# SIMPLE IRA Account Application

VictoryFunds®

- For additional information call **(800) 539-FUND**
- Send completed form to: **Victory Funds**, P. 0. Box 182593, Columbus, OH 43218-2593.

I, the person signing this Account Application (hereinafter called the "Participant") establish an Individual Retirement Account (the "Account") with UMB Bank National Association as Custodian ("Custodian") to operate in conjunction with a SIMPLE IRA plan established by my employer or to receive a transfer from another SIMPLE IRA. I agree to the terms of my Account, which are contained in the document entitled "SIMPLE Individual Retirement Custodial Agreement" and this Account Application. My Account will be effective upon acceptance by Custodian.

## Important Information About Procedures For Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth and taxpayer identification number. We may require other information that will allow us to identify you.

## Part 1. Participant Information

INDIVIDUAL (Legal Name: First/Middle/Last)

DATE OF BIRTH (Month/Day/Year)

SOCIAL SECURITY NUMBER

STREET ADDRESS: Residential/Business, Number & Street

DAYTIME TELEPHONE NUMBER

MAILING ADDRESS (if different from above)

EVENING TELEPHONE NUMBER

CITY STATE ZIP

EMAIL ADDRESS

## Part 2. Type of SIMPLE IRA:

❑ Check here if you are establishing this Account in connection with a SIMPLE IRA plan maintained by your employer.

❑ Check here if this is a Transfer or Rollover from another SIMPLE IRA which was maintained by your former employer. Complete the following:

Amount transferred or rolled over: $_____

Date of first contribution to your prior SIMPLE IRA under that SIMPLE IRA plan:_____.

If this is a transfer please complete the SIMPLE IRA Transfer of Assets Form on page 5.

## Part 3. Employer Information (Must be completed)

PRINT NAME

ADDRESS

CITY STATE ZIP

NAME AND TELEPHONE NUMBER OF CONTACT PERSON

EIN #

## Part 4. Investments* *(Please check the appropriate box(es) below indicating type of contribution.)*

| FUND NAME | SHARE CLASS | CONTRIBUTION FOR TAX YEAR | TRANSFER | ROLLOVER | RECHARACTERIZATION | PERCENT/DOLLAR |
|---|---|---|---|---|---|---|
| | | 20 | ❑ | ❑ | ❑ | %/$ |
| | | 20 | ❑ | ❑ | ❑ | %/$ |
| | | 20 | ❑ | ❑ | ❑ | %/$ |
| | | 20 | ❑ | ❑ | ❑ | %/$ |
| | | | | | Total | 100%/$ |

*Generally if share class is not specified, A Shares will be purchased.*

## Part 5. Telephone and Internet Authorization

❑ Yes, I authorize the Fund and its agents, to act upon instructions received by telephone and/or Internet to exchange shares. Exchanged shares must occur between identically registered accounts within the Funds. Tax identification numbers of the two accounts must be identical.

## Part 6. Designation of Beneficiary

I hereby designate the following person(s) named below as my primary and secondary Beneficiary(ies) to receive the balance of my SIMPLE IRA Account upon my death. If I have designated more than one person, the amount distributed is to be divided equally among designated persons unless otherwise indicated by a "percentage of distribution." I understand that if I do not designate a beneficiary, my SIMPLE IRA will go to my estate. If I designate a beneficiary which is a trust, I have indicated the name, trustee's name, address and date of the trust. If any primary or secondary Beneficiary dies before me, the interest of his or her heirs shall terminate completely, and any remaining Beneficiary share shall be increased on a pro rata basis.

| NAME | RELATIONSHIP | DATE OF BIRTH | SS#/TAX ID NUMBER | % OF DISTRIBUTION | PRIMARY | SECONDARY |
|---|---|---|---|---|---|---|
| | | | | | ❑ | ❑ |
| | | | | | ❑ | ❑ |
| | | | | | ❑ | ❑ |
| | | | | | ❑ | ❑ |

RETAIN A PHOTOCOPY OF THE COMPLETED **ACCOUNT APPLICATION** FOR YOUR RECORDS

*Spousal consent should be considered if either the trust or the residence of the Simple IRA owner is located in a community or marital property state.*

**CURRENT MARITAL STATUS**

- ❑ **I Am Not Married** – I understand that if I become married in the future, I should review the requirements for spousal consent.
- ❑ **I Am Married** – I understand that if I choose to designate a primary beneficiary other than or in addition to my spouse, my spouse should sign below.

**CONSENT OF SPOUSE**

I am the spouse of the above-named Simple IRA owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this Simple IRA, I have been advised to see a tax professional.

I hereby give the Simple IRA owner my interest in the assets or property deposited in this Simple IRA and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result.

X _____ _____
Signature of Spouse Date *(mm/dd/yyyy)*

X _____ _____
Signature of Witness Date *(mm/dd/yyyy)*

## Part 7. Information and Certifications Concerning Tax Withholding

By signing this form, the Participant certifies that he/she is a U.S. Person (a U.S. citizen or a resident alien) or a Foreign Person (a nonresident alien), as indicated by checking the appropriate box below, and makes the related certifications.

Participant is (check one)

- ❑ A U.S. Person. Participant certifies that the number shown in Part 1 of this Account Application is the Participant's correct Social Security number (or the Participant is waiting to be issued a Social Security number).
- ❑ A Foreign Person. Participant acknowledges that the IRS does not require consent to any provisions of this document other than the Form W-8BEN certification required to qualify for a tax treaty rate of withholding (see IRS Publication 515).

## Part 8. Certifications and Signatures

I hereby consent to the terms of the Victory Funds SIMPLE IRA described herein and on the Custodial Account Agreement and to the beneficiaries I have designated in this adoption agreement.

I have received and read the SIMPLE IRA Account Application the 5305-5A Custodial Account Agreement, the Financial Disclosure, the Disclosure Statement and the Victory Funds Privacy Policy.

I acknowledge receipt of the Custodial Account Agreement and Account Application at least 7 days before the date inscribed below and acknowledge that I have no right of revocation.

I acknowledge that I must provide accurate information in this Account Application, and that I may incur extra taxes and/or penalties if the information is not accurate; accordingly I certify the accuracy of such information (including particularly the date specified in Part 2 previously).

_____
SIGNATURE OF PARTICIPANT DATE

RETAIN A PHOTOCOPY OF THE COMPLETED ACCOUNT APPLICATION FOR YOUR RECORDS

**Office Use Only.** We hereby submit this application for the purchase of shares of the Fund(s) indicated in accordance with the terms of our selling agreement with the prospectus for the Fund.

Securities Dealer Name _____ Dealer No. _____

Representative Name and Branch Address _____ Representative No. _____

Principal Approval: _____ Date: _____

# SIMPLE IRA Transfer of Assets

VictoryFunds®

(Complete only if you are transferring assets.)

## Part 1. Name and Address of Participant

NAME

ADDRESS

CITY STATE ZIP

DAYTIME TELEPHONE NUMBER SOCIAL SECURITY NUMBER

## Part 2. Instructions to Present SIMPLE IRA Custodian or Trustee (Completed by Participant)

NAME OF CUSTODIAN/TRUSTEE

ATTN: MR./MS.

ADDRESS

CITY STATE ZIP

ACCOUNT NUMBER

Please transfer assets of my present SIMPLE Individual Retirement Account to UMB Bank National Association. All assets should be transferred as cash according to the following instructions:

❑ Transfer the total amount in my account **or**

❑ Transfer $_____ and retain the balance.

Make check payable to: Victory Funds
P.O. Box 182593
Columbus, OH 43218-2593

For overnight delivery: The Victory Funds
c/o FIS Investor Services LLC
4249 Easton Way, Suite 400
Columbus, OH 43219

## Part 3. Investment Instructions to UMB Bank National Association

(Participant — check one box and complete if necessary)

❑ Invest the transferred amount in accordance with the investment instructions in the Account Application for my Victory Funds SIMPLE Individual Retirement Custodial Account.

❑ Invest the transferred amount as follows:

_____ _____%
Fund Name

_____ _____%
Fund Name

_____ _____%
Fund Name

100%

I acknowledge that I have sole responsibility for my investment choices and that I have received a current prospectus for each Fund I select. Please read the prospectus(es) of the Fund(s) you select before investing.

## Part 4. Signature of Participant

The undersigned certifies to the present SIMPLE IRA custodian or trustee that the undersigned has established a successor SIMPLE Individual Retirement Custodial Account meeting the requirements of Internal Revenue Code Section 408(p) to which assets will be transferred, and certifies to UMB Bank National Association that the SIMPLE IRA from which assets are being transferred meets the requirements of Internal Revenue Code Section 408(p).

SIGNATURE OF PARTICIPANT DATE

SIGNATURE GUARANTEE (only if required by current SIMPLE IRA Sponsor)
Signature guaranteed by:

ELIGIBLE FINANCIAL INSTITUTION

SIGNATURE OF OFFICER AND TITLE

## PART 5. Acceptance by New Custodian

(Completed by UMB Bank National Association)

UMB Bank National Association agrees to accept transfer of the above amount for deposit to the Participant's UMB Bank National Association SIMPLE Individual Retirement Custodial Account, and requests the liquidation and transfer of assets as indicated above.

BY

DATE

# SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-SA under section 408(p) of the Internal Revenue Code. FORM (Rev. March 2002)

The participant named on the application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named on the application has given the participant the disclosure statement required by Regulations section 1.408-6.

The participant and the custodian make the following agreement:

## ARTICLE I

The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant. No other contributions will be accepted by the custodian.

## ARTICLE II

The participant's interest in the balance in the custodial account is nonforfeitable.

## ARTICLE III

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

## ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in: (a) A single sum or (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.
3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
   (a) If the participant dies on or after the required beginning date and:
      (i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
      (ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
      (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.
   (b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
      (i) the remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (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 (ii) below if there is no such designated beneficiary.
      (ii) the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
   (a) the required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.
   (b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).


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(c) the required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

## ARTICLE V

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

8.01 **Definitions –** In this part of this agreement (Article VIII), the words "you" and "your" mean the participant. The words "we," "us," and "our" mean the custodian. The word "Code" means the Internal Revenue Code, and "regulations" means the Treasury regulations.

8.02 **Notices and Change of Address –** Any required notice regarding this SIMPLE IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

8.03 **Representations and Responsibilities –** You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your SIMPLE IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to SIMPLE IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

To the extent written instructions or notices are required under this agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

8.04 **Disclosure of Account Information –** We may use agents and/or subcontractors to assist in administering your SIMPLE IRA. We may release nonpublic personal information regarding your SIMPLE IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.

8.05 **Service Fees –** We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your SIMPLE IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your SIMPLE IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your SIMPLE IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this SIMPLE IRA.

Any brokerage commissions attributable to the assets in your SIMPLE IRA will be charged to your SIMPLE IRA. You cannot reimburse your SIMPLE IRA for those commissions.

8.06 **Investment of Amounts in the SIMPLE IRA –** You have exclusive responsibility for and control over the investment of the assets of your SIMPLE IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or


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clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your SIMPLE IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 8.03 of this article). We will have no discretion to direct any investment in your SIMPLE IRA. We assume no responsibility for rendering investment advice with respect to your SIMPLE IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your SIMPLE IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your SIMPLE IRA unless you provide timely written directions acceptable to us.

You will select the investment for your SIMPLE IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for SIMPLE IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts). We may in our sole discretion make available to you additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

8.07 **Beneficiaries –** If you die before you receive all of the amounts in your SIMPLE IRA, payments from your SIMPLE IRA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary of your SIMPLE IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary survives you, the contingent beneficiaries will acquire the designated share of your SIMPLE IRA. If you do not designate a beneficiary or if all of your primary and contingent beneficiaries predecease you, your estate will be the beneficiary.

A spouse beneficiary will have all rights as granted under the Code or applicable regulations to treat your SIMPLE IRA as his or her own.

We may allow, if permitted by state law, an original SIMPLE IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited SIMPLE IRA at the time of your death) to name successor beneficiaries for the inherited SIMPLE IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original SIMPLE IRA beneficiary's lifetime. Each beneficiary designation form that the original SIMPLE IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original SIMPLE IRA beneficiary to revoke a successor beneficiary designation. If the original SIMPLE IRA beneficiary does not designate a successor beneficiary, his or her estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for the original SIMPLE IRA beneficiary.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased SIMPLE IRA owner take total distribution of all SIMPLE IRA assets by December 31 of the year following the year of death.

8.08 **Required Minimum Distributions –** Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date we can, at our complete and sole discretion, do any one of the following.

- Make no distribution until you give us a proper withdrawal request
- Distribute your entire SIMPLE IRA to you in a single sum payment
- Determine your required minimum distribution from your SIMPLE IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

8.09 **Termination of Agreement, Resignation, or Removal of Custodian –** Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your SIMPLE IRA to another financial organization. If you do not complete a transfer of your SIMPLE IRA within 30 days from the date we send the notice to you, we have the right to transfer your SIMPLE IRA assets to a successor SIMPLE IRA trustee or custodian that we choose in our sole discretion, or we may pay your SIMPLE IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your SIMPLE IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against your SIMPLE IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your SIMPLE IRA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your SIMPLE IRA to you in cash or property if the balance of your SIMPLE IRA drops below the minimum balance required under the applicable investment or policy established.


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8.10 **Successor Custodian –** If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your SIMPLE IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your SIMPLE IRA, but only if it is the type of organization authorized to serve as a SIMPLE IRA trustee or custodian.

8.11 **Amendments –** We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

8.12 **Withdrawals or Transfers –** All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

8.13 **Transfers From Other Plans –** We can receive amounts transferred or rolled over to this SIMPLE IRA from the trustee or custodian of another SIMPLE IRA. We reserve the right not to accept any transfer or rollover.

8.14 **Liquidation of Assets –** We have the right to liquidate assets in your SIMPLE IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your SIMPLE IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

8.15 **Restrictions on the Fund –** Neither you nor any beneficiary may sell, transfer, or pledge any interest in your SIMPLE IRA in any manner whatsoever, except as provided by law or this agreement.

The assets in your SIMPLE IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

8.16 **What Law Applies –** 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 our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

8.17 **Summary Description Requirements –** Notwithstanding Article V above, we will be deemed to have satisfied our summary description reporting requirements under Internal Revenue Code (IRC) Section 408(l)(2) if either

a. we provide a summary description directly to you, or

b. we provide our name, address and withdrawal procedures to you, and your employer provides you with all other required information.

## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

Form 5305-SA is a model custodial account agreement that meets the requirements of sections 408(a) and 408(p) and has been pre-approved by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (participant) and the custodian. This account must be created in the United States for the exclusive benefit of the participant and his or her beneficiaries.

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

For more information on SIMPLE IRAs, including the required disclosures the custodian must give the participant, see Pub. 590, *Individual Retirement Arrangements (IRAs)*.

### DEFINITIONS

**Participant –** The participant is the person who establishes the custodial account.

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

### TRANSFER SIMPLE IRA

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

## SPECIFIC INSTRUCTIONS

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

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


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# DISCLOSURE STATEMENT

## RIGHT TO REVOKE YOUR SIMPLE IRA

You have the right to revoke your SIMPLE IRA within seven (7) days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your SIMPLE IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed on the application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your SIMPLE IRA, please call the custodian at the telephone number listed on the application.

## REQUIREMENTS OF A SIMPLE IRA

A. **Cash Contributions –** Your contribution must be in cash, unless it is a rollover contribution.

B. **Maximum Contribution –** The only contributions that may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions, and other contributions allowed by the Code or related regulations, that are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals may not exceed the lesser of 100 percent of your compensation for the calendar year or $12,500 for 2015 and 2016, with possible cost-of-living adjustments each year thereafter. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code Section (IRC Sec.) 408(p). Your employer is required to provide you with information that describes the terms of its SIMPLE IRA plan.

C. **Catch-Up Contributions –** If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your SIMPLE IRA. The maximum additional contribution is $3,000 for 2015 and 2016, with possible cost-of-living adjustments each year thereafter.

D. **Nonforfeitability –** Your interest in your SIMPLE IRA is nonforfeitable.

E. **Eligible Custodians –** The custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

F. **Commingling Assets –** The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.

G. **Life Insurance –** No portion of your SIMPLE IRA may be invested in life insurance contracts.

H. **Collectibles –** You may not invest the assets of your SIMPLE IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in IRC Sec. 408(m)(3)) also are permitted as SIMPLE IRA investments.

I. **Required Minimum Distributions –** You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the SIMPLE IRA distribution rules.

1. You are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.

2. The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the required minimum distribution is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

   We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 70½.

   (a) Make no distribution until you give us a proper withdrawal request

   (b) Distribute your entire SIMPLE IRA to you in a single sum payment

   (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

   If you fail to remove a required minimum distribution, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

3. Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

   If you die on or after your required beginning date, distributions must be made to your beneficiaries over the longer of the single life expectancy of your designated beneficiaries, or your remaining life expectancy. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

   If you die before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiaries, either

   (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or

   (b) be distributed over the remaining life expectancy of your designated beneficiaries.

   If your spouse is your sole designated beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no


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election is made, distribution will be calculated in accordance with option (b). In the case of distributions under option (b), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse beneficiary will have all rights as granted under the Code or applicable Treasury Regulations to treat your SIMPLE IRA as his or her own.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased SIMPLE IRA owner take total distribution of all SIMPLE IRA assets by December 31 of the year following the year of death.

If your beneficiary fails to remove a required minimum distribution after your death, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 along with his or her income tax return to report and remit any additional taxes to the IRS.

J. **Qualifying Longevity Annuity Contracts and RMDs –** A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85. The total premiums paid to QLACs in your IRAs must not exceed 25 percent (up to $125,000) of the combined value of your IRAs (excluding Roth IRAs). The $125,000 limit is subject to cost-of-living adjustments each year.

When calculating your RMD, you may reduce the prior year end account value by the value of QLACs that your SIMPLE IRA holds as investments.

For more information on QLACs, you may wish to refer to the IRS website at www.irs.gov.

## INCOME TAX CONSEQUENCES OF ESTABLISHING A SIMPLE IRA

A. **Deductibility for SIMPLE IRA Contributions –** You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, employee elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you take a distribution from your SIMPLE IRA.

Participation in your employer's SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

B. **Contribution Deadline –** SIMPLE IRA deferral contributions must be deposited into the SIMPLE IRA as soon as administratively possible, but in no event later than 30 days following the month in which you would have otherwise received the money. Employer matching or nonelective contributions must be deposited no later than the due date for filing the employer's tax return, including extensions.

C. **Tax Credit for Contributions –** You may be eligible to receive a tax credit for your SIMPLE IRA deferrals. This credit may not exceed $1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the deferrals made to your SIMPLE IRA and reduce these contributions by any distributions that you may have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed $2,000.

| 2016 Adjusted Gross Income* | | | Applicable Percentage |
|---|---|---|---|
| Joint Return | Head of a Household | All Other Cases | |
| $1 – 37,000 | $1 – 27,750 | $1 – 18,500 | 50 |
| $37,001 – 40,000 | $27,751 – 30,000 | $18,501 – 20,000 | 20 |
| $40,001 – 61,500 | $30,001 – 46,125 | $20,001 – 30,750 | 10 |
| Over $61,500 | Over $46,125 | Over $30,750 | 0 |

*Adjusted gross income (AGI) includes foreign earned income and income from Guam, America Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

D. **Tax-Deferred Earnings –** The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. **Excess Contributions –** If you defer more than the maximum allowable limit for the tax year, you have an excess deferral and must correct it. Excess deferrals, adjusted for earnings, must be distributed from your SIMPLE IRA.

If your employer mistakenly contributes too much to your SIMPLE IRA as an employer contribution, your employer may effect distribution of the employer excess amount, adjusted for earnings through the date of distribution. The amount distributed to the employer is not includible in your gross income.

F. **Income Tax Withholding –** Any withdrawal from your SIMPLE IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

G. **Early Distribution Penalty Tax –** If you receive a SIMPLE IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent (25 percent if less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer) will apply to the taxable amount of the distribution unless one of the following exceptions apply. **1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. **2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. **3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. **4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses exceeding 10 percent of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. **5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your SIMPLE IRA to pay for


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health insurance premiums without incurring the 10 percent early distribution penalty tax. **6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. **7) First-time homebuyer.** You may take payments from your SIMPLE IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of $10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. **8) IRS levy.** Payments from your SIMPLE IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your SIMPLE IRA during the active duty period are not subject to the 10 percent early distribution penalty tax.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

H. **Rollovers and Conversions –** Your SIMPLE IRA may be rolled over to another SIMPLE IRA, Traditional IRA, or an eligible employer-sponsored retirement plan of yours, may receive rollover contributions, or may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your SIMPLE IRA from another SIMPLE IRA, Traditional IRA, or from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan provided a two-year period has been satisfied. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **SIMPLE IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper SIMPLE IRA-to-SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.

   You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

2. **Traditional IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your Traditional IRA may be rolled over to a SIMPLE IRA if the requirements of IRC Sec. 408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper Traditional IRA-to-SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.

   You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

3. **Employer-Sponsored Retirement Plan-to-SIMPLE IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to a SIMPLE IRA provided two years have passed since you first participated in the SIMPLE IRA plan sponsored by your employer. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

   If you elect to receive your rollover distribution prior to placing it in a SIMPLE IRA, thereby conducting an indirect rollover, your plan administrator generally will be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up out of pocket the amount withheld, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution must be rolled over to your SIMPLE IRA not later than 60 days after you receive the distribution. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax, and if you are under age 59½, the 10 percent early distribution penalty tax (unless an exception to the penalty applies).

   As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to a SIMPLE IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the SIMPLE IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

4. **SIMPLE IRA-to-Traditional IRA Rollovers.** Assets distributed from your SIMPLE IRA may be rolled over to your Traditional IRA without IRS penalty tax, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with SIMPLE IRA-to-SIMPLE IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA-to-Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

   You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.


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5. **SIMPLE IRA-to-Employer-Sponsored Retirement Plan Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The employer-sponsored retirement plan, however, must allow for such rollover contributions. A SIMPLE IRA may not receive rollovers from employer-sponsored retirement plans.

6. **SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. If you convert to a Roth IRA, the amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your SIMPLE IRA.

7. **Written Election.** At the time you make a rollover to a SIMPLE IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

I. **Recharacterizations –** If you have converted from a SIMPLE IRA to a Roth IRA, you may recharacterize the conversion along with net income attributable back to the SIMPLE IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year in which the conversion was completed.

## LIMITATIONS AND RESTRICTIONS

A. **Deduction of Rollovers and Transfers –** A deduction is not allowed for rollover or transfer contributions.

B. **Gift Tax –** Transfers of your SIMPLE IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.

C. **Special Tax Treatment –** Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to SIMPLE IRA distributions.

D. **Prohibited Transactions –** If you or your beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in IRC Sec. 4975, your SIMPLE IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your SIMPLE IRA. (1) Taking a loan from your SIMPLE IRA (2) Buying property for personal use (present or future) with SIMPLE IRA assets (3) Receiving certain bonuses or premiums because of your SIMPLE IRA.

E. **Pledging –** If you pledge any portion of your SIMPLE IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## OTHER

A. **IRS Plan Approval –** The agreement used to establish this SIMPLE IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. **Additional Information –** For further information on SIMPLE IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.

C. **Important Information About Procedures for Opening a New Account –** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a SIMPLE IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

D. **Qualified Reservist Distributions –** If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your SIMPLE IRA or retirement plan, you may recontribute those amounts to an IRA generally within a two-year period from your date of return.

E. **Disaster Related Relief –** If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.


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# IRA FINANCIAL DISCLOSURE

*The term* IRA *will be used below to mean Traditional IRA, Roth IRA, and SIMPLE IRA, unless otherwise specified.*

**The financial organization should complete the financial disclosure using Method I, Method II, or Method III.** *If the growth of the IRA can reasonably be projected, use either Method I or Method II. The account values projected using Method I or Method II must be reduced by all applicable fees and penalties. If annual fees are assessed, such as an annual service fee, use Method II. If no projection of growth of the IRA can reasonably be shown, use Method III.*

## METHOD I Growth can be projected *(Do not use Method I if an annual fee is charged. Instead, use Method II for financial projections.)*

Your Age on Your Birth Date This Year _____ Length of Time Deposit *(If applicable)*_____

The charts below give projections of the value of your IRA by showing the amount available at the end of each year. These projections assume an interest rate of .25%, compounded annually. If you have invested your IRA in a time deposit, a loss-of-earnings penalty may be charged against a withdrawal before maturity. A transaction fee may also apply to your IRA.

The Regular Contribution chart assumes that an annual contribution of $1,000 is made on the first day of each year. The Rollover, Transfer, or Conversion* chart assumes that a one-time deposit of $1,000 is made on the first day of the first year.

*Indicate the projected account value for each of the years, taking into consideration any applicable loss of earnings penalty or other fees assessed if the IRA owner received a distribution at the end of the year for which the projection is being made. First, circle the year-end projected IRA value that is applicable for each of the first five years. Next, circle the applicable IRA value for the years in which the IRA owner will attain ages 60, 65, and 70.*

### REGULAR CONTRIBUTION

FINANCIAL PROJECTIONS WITH .25% RATE OF INTEREST

| NO. YRS | ACCOUNT VALUE | 1 MO. PENALTY | 3 MO. PENALTY | 6 MO. PENALTY | AMT. AFTER FEES AND PENALTIES |
|---|---|---|---|---|---|
| 1 | $1,002.50 | $1,002.29 | $1,001.87 | $1,001.25 | |
| 2 | 2,007.51 | 2,007.09 | 2,006.25 | 2,005.00 | |
| 3 | 3,015.03 | 3,014.40 | 3,013.14 | 3,011.26 | |
| 4 | 4,025.06 | 4,024.22 | 4,022.55 | 4,020.03 | |
| 5 | 5,037.63 | 5,036.58 | 5,034.48 | 5,031.33 | |
| 6 | 6,052.72 | 6,051.46 | 6,048.94 | 6,045.15 | |
| 7 | 7,070.35 | 7,068.88 | 7,065.93 | 7,061.51 | |
| 8 | 8,090.53 | 8,088.84 | 8,085.47 | 8,080.41 | |
| 9 | 9,113.25 | 9,111.35 | 9,107.56 | 9,101.86 | |
| 10 | 10,138.54 | 10,136.42 | 10,132.20 | 10,125.86 | |
| 11 | 11,166.38 | 11,164.06 | 11,159.40 | 11,152.42 | |
| 12 | 12,196.80 | 12,194.26 | 12,189.18 | 12,181.55 | |
| 13 | 13,229.79 | 13,227.03 | 13,221.52 | 13,213.25 | |
| 14 | 14,265.37 | 14,262.39 | 14,256.45 | 14,247.53 | |
| 15 | 15,303.53 | 15,300.34 | 15,293.96 | 15,284.40 | |
| 16 | 16,344.29 | 16,340.88 | 16,334.07 | 16,323.86 | |
| 17 | 17,387.65 | 17,384.03 | 17,376.78 | 17,365.91 | |
| 18 | 18,433.62 | 18,429.78 | 18,422.10 | 18,410.58 | |
| 19 | 19,482.20 | 19,478.14 | 19,470.02 | 19,457.85 | |
| 20 | 20,533.41 | 20,529.13 | 20,520.57 | 20,507.74 | |
| 21 | 21,587.24 | 21,582.74 | 21,573.75 | 21,560.26 | |
| 22 | 22,643.71 | 22,638.99 | 22,629.56 | 22,615.40 | |
| 23 | 23,702.82 | 23,697.88 | 23,688.00 | 23,673.19 | |
| 24 | 24,764.57 | 24,759.42 | 24,749.10 | 24,733.62 | |
| 25 | 25,828.99 | 25,823.61 | 25,812.84 | 25,796.70 | |
| 26 | 26,896.06 | 26,890.46 | 26,879.25 | 26,862.44 | |
| 27 | 27,965.80 | 27,959.97 | 27,948.32 | 27,930.84 | |
| 28 | 29,038.21 | 29,032.16 | 29,020.06 | 29,001.92 | |
| 29 | 30,113.31 | 30,107.04 | 30,094.49 | 30,075.67 | |
| 30 | 31,191.09 | 31,184.59 | 31,171.60 | 31,152.10 | |
| 31 | 32,271.57 | 32,264.85 | 32,251.40 | 32,231.23 | |
| 32 | 33,354.75 | 33,347.80 | 33,333.90 | 33,313.06 | |
| 33 | 34,440.64 | 34,433.46 | 34,419.11 | 34,397.58 | |
| 34 | 35,529.24 | 35,521.84 | 35,507.03 | 35,484.83 | |
| 35 | 36,620.56 | 36,612.93 | 36,597.67 | 36,574.78 | |
| 36 | 37,714.61 | 37,706.75 | 37,691.04 | 37,667.47 | |
| 37 | 38,811.40 | 38,803.31 | 38,787.14 | 38,762.88 | |
| 38 | 39,910.93 | 39,902.61 | 39,885.98 | 39,861.04 | |
| 39 | 41,013.20 | 41,004.66 | 40,987.57 | 40,961.94 | |
| 40 | 42,118.24 | 42,109.46 | 42,091.91 | 42,065.59 | |
| 41 | 43,226.03 | 43,217.03 | 43,199.02 | 43,172.00 | |
| 42 | 44,336.60 | 44,327.36 | 44,308.89 | 44,281.18 | |
| 43 | 45,449.94 | 45,440.47 | 45,421.53 | 45,393.13 | |
| 44 | 46,566.06 | 46,556.36 | 46,536.96 | 46,507.86 | |
| 45 | 47,684.98 | 47,675.04 | 47,655.18 | 47,625.37 | |
| 46 | 48,806.69 | 48,796.52 | 48,776.19 | 48,745.68 | |
| 47 | 49,931.21 | 49,920.81 | 49,900.00 | 49,868.79 | |
| 48 | 51,058.54 | 51,047.90 | 51,026.62 | 50,994.71 | |
| 49 | 52,188.68 | 52,177.81 | 52,156.06 | 52,123.45 | |
| 50 | 53,321.65 | 53,310.55 | 53,288.33 | 53,255.00 | |
| 51 | 54,457.46 | 54,446.11 | 54,423.42 | 54,389.39 | |
| 52 | 55,596.10 | 55,584.52 | 55,561.35 | 55,526.61 | |
| 53 | 56,737.59 | 56,725.77 | 56,702.13 | 56,666.67 | |
| 54 | 57,881.94 | 57,869.88 | 57,845.76 | 57,809.58 | |
| 55 | 59,029.14 | 59,016.84 | 58,992.25 | 58,955.35 | |
| 56 | 60,179.21 | 60,166.68 | 60,141.60 | 60,103.99 | |
| 57 | 61,332.16 | 61,319.38 | 61,293.83 | 61,255.50 | |
| 58 | 62,487.99 | 62,474.97 | 62,448.94 | 62,409.88 | |
| 59 | 63,646.71 | 63,633.45 | 63,606.93 | 63,567.15 | |
| 60 | 64,808.33 | 64,794.83 | 64,767.82 | 64,727.32 | |
| 61 | 65,972.85 | 65,959.11 | 65,931.62 | 65,890.38 | |
| 62 | 67,140.28 | 67,126.29 | 67,098.32 | 67,056.36 | |

### ROLLOVER, TRANSFER, OR CONVERSION*

FINANCIAL PROJECTIONS WITH .25% RATE OF INTEREST

| NO. YRS | ACCOUNT VALUE | 1 MO. PENALTY | 3 MO. PENALTY | 6 MO. PENALTY | AMT. AFTER FEES AND PENALTIES |
|---|---|---|---|---|---|
| 1 | $1,002.50 | $1,002.29 | $1,001.87 | $1,001.25 | |
| 2 | 1,005.01 | 1,004.80 | 1,004.38 | 1,003.75 | |
| 3 | 1,007.52 | 1,007.31 | 1,006.89 | 1,006.26 | |
| 4 | 1,010.04 | 1,009.83 | 1,009.41 | 1,008.78 | |
| 5 | 1,012.56 | 1,012.35 | 1,011.93 | 1,011.30 | |
| 6 | 1,015.09 | 1,014.88 | 1,014.46 | 1,013.83 | |
| 7 | 1,017.63 | 1,017.42 | 1,017.00 | 1,016.36 | |
| 8 | 1,020.18 | 1,019.96 | 1,019.54 | 1,018.90 | |
| 9 | 1,022.73 | 1,022.51 | 1,022.09 | 1,021.45 | |
| 10 | 1,025.28 | 1,025.07 | 1,024.64 | 1,024.00 | |
| 11 | 1,027.85 | 1,027.63 | 1,027.20 | 1,026.56 | |
| 12 | 1,030.42 | 1,030.20 | 1,029.77 | 1,029.13 | |
| 13 | 1,032.99 | 1,032.78 | 1,032.35 | 1,031.70 | |
| 14 | 1,035.57 | 1,035.36 | 1,034.93 | 1,034.28 | |
| 15 | 1,038.16 | 1,037.95 | 1,037.51 | 1,036.87 | |
| 16 | 1,040.76 | 1,040.54 | 1,040.11 | 1,039.46 | |
| 17 | 1,043.36 | 1,043.14 | 1,042.71 | 1,042.06 | |
| 18 | 1,045.97 | 1,045.75 | 1,045.32 | 1,044.66 | |
| 19 | 1,048.58 | 1,048.37 | 1,047.93 | 1,047.27 | |
| 20 | 1,051.21 | 1,050.99 | 1,050.55 | 1,049.89 | |
| 21 | 1,053.83 | 1,053.61 | 1,053.17 | 1,052.52 | |
| 22 | 1,056.47 | 1,056.25 | 1,055.81 | 1,055.15 | |
| 23 | 1,059.11 | 1,058.89 | 1,058.45 | 1,057.79 | |
| 24 | 1,061.76 | 1,061.54 | 1,061.09 | 1,060.43 | |
| 25 | 1,064.41 | 1,064.19 | 1,063.75 | 1,063.08 | |
| 26 | 1,067.07 | 1,066.85 | 1,066.41 | 1,065.74 | |
| 27 | 1,069.74 | 1,069.52 | 1,069.07 | 1,068.40 | |
| 28 | 1,072.41 | 1,072.19 | 1,071.74 | 1,071.07 | |
| 29 | 1,075.10 | 1,074.87 | 1,074.42 | 1,073.75 | |
| 30 | 1,077.78 | 1,077.56 | 1,077.11 | 1,076.44 | |
| 31 | 1,080.48 | 1,080.25 | 1,079.80 | 1,079.13 | |
| 32 | 1,083.18 | 1,082.95 | 1,082.50 | 1,081.82 | |
| 33 | 1,085.89 | 1,085.66 | 1,085.21 | 1,084.53 | |
| 34 | 1,088.60 | 1,088.37 | 1,087.92 | 1,087.24 | |
| 35 | 1,091.32 | 1,091.10 | 1,090.64 | 1,089.96 | |
| 36 | 1,094.05 | 1,093.82 | 1,093.37 | 1,092.68 | |
| 37 | 1,096.79 | 1,096.56 | 1,096.10 | 1,095.42 | |
| 38 | 1,099.53 | 1,099.30 | 1,098.84 | 1,098.15 | |
| 39 | 1,102.28 | 1,102.05 | 1,101.59 | 1,100.90 | |
| 40 | 1,105.03 | 1,104.80 | 1,104.34 | 1,103.65 | |
| 41 | 1,107.80 | 1,107.56 | 1,107.10 | 1,106.41 | |
| 42 | 1,110.57 | 1,110.33 | 1,109.87 | 1,109.18 | |
| 43 | 1,113.34 | 1,113.11 | 1,112.65 | 1,111.95 | |
| 44 | 1,116.12 | 1,115.89 | 1,115.43 | 1,114.73 | |
| 45 | 1,118.92 | 1,118.68 | 1,118.22 | 1,117.52 | |
| 46 | 1,121.71 | 1,121.48 | 1,121.01 | 1,120.31 | |
| 47 | 1,124.52 | 1,124.28 | 1,123.81 | 1,123.11 | |
| 48 | 1,127.33 | 1,127.09 | 1,126.62 | 1,125.92 | |
| 49 | 1,130.15 | 1,129.91 | 1,129.44 | 1,128.73 | |
| 50 | 1,132.97 | 1,132.74 | 1,132.26 | 1,131.56 | |
| 51 | 1,135.80 | 1,135.57 | 1,135.09 | 1,134.38 | |
| 52 | 1,138.64 | 1,138.41 | 1,137.93 | 1,137.22 | |
| 53 | 1,141.49 | 1,141.25 | 1,140.78 | 1,140.06 | |
| 54 | 1,144.34 | 1,144.11 | 1,143.63 | 1,142.91 | |
| 55 | 1,147.20 | 1,146.97 | 1,146.49 | 1,145.77 | |
| 56 | 1,150.07 | 1,149.83 | 1,149.35 | 1,148.64 | |
| 57 | 1,152.95 | 1,152.71 | 1,152.23 | 1,151.51 | |
| 58 | 1,155.83 | 1,155.59 | 1,155.11 | 1,154.39 | |
| 59 | 1,158.72 | 1,158.48 | 1,158.00 | 1,157.27 | |
| 60 | 1,161.62 | 1,161.37 | 1,160.89 | 1,160.16 | |
| 61 | 1,164.52 | 1,164.28 | 1,163.79 | 1,163.07 | |
| 62 | 1,167.43 | 1,167.19 | 1,166.70 | 1,165.97 | |

*Conversion applies to Roth IRAs only

### ADDITIONAL FINANCIAL DISCLOSURE INFORMATION

The account values shown are projections based on many assumptions. They are not guaranteed, but depend upon many factors, including the interest rates and terms of future funding instruments.

We may charge you fees in connection with your IRA. If we do not charge these fees now, we may do so in the future after giving you notice. If you do not pay these fees separately, they may be paid from the assets of your IRA.

### CURRENT FEES

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____



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## METHOD II Growth can be projected

The financial projections below show the amount that would be available if you were to withdraw your IRA assets at the indicated times. These projections are based on the following assumptions.

**CONTRIBUTION** *(Select one)*

☐ **Regular.** An annual $1,000 deposit is made on the first day of each year.

☐ **Rollover, Transfer, or Conversion.*** A one-time $1,000 deposit is made on the first day of the first year.

Your Age on Your Birth Date in Contribution Year _____

Investment Instrument _____

Length of Time Deposit _____

Rate of Interest _____%

Compounding Method _____

**FINANCIAL PROJECTIONS**

| Number of Years in IRA Program | Total Accumulation of IRA Dollars | Amount After Fees and Penalties |
|---|---|---|
| 1 Year | $_____ | $_____ |
| 2 Years | $_____ | $_____ |
| 3 Years | $_____ | $_____ |
| 4 Years | $_____ | $_____ |
| 5 Years | $_____ | $_____ |

| End of the Year You Reach Age | Total Accumulation of IRA Dollars | Amount After Fees and Penalties |
|---|---|---|
| 60 | $_____ | $_____ |
| 65 | $_____ | $_____ |
| 70 | $_____ | $_____ |

**ADDITIONAL FINANCIAL DISCLOSURE INFORMATION**

The account values shown are projections based on many assumptions. These projections have been reduced by any applicable fees. They are not guaranteed, but depend upon many factors, including the interest rates and terms of future funding instruments.

We may charge you an annual service fee or other fees in connection with your IRA. If we do not charge these fees now, we may do so in the future after giving you notice. If you do not pay these fees separately, they may be paid from the assets of your IRA.

**CURRENT FEES**

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

*Conversion applies to Roth IRAs only

## METHOD III Growth cannot be projected

The value of your IRA will be dependent solely upon the performance of any investment instrument used to fund your IRA. Therefore, no projection of the growth of your IRA can reasonably be shown or guaranteed.

Terms and conditions of the IRA that affect your investment are listed below.

**INVESTMENT OPTIONS**

You may direct the investment of your funds within this IRA into any investment instrument offered by or through the Custodian. The Custodian will not exercise any investment discretion regarding your IRA, as this is solely your responsibility.

**FEES**

There are certain fees and charges connected with your IRA investments. These fees and charges may include the following.

- Sales Commissions
- Investment Management Fees
- Distribution Fees
- Set Up Fees
- Annual Maintenance Fees
- Surrender or Termination Fees

To find out what fees apply, refer to the investment prospectus or contract.

There may be certain fees and charges connected with the IRA itself. *(Select and complete as applicable.)*

☐ Annual Service Fee $_____

☐ Transfer Fee $_____

☐ Rollover Fee $_____

☐ Termination Fee $_____

☐ Other *(Explain)* _____

_____

We reserve the right to change any of the above fees after notice to you, as provided in your IRA agreement.

**EARNINGS**

The method for computing and allocating annual earnings (e.g., interest, dividends) on your IRA will differ based on the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings.

**OTHER**

Other terms or conditions that apply to your IRA include the following.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____



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