delayed withdrawal of an excess contribution is made, if you have not reached age 59½ and are not disabled, and either the aggregate contributions for the tax year for which the excess contribution was made exceeded the applicable dollar limit in effect for the year of the contribution, or a deduction was allowed for the amount withdrawn, that amount will be includible in taxable income and will be subject to the IRS early distribution penalty tax of 10%. If an excess contribution is attributable to a rollover made because of erroneous tax information supplied by an employer, upon which you reasonably relied, such excess may be removed after the applicable date, without being subject to income tax and without incurring the 10% penalty even though the applicable dollar limit for the year was exceeded. If not withdrawn, the excess contribution may be applied against the permissible contribution limit in a subsequent year.

**Penalty for Excess Accumulations.** If the "required minimum distributions" described in the sections titled "Required Distributions" or "Death Benefit Options" do not occur within the time required by law, a penalty tax may be incurred equal to, generally, 25% of the difference between the amount required to be distributed and the amount actually distributed each year. The Secretary of the Treasury may waive the penalty if the inadequate distribution is due to reasonable error and reasonable steps are being taken to correct the situation.

**Taxpayer Reporting for Excise Tax/Disqualification.** If a transaction has occurred for which a penalty tax is imposed, such as an excess contribution or an excess accumulation, you may be required by the Internal Revenue Service to attach Form 5329 to your federal income tax return.

### Financial Disclosure

**Projection of Future Balance.** The balance in an individual retirement account increases as a direct result of both the level of contribution and the investment return. The tables on the next page provide a projection of the amount of money that would be available for withdrawal from your Traditional IRA if a projection can be reasonably made. *These amounts are projections only and do not necessarily reflect the amounts that you could withdraw in all events at the end of each year. The rate of interest payable on the investments is subject to change for the duration of the Traditional IRA and cannot be guaranteed at a constant rate.*

**Time Deposit Account.** If your contributions are invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if your funds were withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if your funds were withdrawn from your Traditional IRA. The tables on the next page project the accumulated balance without penalty as well as the amount of money that would be available if a 1-, 3-, or 6-month early withdrawal penalty were imposed on the entire amount withdrawn. The penalty may vary on the term of the account and the early withdrawal policy in effect at the time the account is established or renewed. You will be provided with the rules for each time deposit account in which your Traditional IRA funds are invested.

**Variable Rate Account.** If your Traditional IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of your Traditional IRA in future years cannot be reasonably made. The growth in the value of your Traditional IRA is neither guaranteed nor projected. You will receive the appropriate rules for the account which state the method for computing and allocating account earnings, a description of each type of charge, and the amount thereof, that may be made against the account, and the method used in computing the penalties.

**Custodial Fees.** The Custodian may charge reasonable fees for administering the Custodial Account, preparing reports, keeping records, and other services. Such fees may include, but are not limited to, opening fees, administration fees, transaction fees, transfer fees, closing fees, and investment commissions. The Custodian may also charge the Custodial Account the reasonable costs of fiduciary insurance, counsel fees, and reasonable compensation for its services as Custodian. Such fees, if any, may be: 1) charged directly to and deducted from the Custodial Account, and would reduce the account value of this Traditional IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this Traditional IRA is established, the Custodian will provide a separate fee schedule to you. The Custodian will give you at least 30 days prior notice before imposing a new fee or changing an existing fee.

If the fee will be deducted from the Custodial Account, either Method 2 on the next page will be completed or a separate financial projection will be attached and made part of this Disclosure Statement. Method 1, on the next page, assumes that either there is no custodial fee, or custodial fees are billed directly to you.

# Projection of Future Balance (Use Method 1 or Method 2)

## Method 1

### Regular Traditional IRA Projection

This table has been prepared assuming that you will make level annual contributions of \$1,000 on the first day of each year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year you start making contributions to your Traditional IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$21,232.55 at age 60, \$26,353.94 at age 65, and \$31,501.00 at age 70.

#### Account Values

Number of Years	No Penalty	30-Day Penalty	60-Day Penalty	90-Day Penalty
1	\$1,001.00	\$1,000.92	\$1,000.84	\$1,000.75
2	\$1,002.00	\$1,001.92	\$1,001.84	\$1,001.75
3	\$1,003.00	\$1,002.92	\$1,002.84	\$1,002.76
4	\$1,004.01	\$1,003.92	\$1,003.84	\$1,003.76
5	\$1,005.01	\$1,004.93	\$1,004.84	\$1,004.76
6	\$1,006.02	\$1,005.93	\$1,005.85	\$1,005.77
7	\$1,007.02	\$1,006.94	\$1,006.86	\$1,006.77
8	\$1,008.03	\$1,007.95	\$1,007.86	\$1,007.78
9	\$1,009.04	\$1,008.95	\$1,008.87	\$1,008.79
10	\$1,010.05	\$1,009.96	\$1,009.88	\$1,009.80
11	\$1,011.06	\$1,010.97	\$1,010.89	\$1,010.81
12	\$1,012.07	\$1,011.98	\$1,011.90	\$1,011.82
13	\$1,013.08	\$1,013.00	\$1,012.91	\$1,012.83
14	\$1,014.09	\$1,014.01	\$1,013.92	\$1,013.84
15	\$1,015.11	\$1,015.02	\$1,014.94	\$1,014.86
16	\$1,016.12	\$1,016.04	\$1,015.95	\$1,015.87
17	\$1,017.14	\$1,017.05	\$1,016.97	\$1,016.89
18	\$1,018.15	\$1,018.07	\$1,017.99	\$1,017.90
19	\$1,019.17	\$1,019.09	\$1,019.00	\$1,018.92
20	\$1,020.19	\$1,020.11	\$1,020.02	\$1,019.94
21	\$1,021.21	\$1,021.13	\$1,021.04	\$1,020.96
22	\$1,022.23	\$1,022.15	\$1,022.06	\$1,021.98
23	\$1,023.25	\$1,023.17	\$1,023.09	\$1,023.00
24	\$1,024.28	\$1,024.19	\$1,024.11	\$1,024.03
25	\$1,025.30	\$1,025.22	\$1,025.13	\$1,025.05
26	\$1,026.33	\$1,026.24	\$1,026.16	\$1,026.07
27	\$1,027.35	\$1,027.27	\$1,027.19	\$1,027.10
28	\$1,028.38	\$1,028.30	\$1,028.21	\$1,028.13
29	\$1,029.41	\$1,029.33	\$1,029.24	\$1,029.16
30	\$1,030.44	\$1,030.35	\$1,030.27	\$1,030.19
31	\$1,031.47	\$1,031.38	\$1,031.30	\$1,031.22
32	\$1,032.50	\$1,032.42	\$1,032.33	\$1,032.25
33	\$1,033.53	\$1,033.45	\$1,033.36	\$1,033.28
34	\$1,034.57	\$1,034.48	\$1,034.40	\$1,034.31
35	\$1,035.60	\$1,035.52	\$1,035.43	\$1,035.35
36	\$1,036.64	\$1,036.55	\$1,036.47	\$1,036.38
37	\$1,037.67	\$1,037.59	\$1,037.50	\$1,037.42
38	\$1,038.71	\$1,038.63	\$1,038.54	\$1,038.46
39	\$1,039.75	\$1,039.66	\$1,039.58	\$1,039.49
40	\$1,040.79	\$1,040.70	\$1,040.62	\$1,040.53
41	\$1,041.83	\$1,041.75	\$1,041.66	\$1,041.57
42	\$1,042.87	\$1,042.79	\$1,042.70	\$1,042.62
43	\$1,043.92	\$1,043.83	\$1,043.74	\$1,043.66
44	\$1,044.96	\$1,044.87	\$1,044.79	\$1,044.70
45	\$1,046.00	\$1,045.92	\$1,045.83	\$1,045.75
46	\$1,047.05	\$1,046.96	\$1,046.88	\$1,046.79
47	\$1,048.10	\$1,048.01	\$1,047.93	\$1,047.84
48	\$1,049.15	\$1,049.06	\$1,048.97	\$1,048.89
49	\$1,050.19	\$1,050.11	\$1,050.02	\$1,049.94
50	\$1,051.24	\$1,051.16	\$1,051.07	\$1,050.99
51	\$1,052.30	\$1,052.21	\$1,052.12	\$1,052.04
52	\$1,053.35	\$1,053.26	\$1,053.18	\$1,053.09

### Rollover Traditional IRA Projection

This table has been prepared assuming the initial and only contribution to your Traditional IRA is a rollover of \$1,000 on the first day of the year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year in which you roll over \$1,000 to your Traditional IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$1,021.21 at age 60, \$1,026.33 at age 65, and \$1,031.47 at age 70.

#### Account Values

Number of Years	No Penalty	30-Day Penalty	60-Day Penalty	90-Day Penalty
1	\$1,001.00	\$1,000.92	\$1,000.84	\$1,000.75
2	\$1,002.00	\$1,001.92	\$1,001.84	\$1,001.75
3	\$1,003.00	\$1,002.92	\$1,002.84	\$1,002.76
4	\$1,004.01	\$1,003.92	\$1,003.84	\$1,003.76
5	\$1,005.01	\$1,004.93	\$1,004.84	\$1,004.76
6	\$1,006.02	\$1,005.93	\$1,005.85	\$1,005.77
7	\$1,007.02	\$1,006.94	\$1,006.86	\$1,006.77
8	\$1,008.03	\$1,007.95	\$1,007.86	\$1,007.78
9	\$1,009.04	\$1,008.95	\$1,008.87	\$1,008.79
10	\$1,010.05	\$1,009.96	\$1,009.88	\$1,009.80
11	\$1,011.06	\$1,010.97	\$1,010.89	\$1,010.81
12	\$1,012.07	\$1,011.98	\$1,011.90	\$1,011.82
13	\$1,013.08	\$1,013.00	\$1,012.91	\$1,012.83
14	\$1,014.09	\$1,014.01	\$1,013.92	\$1,013.84
15	\$1,015.11	\$1,015.02	\$1,014.94	\$1,014.86
16	\$1,016.12	\$1,016.04	\$1,015.95	\$1,015.87
17	\$1,017.14	\$1,017.05	\$1,016.97	\$1,016.89
18	\$1,018.15	\$1,018.07	\$1,017.99	\$1,017.90
19	\$1,019.17	\$1,019.09	\$1,019.00	\$1,018.92
20	\$1,020.19	\$1,020.11	\$1,020.02	\$1,019.94
21	\$1,021.21	\$1,021.13	\$1,021.04	\$1,020.96
22	\$1,022.23	\$1,022.15	\$1,022.06	\$1,021.98
23	\$1,023.25	\$1,023.17	\$1,023.09	\$1,023.00
24	\$1,024.28	\$1,024.19	\$1,024.11	\$1,024.03
25	\$1,025.30	\$1,025.22	\$1,025.13	\$1,025.05
26	\$1,026.33	\$1,026.24	\$1,026.16	\$1,026.07
27	\$1,027.35	\$1,027.27	\$1,027.19	\$1,027.10
28	\$1,028.38	\$1,028.30	\$1,028.21	\$1,028.13
29	\$1,029.41	\$1,029.33	\$1,029.24	\$1,029.16
30	\$1,030.44	\$1,030.35	\$1,030.27	\$1,030.19
31	\$1,031.47	\$1,031.38	\$1,031.30	\$1,031.22
32	\$1,032.50	\$1,032.42	\$1,032.33	\$1,032.25
33	\$1,033.53	\$1,033.45	\$1,033.36	\$1,033.28
34	\$1,034.57	\$1,034.48	\$1,034.40	\$1,034.31
35	\$1,035.60	\$1,035.52	\$1,035.43	\$1,035.35
36	\$1,036.64	\$1,036.55	\$1,036.47	\$1,036.38
37	\$1,037.67	\$1,037.59	\$1,037.50	\$1,037.42
38	\$1,038.71	\$1,038.63	\$1,038.54	\$1,038.46
39	\$1,039.75	\$1,039.66	\$1,039.58	\$1,039.49
40	\$1,040.79	\$1,040.70	\$1,040.62	\$1,040.53
41	\$1,041.83	\$1,041.75	\$1,041.66	\$1,041.57
42	\$1,042.87	\$1,042.79	\$1,042.70	\$1,042.62
43	\$1,043.92	\$1,043.83	\$1,043.74	\$1,043.66
44	\$1,044.96	\$1,044.87	\$1,044.79	\$1,044.70
45	\$1,046.00	\$1,045.92	\$1,045.83	\$1,045.75
46	\$1,047.05	\$1,046.96	\$1,046.88	\$1,046.79
47	\$1,048.10	\$1,048.01	\$1,047.93	\$1,047.84
48	\$1,049.15	\$1,049.06	\$1,048.97	\$1,048.89
49	\$1,050.19	\$1,050.11	\$1,050.02	\$1,049.94
50	\$1,051.24	\$1,051.16	\$1,051.07	\$1,050.99
51	\$1,052.30	\$1,052.21	\$1,052.12	\$1,052.04
52	\$1,053.35	\$1,053.26	\$1,053.18	\$1,053.09

## Method 2

The following projection of account values represents the amounts that would be available in your Traditional IRA at the end of each of the first five years and at the end of the years in which you attain ages 60, 65, and 70. These balances are not guaranteed. The actual balances will depend on many factors, including the interest rates and terms of future investments. The following balances, which are only projections, are based on the custodial fees discussed on the previous page, if any, and the following assumptions:

- Regular Traditional IRA: Assuming an annual \$1,000 deposit made on the first day of each year.
- Rollover Traditional IRA: Assuming a one-time \$1,000 deposit made on the first day of the first year.
- Investment annual percentage yield \_\_\_\_\_
- Penalty for early withdrawal of investment \_\_\_\_\_

End of year	Account Value	End of year you attain	Account Value
1	\$ _____	60	\$ _____
2	\$ _____	65	\$ _____
3	\$ _____	70	\$ _____
4	\$ _____		
5	\$ _____		

# Roth Individual Retirement Custodial Account (Under Section 408A of the Internal Revenue Code)

Do not file  
with the Internal  
Revenue Service

## Introduction

The Depositor whose name appears on the Application to Participate 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 Application to Participate has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor has assigned the Custodial Account the sum indicated on the Application to Participate.

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 grantor 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 grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor 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 to Participate.

## ARTICLE IX

1. **Spouse Beneficiary**—If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is the designated beneficiary, as an alternative to Article V, subparagraph 3, the surviving spouse may choose one of the options of Article V, subparagraph 1. If option (a) is chosen, such distributions may be delayed until December 31 of the year the Depositor would have attained age 70½.

2. **Amendments**—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

3. **Responsibilities**—The Custodian shall receive all contributions, shall make distributions and pay benefits from the Custodial Account, shall file such statements or reports as may be required, and do other things as may be required of a Roth IRA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the Custodial Account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this Agreement and no responsibility for the administration of the Custodial Account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this Roth IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this Roth IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying any death distribution amount. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

4. **Resignation, Removal, and Appointment of Custodian**—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the Roth IRA, the resigning Custodian has the right to appoint a successor Custodian of the Roth IRA or, at its sole discretion, the resigning Custodian may transfer the Roth IRA to a successor custodian or distribute the Roth IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Roth IRA.

5. **Applicable Law**— This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile shall govern.

6. **Severability**—If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

## 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) 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)*.

## Definitions

**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.

## 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. Attach additional pages if necessary.



## Congratulations

By establishing a Roth IRA, you have taken an important step toward saving taxes and building a more secure future for your retirement. Contributions to a Roth IRA are not deductible, and, therefore, are not taxable when distributed. In addition, if the funds are distributed in a "qualified distribution," the entire distribution is tax-free; therefore, the earnings on the Roth IRA are generally tax-free.

You do not have to contribute every year. However, we urge you to make additional contributions. Remember, your Roth IRA means real tax savings to you — the more you deposit, the more money you'll have for your retirement.

This booklet, containing your Roth IRA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to your Roth IRA.

Thank you for allowing us to maintain your Roth IRA. We're here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

### Application to Participate

This Roth IRA booklet contains two copies of the Application to Participate (printed on carbonless paper). The top copy is perforated, and after completion, is removed for the organization's files. The duplicate copy remains as a permanent part of this booklet for your records.

The Application is used to record all of the participant information necessary to establish the Roth IRA. It is important that all of the information be completed.

### Roth IRA Custodial Account Agreement

This is the legal document that defines the Internal Revenue Service's rules and regulations for Roth IRAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes your Roth IRA with our organization.

### Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this Roth IRA. It is easy to understand, because it's written in layman's language. Explanations are separated by headings that help you locate specific rules and regulations.

## Roth IRA Custodial Disclosure Statement

### Introduction

This disclosure statement describes the statutory and regulatory provisions applicable to the operation and tax treatment of your Roth IRA. It is intended to provide you with a clear explanation of the rules governing your Roth IRA. Please review the disclosure carefully. Because of the complexity of the rules, particularly those relating to eligibility, contributions, adjusted gross income, rollovers, correction of contributions, possible tax implications, and other matters, you should consult with your own tax advisor if you have any questions about this material. Additional information concerning Roth IRAs can be obtained from any district office of the Internal Revenue Service (IRS) and IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

### Revocation of Account

**Procedure.** IRS regulations require that this disclosure statement be given to you at least seven days before the account is established, or on the date the account is established if you may revoke the account within at least seven days after it is established. The Roth IRA described in this statement provides for delivery of the required disclosure statement at the time the Roth IRA is established. Accordingly, you are entitled to revoke your Roth IRA for any reason within seven days after the date it is established. Such revocation may be made only by written notice mailed or delivered to the person and the Organization at the address indicated on your Application to Participate. If mailed, your revocation notice shall be deemed mailed on the date of the postmark if deposited in the mail in the United States in an envelope or other appropriate wrapper with first-class postage prepaid. If sent by registered or certified mail, the date of registration or certification will be the date on which it is deemed mailed. Upon revocation within the seven-day period, you are entitled to a return of the entire amount paid into your Roth IRA without adjustment for administrative expenses, penalties, commissions, or fluctuations in market value. If you have any questions about revoking your Roth IRA, please call the Custodian's contact person at the phone number on your Application to Participate.

### Qualifications

**The Roth IRA.** A Custodial Roth IRA is a Custodial account organized in the United States that allows certain eligible individuals to accumulate funds for retirement under favorable tax conditions. Contributions to a Roth IRA are not deductible, but if the funds are distributed in a "qualified distribution," they are tax-free; therefore, the earnings on the Roth IRA are generally tax-free.

**Qualified Custodial Account.** This Roth IRA Custodial Account uses the precise language of Form 5305-RA provided by the Internal Revenue Service (including any additional language permitted by such form) and is treated as approved. IRS approval represents a determination as to form and not to the merits thereof.

### Contributions

All contributions (other than certain rollover, recharacterization, or conversion contributions) must be made in cash and are subject to the following limitations:

**Regular.** Contributions to a Roth IRA (except for rollovers, recharacterizations, or conversions) cannot exceed the amount of compensation includible in gross income for the tax year or the applicable dollar amount (defined below), whichever is less. If your adjusted gross income (AGI) is below a certain level, you may contribute the maximum amount. However, if your AGI is above a specified level, the dollar limit of the contribution you make to your Roth IRA may be reduced or eliminated. For 2023, if you are single, or treated as single, and your adjusted gross income (AGI) is \$138,000\* or less (\$218,000\* or less if married and filing jointly, or \$0 or less if married and filing separately), you are eligible to contribute the full amount to a Roth IRA. Contributions to a Roth IRA are aggregated with Traditional IRA contributions for the purpose of the annual contribution limit. Therefore, you may contribute up to the lesser

of the applicable dollar limit or 100% of earned income per year to a Traditional IRA and a Roth IRA combined.

**Applicable Dollar Amount.** The applicable dollar amount is higher if you are at least age 50 on December 31 of the year for which you are contributing. The applicable dollar amounts are subject to cost-of-living adjustments. For 2023, the applicable dollar amounts are \$6,500 if under age 50 and \$7,500 if age 50 or older. Beginning in 2024, the \$1,000 catch-up limit if age 50 or older is indexed for inflation.

**Spousal.** You may make spousal Roth IRA contributions for a year, if: 1) your spouse has "compensation" that is includible in gross income for such year; 2) you have less compensation than your spouse for such year; and 3) you file a joint federal income tax return for such year.

If you are the higher compensated spouse, your contribution must be made in accordance with the regular contribution rules above. If you are the lower compensated spouse, your contribution may not exceed the lesser of the applicable dollar limit (defined earlier) or 100% of the combined compensation of you and your spouse, reduced by the amount of your spouse's IRA contribution.

Contributions for your spouse must be made to a separate Roth IRA established by your spouse as the depositor or grantor of his or her own Roth IRA and your spouse becomes subject to all of the privileges, rules, and restrictions generally applicable to Roth IRAs. This includes conditions of eligibility for distribution; designation of beneficiaries and distribution in the event of your spouse's death; tax treatment of withdrawals and distributions.

**No Maximum Age Limit.** There is no maximum age limit for making a Roth IRA contribution. Attainment of any age does not prevent you from contributing to a Roth IRA, as long as you are alive.

**April 15 Funding Deadline.** Contributions to a Roth IRA for the previous tax year must be made by the tax-filing deadline (not including extensions) for filing your federal income tax return. If you are a calendar-year taxpayer, your deadline is usually April 15. If April 15 falls on a Saturday, Sunday, or legal holiday, the deadline is the following business day.

**Lower Contribution Limits.** To determine the maximum contribution to a Roth IRA if your AGI for 2023 is between \$138,000\* and \$153,000\* (between \$218,000\* and \$228,000\* if married, filing jointly or between \$0 and \$10,000 if married, filing separately), the following steps must be taken:

- (a) Subtract your AGI from \$153,000\* (\$228,000\* if married, filing jointly; \$10,000 if married, filing separately).
- (b) Multiply the result in Step 'a' by the applicable dollar amount divided by \$15,000 (\$10,000 if married).
- (c) If the result in Step 'b' is not a multiple of \$10, round up to the next multiple of \$10.
- (d) The result in Step 'c' is your allowable contribution limit. If it is more than \$0, but less than \$200, your allowable contribution limit is \$200.

However, if you are a single taxpayer and your 2023 AGI is \$153,000\* or above (\$228,000\* or above if married and filing jointly, or \$10,000 or above if married and filing separately), you are not permitted to make a Roth IRA contribution for the year. For this purpose, a deductible Traditional IRA contribution is not allowed as a deduction in computing AGI, and any amount of a rollover/conversion from a Traditional IRA to a Roth IRA is not taken into account.

\* Subject to cost-of-living adjustments.

**Individuals Eligible to Make Contributions.** Any individual who has compensation, defined to include salaries, wages, taxable alimony, professional fees, self-employment income, any amount included in gross income and paid to the individual in the pursuit of graduate or postdoctoral study, and other income for personal services included in gross

income, may contribute to a Roth IRA under this plan. This includes an individual who is a participant in a workplace retirement plan (WRP). U.S. military personnel whose taxable compensation is reduced because of pay exclusions for combat service may use such excluded pay for the purpose of making a Roth IRA contribution. Income from property, such as dividends, interest, or rent, does not qualify as compensation under the plan.

**Tax Credits for Roth IRA Contributions.** If you are age 18 or over, and you are not a full-time student or claimed as a dependent on another taxpayer's return, you may be eligible for a nonrefundable tax credit for a Roth IRA contribution. The credit, which ranges from 10% to 50% of the Roth IRA contribution (up to \$2,000), is based on your AGI and tax-filing status. Beginning in 2027, the tax credit is replaced by a Saver's Match that must be directly deposited into a Traditional IRA. The match is 50% of your IRA contribution up to \$2,000 and is based on your AGI and tax-filing status.

**Recharacterization of Contributions.** Generally, if you make a contribution to a Traditional IRA or to a Roth IRA, you may transfer (recharacterize) the contribution plus net income attributable to a Roth IRA or to a Traditional IRA by the applicable date (generally October 15 of the year following the year for which the contribution was made). Such a contribution is treated as though it were made to the receiving plan, and not the original plan.

### Converting to a Roth IRA

You may be allowed to roll over (convert) your IRA (other than a Roth IRA) or workplace retirement plan (WRP) (other than a designated Roth Account) to a Roth IRA. The conversion amount is subject to federal income taxation (but no 10% penalty tax).

**Taxation of Conversion.** The taxable portion of the IRA or WRP distribution is included in your income for the year in which the distribution is received from a Traditional IRA or WRP or the year distributed from a WRP that is directly rolled over to a Roth IRA, but the amount is not subject to the IRS 10% early distribution penalty.

**Other Conversion Rules.** The one-rollover-per-year rule does not apply to the distribution from the Traditional IRA that is converted to a Roth IRA (i.e., if you already rolled over one distribution from a Traditional IRA to another Traditional IRA within 365 days, you may still roll over to a Roth IRA). You may convert all or part of your Traditional IRA to a Roth IRA. The 60-day rollover rule does apply to a distribution from a Traditional IRA or a WRP that is converted or rolled over to a Roth IRA. Amounts converted or rolled over do not count towards the annual Roth IRA contribution limit. The 60-day rule does not apply to funds that are paid directly (direct rollover) from a WRP to a Roth IRA.

If you are under age 59½ and withdraw any converted amount that was taxable when converted within the five-year period that begins with the taxable year in which the rollover contribution was made, the IRS 10% early distribution penalty would apply, unless a specific exception to the penalty (such as disability, excessive medical expenses, first-home purchase, etc.) applies.

### Rollover Contributions

**Introduction.** You may be able to roll over a distribution from a Roth IRA or from a designated Roth Account (i.e., a Roth 401(k) or Roth 403(b)) by depositing the amount within 60 days of receipt of the distribution (unless an exception applies) in a Roth IRA. Since penalties may apply if ineligible amounts are rolled over, you should consult with a tax advisor if you have any questions.

**Roth IRA-to-Roth IRA Rollovers.** You may withdraw all or any portion of the assets from one Roth IRA (including this one) and roll over all or any part of these assets to a Roth IRA. If the withdrawal includes property (anything other than cash), the actual property received may generally be rolled over. You may roll over only one Roth, Traditional, SEP, or SIMPLE IRA distribution within any one-year period.

**Designated Roth Account-to-Roth IRA Rollovers.** Generally, you are eligible to roll over a distribution from a designated Roth account to a Roth IRA. For the purpose of determining the taxation of subsequent Roth IRA distributions, the nontaxable portion of a designated Roth account distribution that is rolled over to a Roth IRA is treated as a regular Roth IRA contribution for distribution purposes. The taxable portion of a designated Roth account distribution that is rolled over to a Roth IRA is treated as earnings in the Roth IRA. The one-rollover-per year limitation does not, however, apply to rollovers of funds between a designated Roth account and a Roth IRA. See the section titled, "Converting to a Roth IRA" for the rules for rolling over from a WRP (other than a designated Roth account) to a Roth IRA.

**Special Rule for Rollovers of Certain Distributions from Long-term Qualified Tuition Programs to Roth IRAs.** Beginning in 2024, 529 plan assets which have been maintained for 15 years or longer can be rolled over to a Roth IRA for the 529 plan beneficiary, subject to annual Roth contribution limits and an aggregate lifetime limit of \$35,000. Rollovers cannot exceed the aggregate balance before the 5-year period ending on the date of the distribution. The rollover is treated as a contribution towards the annual Roth IRA contribution limit.

### Transfers

**Roth IRA-to-Roth IRA Transfers.** You may transfer all or any portion of the assets from one Roth IRA (including this one) to a Roth IRA.

**Transfer Incident to Divorce.** As part of a divorce decree, property settlement, or agreement of legal separation, all or a portion of an individual's Roth IRA may be awarded to a spouse or former spouse. The portion awarded to the receiving spouse will be treated as a Roth IRA for such spouse.

### Distributions

**Aggregation and Ordering Rules.** When you take a distribution from a Roth IRA, that

Roth IRA is aggregated with all your other Roth IRAs (but not Traditional IRAs) for taxation and penalty purposes.

Also, distributions from Roth IRAs are aggregated and special ordering rules are designed to determine taxation and penalties.

Distributions from Roth IRAs are treated as paid in the following order:

1. Regular and spousal Roth IRA contributions, then
2. Conversion contributions, in first-in, first-out order, (within which a distribution is treated as first being paid from funds that were includable in income as a result of the conversion, then from funds that were not includable in income as a result of the conversion (i.e., nondeductible contributions to the Traditional IRA), then
3. Earnings.

**Qualified Distributions.** A distribution from a Roth IRA is a qualified distribution, and therefore the entire distribution, including the earnings, are tax- and penalty-free, if it is paid:

- (a) After you reach age 59½, or
- (b) After you are totally and permanently disabled, or
- (c) To your beneficiary after your death, or
- (d) To you for a first-time home purchase. And it is paid:

After the five-taxable-year period that begins with the first taxable year for which you make any Roth IRA contribution, including a conversion from a Traditional IRA.

**Nonqualified Distributions.** A distribution that is not a "qualified distribution" is considered a nonqualified distribution and the earnings portion, if any, is taxable as ordinary income and may be subject to the IRS 10% early distribution penalty. Any portion of a nonqualified distribution, which is considered conversion contributions, received within the five-calendar-year period starting with the year of the conversion contribution may be subject to the IRS 10% early distribution penalty.

**Distributions of Contributions are Tax- and Penalty-Free.** A distribution of regular or spousal contributions in a Roth IRA is always tax- and penalty-free, regardless of whether the distribution is a qualified or nonqualified distribution.

**Required Minimum Distributions.** The required minimum distribution (RMD) rules do not apply to Roth IRAs prior to the Roth IRA owner's death. You are not required to take distributions from your Roth IRA. However, your beneficiaries will be required to take distributions after your death.

**Death Distribution Options.** Any beneficiary withdrawing funds from your Roth IRA should first seek the advice of his own tax advisor as to the tax consequences of each option available. For deaths after 2019, the options available to your beneficiary depend on whether your beneficiary is not a designated beneficiary (generally, not an individual), a designated beneficiary (generally, an individual who is not an eligible designated beneficiary), or an eligible designated beneficiary (generally, your surviving spouse, your minor child, a disabled individual, a chronically ill individual, or an individual who is not more than ten years younger than you).

**Not a Designated Beneficiary.** Your beneficiary must receive the entire balance in the account by December 31 of the fifth year following the year of your death.

**Designated Beneficiary Who is not an Eligible Designated Beneficiary.** Your beneficiary must receive the entire balance in the account by December 31 of the tenth year following the year of your death.

**Eligible Designated Beneficiary.** Your beneficiary may choose 1) to receive the entire balance in the account by December 31 of the tenth year following the year of your death, or 2) to have the remaining funds distributed in accordance with the life-expectancy rule. If the eligible designated beneficiary is your surviving spouse, his single life expectancy is based on his attained age in the year for which the distribution is being paid. The distributions to your surviving spouse must begin by the end of the year you would have attained age 73 (increases to age 75 in 2033), or December 31 of the year following the year of your death, whichever is later. If the eligible designated beneficiary is an individual who is not your surviving spouse, the eligible designated beneficiary's single life expectancy is based on his attained age in the year following the year of your death and then reduced by one for each subsequent year thereafter. The distributions must begin by December 31 of the year following the year of your death. If the eligible designated beneficiary is your minor child, he must continue to receive the single life expectancy distributions until the year he reaches age 21, then he must receive the entire balance in the account by December 31 of the tenth year following the year he reaches age 21.

**Additional Options Available to the Surviving Spouse.** In addition to the options available above, your surviving spouse beneficiary may elect to treat his or her interest in your Roth IRA as his or her own Roth IRA. The result of such an election is that the surviving spouse will then be considered the Roth IRA owner. The election may be made by your surviving spouse redesignating the Roth IRA in his or her own name as the Roth IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) your surviving spouse does not receive a required death distribution in any calendar year following the year of your death, or 2) any additional amounts are contributed to the account by your surviving spouse.

### Transactions Subject to Excise Taxes and/or Disqualification

**Early Distribution Penalty.** For nonqualified distributions, the IRS 10% early distribution penalty will not apply if the distribution is paid on or after the date you reach age 59½, or if one of the exceptions to the IRS 10% early distribution penalty applies. Also, if you are

under age 59½ and you withdraw any converted amount that was taxable when converted within the five-year period that begins with the taxable year in which the conversion contribution was made, the IRS 10% early distribution penalty would apply, unless one of the specific exceptions to the penalty applies. Exceptions to this penalty tax include: rollovers; returns of certain contributions; payments on account of your death; certain disability payments; a permissible series of systematic distributions over your single or joint life expectancy; distributions that do not exceed the amount of medical expenses that would be deductible as an itemized federal income tax deduction for the year; distributions that do not exceed the amount you paid, during the year of the distribution, for health insurance for yourself, your spouse, or your dependents, if you have received unemployment compensation for 12 consecutive weeks in the year of the distribution or the immediately preceding year (after you have been employed for at least 60 days after the separation from employment that entitled you to receive such unemployment compensation); a distribution (up to a lifetime limit of \$10,000) used to acquire a principal residence for you, your spouse, or any child, grandchild, or ancestor of you or your spouse, if such home buyer had no ownership interest in a principal residence during the two-year period prior to such home purchase; distributions that do not exceed your higher education expenses for the year for education provided to you, your spouse, or any child or grandchild of you or your spouse; a distribution to satisfy an IRS levy; qualified reservist distributions (QRDs) (to qualify, you must have been a member of the military reserves called to active duty after September 11, 2001 for more than 179 days, or for an indefinite period and you must take the distribution while on active duty. You also may redeposit a QRD within two years after the end of your active duty); qualified birth or adoption distributions (QBAD) (up to \$5,000 per birth or adoption. You may also roll over a QBAD within three years); qualified disaster recovery distributions (QDRDs) taken by affected individuals during a federally declared disaster incident period, up to a limit of \$22,000 per disaster (the income from the distribution can be spread evenly over three years or, alternatively, you can elect to include all the income in the year of withdrawal, and some or all of the distribution can be repaid (rolled over) within three years); and distributions taken if you are terminally ill (you must be certified by a physician as having an illness or physical condition which can be reasonably expected to result in death in 84 months or less and these distributions can be repaid (rolled over) within three years). Beginning in 2024, exceptions to the penalty tax also include: distributions made to an individual during the one-year period beginning on any date on which the individual is a victim of domestic abuse by a spouse or domestic partner (limited to the lesser of \$10,000, indexed for inflation, or 50% of the account balance); and emergency personal expense distributions (EPEDs) for unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses (only one EPED is permissible per year of up to \$1,000, and an EPED may be repaid (rolled over) within three years. No further emergency distributions are permissible during the three-year repayment period unless repayment occurs.).

**Excess Roth Contributions.** Excess contributions to a Roth IRA are subject to a 6% penalty tax unless removed (along with net income attributable) by the applicable date (generally October 15 of the year following the year for which the contribution was made). An excess contribution could occur for many reasons including, for example, if you contribute more than the applicable dollar limit or 100% of earned income, or if you are not permitted to make a Roth IRA contribution because your AGI is too high.

**Prohibited Transactions.** The plan prohibits you, your spouse, or beneficiaries from engaging in a prohibited transaction (within the meaning of the Internal Revenue Code section 4975) with respect to the Roth IRA. In addition, the Custodian or any other disqualified party may not engage in a prohibited transaction with respect to the Roth IRA. If such a transaction is engaged in, the Roth IRA will cease to be qualified, and will lose its exemption from taxation. The full Roth IRA balance will be treated as having been distributed to you, subject to the income and penalty taxes discussed above.

**Pledging Plan Assets Prohibited.** You may not pledge the assets of this Roth IRA as security for a loan.

**Borrowing Plan Assets Prohibited.** You may not borrow money from this Roth IRA.

**Penalty for Excess Accumulations.** After you die, if the distributions described in the section titled "Death Distribution Options" do not occur within the time required by law, a penalty tax may be incurred equal to, generally, 25% of the difference between the amount required to be distributed and the amount actually distributed each year. The Secretary

of the Treasury may waive the penalty if the inadequate distribution is due to reasonable error and reasonable steps are being taken to correct the situation.

**Taxpayer Reporting for Excise Tax/Disqualification.** If a transaction has occurred for which a penalty tax is imposed, such as an excess contribution or an excess accumulation, you may be required by the Internal Revenue Service to attach Form 5329 to your federal income tax return.

## Investment

**Investment of Contributions.** Contributions under the Plan are held in a Custodial account for your exclusive benefit, or that of your surviving spouse or your beneficiaries who may include your estate, your dependents or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the Custodial Account may not be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Internal Revenue Code). At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof, or to certain gold, silver, platinum, and palladium bullion.

## Financial Disclosure

**Projection of Future Balance.** The balance in a Roth IRA increases as a direct result of both the level of contribution and the investment return. The tables on the last page provide a projection of the amount of money that would be available for withdrawal from your Roth IRA if a projection can be reasonably made. *These amounts are projections only and do not necessarily reflect the amounts that you could withdraw in all events at the end of each year. The rate of interest payable on the investments is subject to change for the duration of the Roth IRA and cannot be guaranteed at a constant rate.*

**Time Deposit Account.** If your contributions are invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if your funds were withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if your funds were withdrawn from your Roth IRA. The tables on the last page project the accumulated balance without penalty as well as the amount of money that would be available if a 1-, 3-, or 6-month early withdrawal penalty were imposed on the entire amount withdrawn. The penalty may vary on the term of the account and the early withdrawal policy in effect at the time the account is established or renewed. You will be provided with the rules for each time deposit account in which your Roth IRA funds are invested.

**Variable Rate Account.** If your Roth IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of your Roth IRA in future years cannot be reasonably made. The growth in the value of your Roth IRA is neither guaranteed nor projected. You will receive the appropriate rules for the account which state the method for computing and allocating account earnings, a description of each type of charge, and the amount thereof, that may be made against the account, and the method used in computing the penalties.

**Custodial Fees.** The Custodian may charge reasonable fees for administering the Custodial Account, preparing reports, keeping records, and other services. Such fees may include, but are not limited to, opening fees, administration fees, transaction fees, transfer fees, closing fees, and investment commissions. The Custodian may also charge the Custodial Account the reasonable costs of fiduciary insurance, counsel fees, and reasonable compensation for its services as Custodian. Such fees, if any, may be: 1) charged directly to and deducted from the Custodial Account, and would reduce the account value of this Roth IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this Roth IRA is established, the Custodian will provide a separate fee schedule to you. The Custodian will give you at least 30 days prior notice before imposing a new fee or changing an existing fee.

If the fee will be deducted from the Custodial Account, either Method 2 on the next page will be completed or a separate financial projection will be attached and made part of this Disclosure Statement. Method 1, on the next page, assumes that either there is no Custodial fee, or Custodial fees are billed directly to you.

# Projection of Future Balance (Use Method 1 or Method 2)

## Method 1

### Regular Roth IRA Projection

This table has been prepared assuming that you will make level annual contributions of \$1,000 on the first day of each year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year you start making contributions to your Roth IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$21,232.55 at age 60, \$26,353.94 at age 65, and \$31,501.00 at age 70.

#### Account Values

Number of Years	No Penalty	30-Day Penalty	60-Day Penalty	90-Day Penalty
1	\$1,001.00	\$1,000.92	\$1,000.84	\$1,000.75
2	\$1,002.00	\$1,001.92	\$1,001.84	\$1,001.75
3	\$1,003.00	\$1,002.92	\$1,002.84	\$1,002.76
4	\$1,004.01	\$1,003.92	\$1,003.84	\$1,003.76
5	\$1,005.01	\$1,004.93	\$1,004.84	\$1,004.76
6	\$1,006.02	\$1,005.93	\$1,005.85	\$1,005.77
7	\$1,007.02	\$1,006.94	\$1,006.86	\$1,006.77
8	\$1,008.03	\$1,007.95	\$1,007.86	\$1,007.78
9	\$1,009.04	\$1,008.95	\$1,008.87	\$1,008.79
10	\$1,010.05	\$1,009.96	\$1,009.88	\$1,009.80
11	\$1,011.06	\$1,010.97	\$1,010.89	\$1,010.81
12	\$1,012.07	\$1,011.98	\$1,011.90	\$1,011.82
13	\$1,013.08	\$1,013.00	\$1,012.91	\$1,012.83
14	\$1,014.09	\$1,014.01	\$1,013.92	\$1,013.84
15	\$1,015.11	\$1,015.02	\$1,014.94	\$1,014.86
16	\$1,016.12	\$1,016.04	\$1,015.95	\$1,015.87
17	\$1,017.14	\$1,017.05	\$1,016.97	\$1,016.89
18	\$1,018.15	\$1,018.07	\$1,017.99	\$1,017.90
19	\$1,019.17	\$1,019.09	\$1,019.00	\$1,018.92
20	\$1,020.19	\$1,020.11	\$1,020.02	\$1,019.94
21	\$1,021.21	\$1,021.13	\$1,021.04	\$1,020.96
22	\$1,022.23	\$1,022.15	\$1,022.06	\$1,021.98
23	\$1,023.25	\$1,023.17	\$1,023.09	\$1,023.00
24	\$1,024.28	\$1,024.19	\$1,024.11	\$1,024.03
25	\$1,025.30	\$1,025.22	\$1,025.13	\$1,025.05
26	\$1,026.33	\$1,026.24	\$1,026.16	\$1,026.07
27	\$1,027.35	\$1,027.27	\$1,027.19	\$1,027.10
28	\$1,028.38	\$1,028.30	\$1,028.21	\$1,028.13
29	\$1,029.41	\$1,029.33	\$1,029.24	\$1,029.16
30	\$1,030.44	\$1,030.35	\$1,030.27	\$1,030.19
31	\$1,031.47	\$1,031.38	\$1,031.30	\$1,031.22
32	\$1,032.50	\$1,032.42	\$1,032.33	\$1,032.25
33	\$1,033.53	\$1,033.45	\$1,033.36	\$1,033.28
34	\$1,034.57	\$1,034.48	\$1,034.40	\$1,034.31
35	\$1,035.60	\$1,035.52	\$1,035.43	\$1,035.35
36	\$1,036.64	\$1,036.55	\$1,036.47	\$1,036.38
37	\$1,037.67	\$1,037.59	\$1,037.50	\$1,037.42
38	\$1,038.71	\$1,038.63	\$1,038.54	\$1,038.46
39	\$1,039.75	\$1,039.66	\$1,039.58	\$1,039.49
40	\$1,040.79	\$1,040.70	\$1,040.62	\$1,040.53
41	\$1,041.83	\$1,041.75	\$1,041.66	\$1,041.57
42	\$1,042.87	\$1,042.79	\$1,042.70	\$1,042.62
43	\$1,043.92	\$1,043.83	\$1,043.74	\$1,043.66
44	\$1,044.96	\$1,044.87	\$1,044.79	\$1,044.70
45	\$1,046.00	\$1,045.92	\$1,045.83	\$1,045.75
46	\$1,047.05	\$1,046.96	\$1,046.88	\$1,046.79
47	\$1,048.10	\$1,048.01	\$1,047.93	\$1,047.84
48	\$1,049.15	\$1,049.06	\$1,048.97	\$1,048.89
49	\$1,050.19	\$1,050.11	\$1,050.02	\$1,049.94
50	\$1,051.24	\$1,051.16	\$1,051.07	\$1,050.99
51	\$1,052.30	\$1,052.21	\$1,052.12	\$1,052.04
52	\$1,053.35	\$1,053.26	\$1,053.18	\$1,053.09

### Rollover Roth IRA Projection

This table has been prepared assuming the initial and only contribution to your Roth IRA is a rollover of \$1,000 on the first day of the year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year in which you roll over \$1,000 to your Roth IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$1,021.21 at age 60, \$1,026.33 at age 65, and \$1,031.47 at age 70.

#### Account Values

Number of Years	No Penalty	30-Day Penalty	60-Day Penalty	90-Day Penalty
1	\$1,001.00	\$1,000.92	\$1,000.84	\$1,000.75
2	\$1,002.00	\$1,001.92	\$1,001.84	\$1,001.75
3	\$1,003.00	\$1,002.92	\$1,002.84	\$1,002.76
4	\$1,004.01	\$1,003.92	\$1,003.84	\$1,003.76
5	\$1,005.01	\$1,004.93	\$1,004.84	\$1,004.76
6	\$1,006.02	\$1,005.93	\$1,005.85	\$1,005.77
7	\$1,007.02	\$1,006.94	\$1,006.86	\$1,006.77
8	\$1,008.03	\$1,007.95	\$1,007.86	\$1,007.78
9	\$1,009.04	\$1,008.95	\$1,008.87	\$1,008.79
10	\$1,010.05	\$1,009.96	\$1,009.88	\$1,009.80
11	\$1,011.06	\$1,010.97	\$1,010.89	\$1,010.81
12	\$1,012.07	\$1,011.98	\$1,011.90	\$1,011.82
13	\$1,013.08	\$1,013.00	\$1,012.91	\$1,012.83
14	\$1,014.09	\$1,014.01	\$1,013.92	\$1,013.84
15	\$1,015.11	\$1,015.02	\$1,014.94	\$1,014.86
16	\$1,016.12	\$1,016.04	\$1,015.95	\$1,015.87
17	\$1,017.14	\$1,017.05	\$1,016.97	\$1,016.89
18	\$1,018.15	\$1,018.07	\$1,017.99	\$1,017.90
19	\$1,019.17	\$1,019.09	\$1,019.00	\$1,018.92
20	\$1,020.19	\$1,020.11	\$1,020.02	\$1,019.94
21	\$1,021.21	\$1,021.13	\$1,021.04	\$1,020.96
22	\$1,022.23	\$1,022.15	\$1,022.06	\$1,021.98
23	\$1,023.25	\$1,023.17	\$1,023.09	\$1,023.00
24	\$1,024.28	\$1,024.19	\$1,024.11	\$1,024.03
25	\$1,025.30	\$1,025.22	\$1,025.13	\$1,025.05
26	\$1,026.33	\$1,026.24	\$1,026.16	\$1,026.07
27	\$1,027.35	\$1,027.27	\$1,027.19	\$1,027.10
28	\$1,028.38	\$1,028.30	\$1,028.21	\$1,028.13
29	\$1,029.41	\$1,029.33	\$1,029.24	\$1,029.16
30	\$1,030.44	\$1,030.35	\$1,030.27	\$1,030.19
31	\$1,031.47	\$1,031.38	\$1,031.30	\$1,031.22
32	\$1,032.50	\$1,032.42	\$1,032.33	\$1,032.25
33	\$1,033.53	\$1,033.45	\$1,033.36	\$1,033.28
34	\$1,034.57	\$1,034.48	\$1,034.40	\$1,034.31
35	\$1,035.60	\$1,035.52	\$1,035.43	\$1,035.35
36	\$1,036.64	\$1,036.55	\$1,036.47	\$1,036.38
37	\$1,037.67	\$1,037.59	\$1,037.50	\$1,037.42
38	\$1,038.71	\$1,038.63	\$1,038.54	\$1,038.46
39	\$1,039.75	\$1,039.66	\$1,039.58	\$1,039.49
40	\$1,040.79	\$1,040.70	\$1,040.62	\$1,040.53
41	\$1,041.83	\$1,041.75	\$1,041.66	\$1,041.57
42	\$1,042.87	\$1,042.79	\$1,042.70	\$1,042.62
43	\$1,043.92	\$1,043.83	\$1,043.74	\$1,043.66
44	\$1,044.96	\$1,044.87	\$1,044.79	\$1,044.70
45	\$1,046.00	\$1,045.92	\$1,045.83	\$1,045.75
46	\$1,047.05	\$1,046.96	\$1,046.88	\$1,046.79
47	\$1,048.10	\$1,048.01	\$1,047.93	\$1,047.84
48	\$1,049.15	\$1,049.06	\$1,048.97	\$1,048.89
49	\$1,050.19	\$1,050.11	\$1,050.02	\$1,049.94
50	\$1,051.24	\$1,051.16	\$1,051.07	\$1,050.99
51	\$1,052.30	\$1,052.21	\$1,052.12	\$1,052.04
52	\$1,053.35	\$1,053.26	\$1,053.18	\$1,053.09

## Method 2

The following projection of account values represents the amounts that would be available in your Roth IRA at the end of each of the first five years and at the end of the years in which you attain ages 60, 65, and 70. These balances are not guaranteed. The actual balances will depend on many factors, including the interest rates and terms of future investments. The following balances, which are only projections, are based on the custodial fees discussed on the previous page, if any, and the following assumptions:

- Regular Roth IRA: Assuming an annual \$1,000 deposit made on the first day of each year.
  - Rollover Roth IRA: Assuming a one-time \$1,000 deposit made on the first day of the first year.
- Investment annual percentage yield \_\_\_\_\_
- Penalty for early withdrawal of investment \_\_\_\_\_

End of year	Account Value	End of year you attain	Account Value
1	\$ _____	60	\$ _____
2	\$ _____	65	\$ _____
3	\$ _____	70	\$ _____
4	\$ _____		
5	\$ _____		

Pension Management Company, Inc.  
RO-SNAP-PAC CUSTODIAL REV. 01/2023

**Simplified Employee Pension-Individual  
Retirement Accounts Contribution Agreement**  
(Under Section 408(k) of the Internal Revenue Code)

**Employer Information**

Name of Employer _____	
Address _____	
City/State/Zip _____	Phone Number _____

**Name and Address of Financial Institution**

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**Agreement**

The employer named above makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.

**Article I - Eligibility Requirements** (Check appropriate boxes - see **Instructions**.)

The employer agrees to provide for discretionary contributions in each calendar year to the individual retirement account or individual retirement annuity (IRA) of all employees:

- AGE - who are at least \_\_\_\_\_ years old (not to exceed 21 years old) and
- SERVICE - have performed services for the employer in at least \_\_\_\_\_ years (not to exceed 3 years) of the immediately preceding 5 years.
- UNION - This simplified employee pension (SEP)  includes  does not include employees covered under a collective bargaining agreement,
- NONRESIDENT ALIENS -  includes  does not include certain nonresident aliens, and
- COMPENSATION -  includes  does not include employees whose total compensation during the year is less than \$450\*.

**Article II - SEP Requirements** (See **Instructions** below.)

The employer agrees that contributions made on behalf of each eligible employee will be:

- A. Based only on the first \$205,000\* of compensation.
- B. Made in an amount that is the same percentage of compensation for every employee.
- C. Limited annually to the smaller of \$41,000\* or 25% of compensation.
- D. Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

\_\_\_\_\_  
Employer's signature and date

\_\_\_\_\_  
Name and title

**Instructions**

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

**Purpose of Form**

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

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

For more information on SEPs and IRAs, see **Pub. 560**, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and **Pub. 590**, Individual Retirement Arrangements (IRAs).

**Instructions to the Employer**

**Simplified employee pension.** A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income. Under a SEP, you can contribute to an employee's Traditional individual retirement account or annuity (Traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model Traditional IRA established on an IRS form or a master or prototype Traditional IRA for which the IRS has issued a favorable opinion letter. You may **not** make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

**When not to use Form 5305-SEP.** Do not use this form if you:

- 1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.
- 2. Have any eligible employees for whom IRAs have not been established.
- 3. Use the services of leased employees (described in section 414(n)).
- 4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or

trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.

5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

**Note:** SEPs permitting elective deferrals cannot be established after 1996.

**Eligible employees.** All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

**Excludable employees.** The following employees do not have to be covered by the SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than \$450\* in compensation during the year.

**Contribution limits.** You may make an annual contribution of up to 25% of the employee's compensation or \$41,000\*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$205,000\*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of \$41,000\* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

**Deducting contributions.** You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the SEP are deductible for your tax year with or within which the calendar year ends. Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

**Completing the agreement.** This agreement is considered adopted when:

- IRAs have been established for all your eligible employees;
- You have completed all blanks on the agreement form without modification; and
- You have given all your eligible employees the following information:
  1. A copy of Form 5305-SEP.
  2. A statement that Traditional IRAs other than the Traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.
  3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.
  4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in **Instructions to the Employer and Information for the Employee**, are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

## Information for the Employee

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

**Simplified Employee Pension.** A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a Traditional individual retirement account/annuity (Traditional IRA). Contributions must be made to either a Model Traditional IRA executed on an IRS form or a master or prototype Traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation greater than \$205,000\*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

**Contribution limits.** Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of \$41,000\* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

**Tax treatment of contributions.** Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

**Employee contributions.** You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

**SEP participation.** If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could cause adverse tax consequences for the participating employees.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

**SEP-IRA amounts—rollover or transfer to another IRA.** You can withdraw or receive funds from your SEP-IRA if within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

**Withdrawals.** You may withdraw your employer's contribution at any time, but any amount withdrawn is includable in your income unless rolled over. Also, if withdrawals occur before you reach age 59½, you may be subject to a tax on early withdrawal.

**Excess SEP contributions.** Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includable in your gross income. Excess contributions left in your SEP-IRA account after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

**Financial institution requirements.** The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.
2. The tax consequences of various options concerning your IRA.
3. Participation eligibility rules, and rules on the deductibility of retirement savings.
4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
6. Financial disclosure that provides the following information:
  - a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
  - b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
  - c. States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

\* For 2005 and later years, this amount is subject to annual cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at [www.irs.gov](http://www.irs.gov).