ROTH INDIVIDUAL RETIREMENT TRUST ACCOUNT AGREEMENT

Form 5305-R under section 408A of the Internal Revenue Code. FORM (Rev. April 2017)

The grantor named on the application is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The grantor has assigned the trust account the sum indicated on the application.

The grantor and the trustee 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 trustee 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 tax years 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 a 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 grantor and his or her spouse.

ARTICLE III

The grantor's interest in the balance in the trust account is nonforfeitable.

ARTICLE IV

1. No part of the trust account funds may be invested in life insurance contracts, nor may the assets of the trust 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 trust 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 grantor dies before his or her entire interest is distributed to him or her and the grantor'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 grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the grantor.
   (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor'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 grantor's death and subtracting one from the divisor for each subsequent year.
3. If the grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the grantor.

ARTICLE VI

1. The grantor agrees to provide the trustee 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 trustee agrees to submit to the IRS and grantor the reports prescribed by the IRS.

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

9.01 **Definitions –** In this part of this agreement (Article IX), the words "you" and "your" mean the grantor. The words "we," "us," and "our" mean the trustee. The word "Code" means the Internal Revenue Code, and "regulations" means the Treasury regulations.

9.02 **Notices and Change of Address –** Any required notice regarding this Roth 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.

9.03 **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 Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

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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. Unless section 9.06(b) of this agreement applies, 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 Roth 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.

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

9.05 **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 Roth 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 Roth 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 Roth 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 Roth IRA.

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

9.06 **Investment of Amounts in the Roth IRA –**

a. **Grantor Management of Investment.** Unless the Roth IRA or a portion of the Roth IRA is a managed Roth IRA, you have exclusive responsibility for and control over the investment of the assets of your Roth 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 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 Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, section 9.03 of this article). We will have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth 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 Roth 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 Roth IRA unless you provide timely written directions acceptable to us.

   You will select the investment for your Roth 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 investment in Roth 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, that 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.

b. **Trustee Management of Investment.** If any portion of this Roth IRA is a managed Roth IRA, as indicated on the application or any other supporting documentation, we will manage the investment of the applicable Roth IRA assets. Accordingly, we can manage, sell, contract to sell, grant, or exercise options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term, and otherwise deal with all property, real or personal, in your Roth IRA in such manner, for such prices and on such terms and conditions as we will decide.

   We will have the power to do any of the following as we deem necessary or advisable.

   1. To invest your Roth IRA assets in a single trust fund, and to collect the income without distinction between principal and income
   2. To invest your Roth IRA assets in a common trust fund or common investment fund within the meaning of Code section 408(a)(5)
   3. To invest your Roth IRA assets into savings instruments that we offer
   4. To invest your Roth IRA assets in any other type of investment permitted by law, including, but not limited to, common or preferred stock, open- or closed-end mutual funds, bonds, notes, debentures, options, U.S. Treasury bills, commercial paper, or real estate
   5. To hold any securities or other property under this agreement in our own name, in the name of a nominee, or in bearer form
   6. To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance (including documents for the transfer and conveyance of real estate), and any and all instruments that may be necessary or appropriate to carry out our powers

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7. To employ suitable agents, attorneys, or other persons
8. To enter into lawsuits or settle any claims concerning the assets in your Roth IRA, and to be reimbursed for any expenses or damages from you or your Roth IRA assets
9. To exercise the voting rights and other shareholder rights with respect to securities in your Roth IRA, provided, however, that we reserve the right to enter into a separate agreement with you governing the exercise of voting and other shareholder rights
10. To perform any and all acts that we deem necessary or appropriate for the proper administration of your Roth IRA

All of the foregoing notwithstanding, our powers 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 clearing house where the transaction is executed; our policies and practices; and this agreement.

9.07 **Beneficiaries –** If you die before you receive all of the amounts in your Roth IRA, payments from your Roth 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 Roth 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 Roth 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.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited Roth IRA at the time of your death) to name successor beneficiaries for the inherited Roth 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 Roth IRA beneficiary's lifetime. Each beneficiary designation form that the original Roth IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original Roth IRA beneficiary to revoke a successor beneficiary designation. If the original Roth 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 Roth 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 Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

9.08 **Termination of Agreement, Resignation, or Removal of Trustee –** Either party may terminate this agreement at any time by giving written notice to the other. We can resign as trustee 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 Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay your Roth 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 Roth 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 Roth IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA

If we are a nonbank trustee 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 Roth IRA to you in cash or property if the balance of your Roth IRA drops below the minimum balance required under the applicable investment or policy established.

9.09 **Successor Trustee –** 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 Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

9.10 **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.

9.11 **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.

You are not required to take a distribution from your Roth IRA during your lifetime. At your death, however, your beneficiaries must begin taking distributions in accordance with Article V and section 9.07 of this article. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

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9.12 **Transfers From Other Plans –** We can receive amounts transferred to this Roth IRA from the trustee or custodian of another Roth IRA as permitted by the Code. In addition, we can accept rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer.

9.13 **Liquidation of Assets –** We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth 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.

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

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

9.15 **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.

GENERAL INSTRUCTIONS

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

PURPOSE OF FORM

Form 5305-R is a model trust 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 (grantor) and the trustee. This account must be created in the United States for the exclusive benefit of the grantor and his or her beneficiaries.

Do not file Form 5305-R 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 grantor's gross income; and distributions after five years that are made when the grantor 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 trustee must give the grantor, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Pub. 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

DEFINITIONS

Trustee – The trustee 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 trustee.

Grantor – The grantor is the person who establishes the trust account.

SPECIFIC INSTRUCTIONS

Article I – The grantor may be subject to a six percent tax on excess contributions if (1) contributions to other individual retirement arrangements of the grantor have been made for the same tax year, (2) the grantor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the grantor'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 grantor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the grantor's intent. Under paragraph three of Article V, the grantor's spouse is treated as the owner of the Roth IRA upon the death of the grantor, 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 grantor and trustee to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the trustee, trustee's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the grantor, etc. Attach additional pages if necessary.

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DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR ROTH IRA

You have the right to revoke your Roth IRA within seven days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your Roth 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 trustee 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 Roth IRA, please call the trustee at the telephone number listed on the application.

REQUIREMENTS OF A ROTH IRA

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

B. **Maximum Contribution –** The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or $6,000 for 2019 and 2020, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

   Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds $193,000 (for 2019) or $196,000 (for 2020) if you are a married individual filing a joint income tax return, or equals or exceeds $122,000 (for 2019) or $124,000 (for 2020) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding $203,000 (for 2019) or $206,000 (for 2020) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding $137,000 (for 2019) or $139,000 (for 2020) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding $10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2020.

   If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of $201,000, your maximum Roth IRA contribution for 2020 is $3,000 ([$206,000 minus $201,000] divided by $10,000 and multiplied by $6,000).

   If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of $127,000, your maximum Roth IRA contribution for 2020 is $4,800 ([$139,000 minus $127,000] divided by $15,000 and multiplied by $6,000).

C. **Contribution Eligibility –** You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.

D. **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 Roth IRA. The maximum additional contribution is $1,000 per year.

E. **Nonforfeitability –** Your interest in your Roth IRA is nonforfeitable.

F. **Eligible Trustees –** The trustee of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

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

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

I. **Collectibles –** You may not invest the assets of your Roth 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)) are also permitted as Roth IRA investments.

J. **Beneficiary Distributions –** Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.

   1. **Death of Roth IRA Owner Before January 1, 2020 –** 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. 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 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 72 (70½ if you would have attained 70½ before 2020), 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 Roth IRA for purposes of determining the

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distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

2. **Death of Roth IRA Owner On or After January 1, 2020 –** The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary or you have no designated beneficiary for purposes of determining a distribution period.

   If your beneficiary is an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over the remaining life expectancy of your eligible designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary).

   An eligible designated beneficiary is any designated beneficiary who is

   - your surviving spouse,
   - your child who has not reached the age of majority,
   - disabled (A physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.),
   - an individual who is not more than 10 years younger than you, or
   - chronically ill (A chronically ill individual is someone who (1) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.)

   Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals) may take distribution of the entire amount remaining in your account over the remaining life expectancy of the trust beneficiary.

   Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of your death. However, if your spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 72, if later. If your eligible designated beneficiary is your minor child, life expectancy payments must begin by December 31 of the year following the year of your death and continue until the child reaches the age of majority. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

   If a beneficiary other than a person (e.g., your estate, a charity, or a certain type of trust) is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

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 Roth IRA owner take total distribution of all Roth 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.

K. **Waiver of 2020 RMD –** In spite of the general rules described above, no beneficiary life expectancy payments are required for calendar year 2020. In addition, if the five-year rule applies to a Roth IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020. For example, if a Roth IRA owner died in 2017, the beneficiary's five-year period ends in 2023 instead of 2022.

INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

A. **Contributions Not Deducted –** No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.

B. **Contribution Deadline –** The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

   If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year's tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

C. **Tax Credit for Contributions –** You may be eligible to receive a tax credit for your Roth IRA contributions. 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 contributions made to your Roth IRA and reduce these contributions by any distributions that you 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.

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2019 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
$1–38,500	$1–28,875	$1–19,250	50
$38,501–41,500	$28,876–31,125	$19,251–20,750	20
$41,501–64,000	$31,126–48,000	$20,751–32,000	10
Over $64,000	Over $48,000	Over $32,000	0

2020 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
$1–39,000	$1–29,250	$1–19,500	50
$39,001–42,500	$29,251–31,875	$19,501–21,250	20
$42,501–65,000	$31,876–48,750	$21,251–32,500	10
Over $65,000	Over $48,750	Over $32,500	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. **Excess Contributions –** An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

1. **Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.
2. **Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.
3. **Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

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

E. **Tax-Deferred Earnings –** The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

F. **Taxation of Distributions –** The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events.

   - Attainment of age 59½
   - Disability
   - First-time homebuyer purchase
   - Death

   For example, if you made a contribution to your Roth IRA for 2015, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2020.

2. **Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.

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

H. **Early Distribution Penalty Tax –** If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if 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 that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. The medical expenses

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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 Roth IRA to pay for 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 Roth 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 Roth 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 Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. **10) Qualified birth or adoption.** Payments from your Roth IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed $5,000 for each birth or adoption.

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.

I. **Required Minimum Distributions –** You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this disclosure statement regarding beneficiaries' required minimum distributions.

J. **Rollovers and Conversions –** Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or 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. **Roth IRA-to-Roth IRA Rollovers.** Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth 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. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

   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.

2. **Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.

3. **SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. 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 required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your SIMPLE IRA.

4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.

5. **Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. 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, or the cost of life insurance coverage.

   If you are conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth IRA not later than 60 days after you receive the distribution. In the case of a plan loan offset due to plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs.

   If you are a spouse or nonspouse beneficiary of a deceased employer-sponsored retirement plan participant, or the trustee of an eligible type of trust named as beneficiary of such participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or

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457(b) eligible governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse beneficiary, nonspouse beneficiary, or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

9. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. For further detailed information and effective dates you may obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

10. **Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to $100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.

11. **Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

12. **Repayment of Qualified Birth or Adoption Distribution.** If you have taken a qualified birth or adoption distribution, you may generally repay all or a portion of the aggregate amount of such distribution to a Roth IRA, as permitted by the IRS. For further information, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, by visiting www.irs.gov on the Internet.

13. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the trustee your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

K. **Transfer Due to Divorce –** If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

L. **Recharacterizations –** If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

LIMITATIONS AND RESTRICTIONS

A. **Spousal Roth IRA –** If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or $12,000 for 2019 and 2020. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is $1,000 per year.

B. **Gift Tax –** Transfers of your Roth 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 Roth IRA distributions.

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

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

OTHER

A. **IRS Plan Approval –** Articles I through VIII of the agreement used to establish this Roth IRA have 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 Roth 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 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 Roth 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 Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.

E. **Qualified Charitable Distributions –** If you are age 70½ or older, you may be eligible to take tax-free Roth IRA distributions of up to $100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information and effective dates 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.

F. **Disaster Related Relief –** If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain disasters designated by Congress), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth 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 Roth 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.

G. **Coronavirus-Related Distributions (CRDs) –** If you qualify, you may withdraw up to $100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You are a qualified individual if you (or your spouse or dependent) is diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you have experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must be made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elect otherwise, and may be repaid over three years beginning with the day following the day a CRD is made. Repayments may be made to an eligible retirement plan or IRA.

An eligible retirement plan is defined as a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or an IRA.

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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 MONTH PENALTY	3 MONTH PENALTY	6 MONTH 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 MONTH PENALTY	3 MONTH PENALTY	6 MONTH 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

Your IRA will be invested in products that we offer directly or those we offer through a relationship with a registered securities broker-dealer.

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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Always have a plan

FINANCIAL DISCLOSURE

Assumptions

1. The investment terms and fees described below remain the same throughout the projection period.
2. You withdraw the entire IRA at the end of the accumulation period.
3. The single contribution column assumes that $1,000 was contributed at the beginning of the year (the 1st year).
4. The annual contribution column assumes that $1,000 was contributed at the beginning of each year starting this year (the 1st year).

Calculation Data	
Nominal Earnings Rate	0.0100
Calculation Method	Compound
Compounding Frequency	Annually
Effective Annual Yield	0.0100
Term in	Days
Number of Days	365

Penalties and Fees	
Withdrawal Penalty (Days)	0
Enrollment Fee	$0.00
Annual Fee	$0.00
Early WDL/Term Fee	$0.00

The three columns in the Accumulated Period Chart below list the projected values at the end of each year. These are only projections, not guaranteed amounts. The future value of your IRA will depend on many factors

Use the Accumulated Period Chart to find the value at the end of a particular year. Locate the desired number of years, then move to the left to obtain the single contribution value, and move to the right to obtain the annual contribution value.

Use the chart on the right side of the page to find the accumulation period for the year you attain age 60, 65, or 70. Use that year with the Accumulated Period Chart to find the projected value for that age.

Accumulated Period Chart					
Single Contribution Value	Years	Annual Contribution Value	Single Contribution Value	Years	Annual Contribution Value
$1,000	1	$1,000	$1,003	27	$27,038
$1,000	2	$2,000	$1,003	28	$28,041
$1,000	3	$3,001	$1,003	29	$29,044
$1,000	4	$4,001	$1,003	30	$30,047
$1,001	5	$5,002	$1,003	31	$31,050
$1,001	6	$6,002	$1,003	32	$32,053
$1,001	7	$7,003	$1,003	33	$33,056
$1,001	8	$8,004	$1,003	34	$34,060
$1,001	9	$9,005	$1,004	35	$35,063
$1,001	10	$10,006	$1,004	36	$36,067
$1,001	11	$11,007	$1,004	37	$37,070
$1,001	12	$12,008	$1,004	38	$38,074
$1,001	13	$13,009	$1,004	39	$39,078
$1,001	14	$14,011	$1,004	40	$40,082
$1,002	15	$15,012	$1,004	41	$41,086
$1,002	16	$16,014	$1,004	42	$42,090
$1,002	17	$17,015	$1,004	43	$43,095
$1,002	18	$18,017	$1,004	44	$44,099
$1,002	19	$19,019	$1,005	45	$45,104
$1,002	20	$20,021	$1,005	46	$46,108
$1,002	21	$21,023	$1,005	47	$47,113
$1,002	22	$22,025	$1,005	48	$48,118
$1,002	23	$23,028	$1,005	49	$49,123
$1,002	24	$24,030	$1,005	50	$50,128
$1,003	25	$25,033	$1,005	51	$51,133
$1,003	26	$26,035	$1,005	52	$52,138

Years Until You Reach			
Age Now	60	65	70
69			1
68			2
67			3
66			4
65			5
64		1	6
63		2	7
62		3	8
61		4	9
60		5	10
59	1	6	11
58	2	7	12
57	3	8	13
56	4	9	14
55	5	10	15
54	6	11	16
53	7	12	17
52	8	13	18
51	9	14	19
50	10	15	20
49	11	16	21
48	12	17	22
47	13	18	23
46	14	19	24
45	15	20	25
44	16	21	26
43	17	22	27
42	18	23	28
41	19	24	29
40	20	25	30
39	21	26	31
38	22	27	32
37	23	28	33
36	24	29	34
35	25	30	35
34	26	31	36
33	27	32	37
32	28	33	38
31	29	34	39
30	30	35	40
29	31	36	41
28	32	37	42
27	33	38	43
26	34	39	44
25	35	40	45
24	36	41	46
23	37	42	47
22	38	43	48
21	39	44	49
20	40	45	50
19	41	46	51
18	42	47	52

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