rationalfunds.

# SIMPLE IRA Custodial Account Adoption Agreement

Please complete this application to establish a new SIMPLE IRA. This application must be preceded or accompanied by a current Disclosure Statement and Custodial Agreement.

**For Additional Copies or Assistance**

If you need additional copies of this application, or would like assistance completing it, please call the Rational Funds at **1-800-253-0412** or go to www.rationalmf.com.

**Instructions**

1. If you are requesting a transfer or direct rollover of current plan assets (held by another custodian) you must complete the Transfer of Assets Form in addition to this form.
2. Mail this application to:
   **Rational Funds**
   **PO Box 46707**
   **Cincinnati, OH 45246**

   Overnight Delivery:
   **Rational Funds**
   **225 Pictoria Dr, Suite 450**
   **Cincinnati, OH 45246**
3. Retain a copy for your records.

**Rational Funds Privacy Policy Statement**

Your privacy is important to us. The Rational Funds is committed to maintaining the confidentiality, integrity and security of your personal information. When you provide personal information, Rational Funds believes that you should be aware of policies to protect the confidentiality of that information.

The Fund collects the following nonpublic personal information about you:

- Information we receive from you on or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, assets, income and date of birth; and
- Information about your transactions with us, our affiliates, or others, including, but not limited to, your account number and balance, payments history, parties to transactions, cost basis information, and other financial information.

The Fund does not disclose any nonpublic personal information about our current or former shareholders to nonaffiliated third parties, except as permitted by law. For example, the Fund is permitted by law to disclose all of the information collected, as described above, to our transfer agent to process your transactions. Furthermore, the Fund restricts access to your nonpublic personal information to those persons who require such information to provide products or services to you. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties.

**Anti-Money Laundering**

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, we will ask for your name, address, date of birth, social security number/ Tax ID number and other information that will allow us to identify you. We may also ask to see other identifying documents. Until you provide the information or documents we need, we may not be able to open an account or effect any additional transactions for you.

For questions about these policies, or for additional copies of the Rational Funds Privacy Policy Statement, please contact the Fund at **1-800-253-0412** or www.rationalmf.com or contact us at PO Box 46707, Cincinnati, OH 45246.

I, the person signing this Adoption Agreement (hereinafter called the "Owner"), established a Individual Retirement Account (IRA), which is a SIMPLE IRA, as indicated below, (the "Account") with Constellation Trust Company as Custodian ("Custodian"). A SIMPLE IRA operates under Internal Revenue Code Section 408(a). I agree to the terms of my Account, which are contained in the applicable provisions of the document entitled Constellation Trust Company Individual Retirement Account Custodial Agreement and this Adoption Agreement. I certify the accuracy of the information in this Adoption Agreement. My Account will be effective upon acceptance by Custodian.

## 1. PARTICIPANT ACCOUNT REGISTRATION

Name (First, Middle, Last)

Social Security Number

Street Address

Date of Birth

City, State, ZIP

Cell Phone Number

Email Address

Alternate Telephone

☐ Please send mail to the address below. Please provide your primary legal address above, in addition to any mailing address (if different).

Street Address

City, State, ZIP

## 2. DUPLICATE STATEMENTS (For Dealers, Financial Planners, Interested Parties)

Name

Company

Street Address

City, State, ZIP

Email Address

Daytime Telephone

Broker/Dealer Code

Branch (if applicable)

**Please mark the appropriate box:**

○ Interested Party ○ Broker/Dealer ○ Financial Planner ○ Trust Administrator

## 3. TYPE OF SIMPLE IRA ACCOUNT Check either (a) or (b)

a) ○ New account in connection with a SIMPLE IRA Plan maintained by your employer.

b) ○ Transfer from another SIMPLE IRA, which was part of a SIMPLE IRA Plan maintained by a current or previous employer. Complete the following:

1. Amount to be transferred: $ **(You must also complete the Individual Retirement Transfer of Assets Form)**

2. Date of first contribution to Participant's prior SIMPLE IRA Plan:

## 4. EMPLOYER INFORMATION

Name of Current Employer

Contact Name (including title)

Employer's Street Address

Contact's Phone Number

City, State, ZIP

Email Address

[1] Type of Employer SIMPLE IRA Plan: "Non-DFI Plan". Under a "Non-DFI Plan" (which may be established using IRS Form 5304-SIMPLE), eligible employees establish a SIMPLE IRA with the financial institution of their choice. Contributions are transmitted by the employer to each eligible employee's SIMPLE IRA.

## 5. INVESTMENT SELECTION (Refer to the Fund's prospectus for minimum investment amounts and subsequent investment requirements.)

This investment, as well as all future contributions, will be invested as directed below. I am aware that I am allowed to change this designation according to the terms of my employer's plan, and that I must notify my employer directly of these changes.

| Name | Amount | Share Class |
|---|---|---|
| ☐ Rational Dynamic Brands Fund | $ | ○ A ○ C ○ I |
| ☐ Rational Equity Armor Fund | $ | ○ A ○ C ○ I |
| ☐ Rational Special Situations Income Fund | $ | ○ A ○ C ○ I |
| ☐ Rational Strategic Allocation Fund | $ | ○ A ○ C ○ I |
| ☐ Rational Premium Income Fund | $ | ○ A ○ C ○ I |
| ☐ Rational/Pier 88 Convertible Securities Fund | $ | ○ A ○ C ○ I |
| ☐ Return Stacked Balanced Allocation & Systematic Macro Fund | $ | ○ A ○ C ○ I |
| ☐ Rational/RGN Hedged Equity Fund | $ | ○ A ○ C ○ I |
| Total: | $ | |

If opening an A or C Class account, section 10 must be completed.

I acknowledge that I have sole responsibility for my investment choices and that I have received a current prospectus for each Fund and class I select. Please read the prospectus of the Funds selected before investing.

**Third Party checks are not accepted. Automated Clearing House (ACH) cannot be used for the initial purchase.**

## 5. REDUCED SALES CHARGE (Complete this section if you qualify for a reduced sales charge. See Prospectus for Terms & Conditions.)

**Letter of Intent**

You can reduce the sales charge you pay on Class A shares by investing a certain amount over a 13-month period. Please indicate the total amount you intend to invest over the next 13-months.

○ $50,000 ○ $100,000 ○ $250,000 ○ $500,000
○ $1,000,000

**Rights of Accumulation**

If you already own Class A shares of the Rational Funds, you may already be eligible for a reduced sales charge on Class A share purchases. Please provide the account number(s) below to qualify (if eligible).

Account No. _____

Account No. _____

☐ Net Asset Value (NAV). I have read the prospectus and qualify for a complete waiver of the sales charge on Class A shares. Registered representatives may complete the Dealer Information section as proof of eligibility.

Reason for Waiver: _____

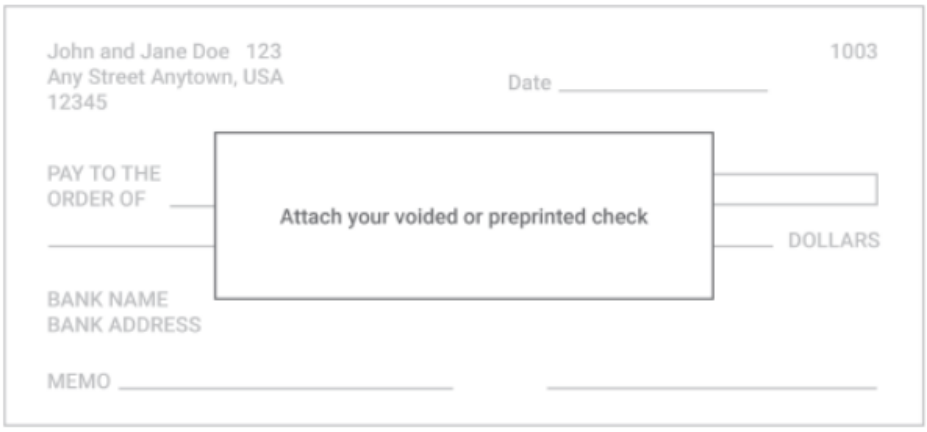
## 6. BANK INFORMATION

I authorize the Fund to purchase and redeem shares via the ACH network, of which my bank is a member.

**Important Note:** At least one name on the bank account must match a named shareholder.

Type of Account: ○ Checking ○ Savings

**Please attach a voided check from your bank account.**
**A bank account will not be added without a voided check or without bank verification.**




## 7. TELEPHONE PRIVILEGES

Telephone privileges, as described in the prospectus, automatically apply unless this box is checked.

☐ No, I do not want telephone privileges

## 8. BENEFICIARY(IES)

As Owner, I hereby make the following designation of beneficiary in accordance with the Constellation Trust Company Traditional Individual Retirement Custodial Account or Roth Individual Retirement Custodial Account:

In the event of my death, pay any interest I may have under my Account to the following Primary Beneficiary or Beneficiaries who survive me. Make payment in the proportions specified below (or in equal proportions if no different proportions are specified). If any Primary Beneficiary predeceases me, his share is to be divided among the Primary Beneficiaries who survive me in the relative proportions assigned to each such surviving Primary Beneficiary. If none of the Primary Beneficiaries survives me, pay any interest I may have under my Account to the following Contingent Beneficiary or Beneficiaries who survive me. Make payment in the proportions specified below (or in equal proportions if no different proportions are specified). If any Contingent Beneficiary predeceases me, his share is to be divided among the Contingent Beneficiaries who survive me in the relative proportions assigned to each such surviving Contingent Beneficiary. If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the account(s). Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally.

**Primary Beneficiaries**

| Primary Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
|---|---|---|---|
| | | | |
| Primary Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
| | | | |
| Primary Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
| | | | |

**Contingent Beneficiaries**

| Contingent Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
|---|---|---|---|
| | | | |
| Contingent Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
| | | | |
| Contingent Beneficiary Name (First, Middle, Last) | Share % | Relationship | Date of Birth |
| | | | |

This Designation of Beneficiary may have important tax or estate planning effects. If you cannot accomplish your estate planning objectives by using this Section to designate your beneficiary(ies) (for example, if you wish to provide that the surviving children of a beneficiary who predeceases you should take that beneficiary's share by right of representation), you may submit another form of written beneficiary designation to the Custodian.

**Any amount remaining in the Account that is not disposed of by a proper Designation of Beneficiary will be distributed to your estate (unless otherwise required by the laws of your state of residence). You may change the beneficiary(ies) named above at anytime by filing a new Designation of Beneficiary with the Custodian. Any subsequent Designation filed with the Custodian will revoke all prior Designations, even if the subsequent designation does not dispose of your entire Account.**

**Spousal Consent***

I am the spouse of the above-named Owner. I acknowledge that I have received a full and reasonable disclosure of my spouse's property and financial obligations. Due to any possible consequences of giving up my community or marital property interest in this IRA, I have been advised to see a tax professional or legal advisor. I hereby consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequence that may result. No tax or legal advice was given to me by the Custodian, Rational Funds, or the investment advisor.

| Signature of Spouse | Date |
|---|---|
| | |

* This section should be reviewed if the Owner is married and designates a beneficiary other than the spouse. It is the Owner's responsibility to determine if this section applies. The Owner may need to consult with legal counsel. Neither the Custodian, Rational Funds, nor the investment advisor are liable for any consequences resulting from a failure of the Owner to provide proper spousal consent.

## 9. DEALER/REGISTERED INVESTMENT ADVISOR INFORMATION

If opening your account through a Broker/Dealer or Registered Investment Advisor, please have them complete this section.

Dealer Name

Representative's Last Name, First Name

**DEALER HEAD OFFICE**

Address

City, State, ZIP

Telephone Number

Email Address

**REPRESENTATIVE'S BRANCH OFFICE**

Address

City, State, ZIP

Rep Telephone Number

Rep ID Number

Rep Email Address

Branch ID Number

Branch Telephone Number (if different than Rep Phone Number)

## 10. UNCLAIMED PROPERTY LAWS

Unclaimed property legislation, which varies by state, generally requires deemed abandoned or ownerless personal property, including your account and any unclaimed monies, to be transferred to the state of your last known address. Common reasons for your assets to be deemed eligible for being reported as unclaimed property include, though are not limited to, the absence of recent account activity, returned mail, obtainment of the RMD age and evidence of death. To preserve your assets and prevent them from being turned over as unclaimed property, you are encouraged to contact us annually and to promptly inform us of any change in your address.

## 11. TRUSTED CONTACT

Designating a trusted contact is not required and does not authorize the named individual to make trades in your account or to make changes to your account, but it does authorize us to communicate with the trusted contact regarding the account.

By providing the information in this section, I authorize Rational Funds to contact the person listed below and to disclose information about me and the account in the following circumstances: to prevent the presumption of abandonment, to address possible financial exploitation, to confirm the specifics of my current contact information, health status, or the identity of any legal guardian, executor, trustee, or holder of a power of attorney or as otherwise permitted by federal law

**Note:**

- There can be only be one trusted contact per account.
- Your trusted contact should not be the financial professional on record.

Full Name of Trusted Contact

Mailing Address (Including apartment or P.O. Box number)

City | State | ZIP

Foreign Routing or Postal Code | Country of Residence if outside the U.S.

Cell Phone Number | Email Address

Relationship to Account Owner

## 12. SIGNATURES AND CERTIFICATIONS

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, we will ask for your name, address, date of birth, social security number/ Tax ID number and other information that will allow us to identify you. We may also ask to see other identifying documents. Until you provide the information or documents we need, we may not be able to open an account or effect any additional transactions for you.

By signing below, under penalties of perjury, I certify that: 1) The number shown on this form is my correct taxpayer identification number, and 2) I am not subject to back up withholding because; (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, 3) I am a U.S. person (including a U.S. resident alien), and 4) I am exempt from FATCA reporting. I have received and read a current prospectus for Rational Funds and agree to be bound by the terms contained therein. I release the Fund and their agents and representatives from all liability and agree to indemnify them from any and all losses, damages or costs for acting in good faith in accordance with instructions, including telephone instructions, believed to be genuine. I certify that I have the authority to establish this account and the information provided herein is accurate and complete. I agree to notify the Rational Funds promptly in writing if any information contained in this application changes.

I have received and read the applicable sections of the IRA Disclosure Statements relating to this Account, the Custodial Agreement, and this Adoption Agreement. I understand that my Account will be charged an applicable IRA Fee as set forth in the attached IRA Custodial Booklet. I understand that I have the right to revoke this Individual Retirement Account within seven (7) days of receiving the IRA Disclosure Statements by notifying the Rational Funds in writing.

I acknowledge that it is my sole responsibility to report all contributions to or withdrawals from the Account correctly on my tax returns, and to keep necessary records of all my IRAs (including any that may be held by another custodian or trustee) for tax purposes. All forms must be acceptable to the Custodian and dated and signed by me.

If Fund shares are being purchased on behalf of an Investment Company (as that term is defined under the Investment Company Act of 1940, as amended ("the 1940 Act"), including investment companies that are not required to register under the 1940 Act pursuant to section 3(c)(1) or 3(c)(7) exemptions), I hereby certify that said Investment Company will limit its ownership to 3% or less of the Fund's outstanding shares.

***The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.***

Signature | Date

## 13. CUSTODIAN ACCEPTANCE

Constellation Trust Company will accept appointment as Custodian of the Owner's Account. However, this Agreement is not binding upon the Custodian until the Owner has received a statement confirming the initial transaction for the Account. Receipt by the Owner of a confirmation of the purchase of the Fund shares indicated above will serve as notification of Constellation Trust Company's acceptance of appointment as Custodian of the Owner's Account.

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**TO CONTACT US:**

**By Telephone**
Toll-free: **1-800-253-0412**
Fax: **1-877-513-0756**

**In Writing**
**Rational Funds**
PO Box 46707
Cincinnati, OH 45246

or

Via Overnight Delivery
225 Pictoria Dr, Suite 450
Cincinnati, OH 45246

**Internet**
www.rationalmf.com

Distributed by Northern Lights Distributors, LLC

# *PRIVACY NOTICE*

## MUTUAL FUND & VARIABLE INSURANCE TRUST

**Rev. July 2017**

**FACTS** **WHAT DOES MUTUAL FUND & VARIABLE INSURANCE TRUST DO WITH YOUR PERSONAL INFORMATION?**

**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depends on the product or service that you have with us. This information can include:

- Social Security number and wire transfer instructions
- account transactions and transaction history
- investment experience and purchase history

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Mutual Fund & Variable Insurance Trust chooses to share; and whether you can limit this sharing.

| **Reasons we can share your personal information:** | **Does Mutual Fund & Variable Insurance Trust share information?** | **Can you limit this sharing?** |
|---|---|---|
| **For our everyday business purposes -** such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus. | **YES** | **NO** |
| **For our marketing purposes -** to offer our products and services to you. | **NO** | **We don't share** |
| **For joint marketing with other financial companies.** | **NO** | **We don't share** |
| **For our affiliates' everyday business purposes -** information about your transactions and records. | **NO** | **We don't share** |
| **For our affiliates' everyday business purposes -** information about your credit worthiness. | **NO** | **We don't share** |
| **For our affiliates to market to you** | **NO** | **We don't share** |
| **For non-affiliates to market to you** | **NO** | **We don't share** |

**QUESTIONS?** **Call 1-800-253-0412**

# *PRIVACY NOTICE*

## MUTUAL FUND & VARIABLE INSURANCE TRUST

## What we do:

| | |
|---|---|
| **How does Mutual Fund & Variable Insurance Trust protect my personal information?** | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.<br><br>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information. |
| **How does Mutual Fund & Variable Insurance Trust collect my personal information?** | We collect your personal information, for example, when you:<br><br>• open an account or deposit money<br>• direct us to buy securities or direct us to sell your securities<br>• seek advice about your investments<br><br>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies. |
| **Why can't I limit all sharing?** | Federal law gives you the right to limit only:<br><br>• sharing for affiliates' everyday business purposes – information about your creditworthiness.<br>• affiliates from using your information to market to you.<br>• sharing for non-affiliates to market to you.<br><br>State laws and individual companies may give you additional rights to limit sharing. |

## Definitions

| | |
|---|---|
| **Affiliates** | Companies related by common ownership or control. They can be financial and non-financial companies.<br><br>• *Mutual Fund & Variable Insurance Trust does not share with affiliates.* |
| **Non-affiliates** | Companies not related by common ownership or control. They can be financial and non-financial companies.<br><br>• *Mutual Fund & Variable Insurance Trust doesn't share with non-affiliates so they can market to you.* |
| **Joint marketing** | A formal agreement between nonaffiliated financial companies that together market financial products or services to you.<br><br>• *Mutual Fund & Variable Insurance Trust doesn't jointly market.* |

# SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

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

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

The participant and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

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


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(b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

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

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

## ARTICLE V

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

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.


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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 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). However, only Articles I through VII have been reviewed by the IRS. A SIMPLE individual retirement account (SIMPLE IRA) is established after the form is fully executed by both the individual (participant) and the custodian. This account must be created in the United States for the exclusive benefit of the participant and his or her beneficiaries.

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

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

### 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 any 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 $16,000 (for 2024) and $16,500 (for 2025) 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.

   If you are employed by an employer with no more than 25 employees who received at least $5,000 in compensation the preceding year, your annual deferral and catch-up contribution limit is 110 percent of the contribution limit that would otherwise apply in 2024. The increased deferral limit is $17,600 (for 2024 and 2025) and the increased catch-up contribution limit is $3,850 (for 2024 and 2025) with possible cost-of-living adjustments each year thereafter.

   Employers with 26 to 100 employees who received at least $5,000 in compensation the preceding year may also elect to apply the increased deferral and catch-up contribution limits. Contact your employer to determine if the increased contribution limit applies to you.

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 $3,500 (for 2024 and 2025), with possible cost-of-living adjustments each year thereafter. Beginning in 2025 if you attain age 60, 61, 62, or 63 (but do not attain age 64) during the year, your catch-up contribution is the greater of $5,000 or 150 percent of the 2025 catch-up contribution limit 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. **Applicable Age for RMDs –** You are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach the applicable age for RMDs and for each year thereafter. The applicable age for RMDs is age 70½ if you were born before July 1, 1949; age 72 if you were born on or after July 1, 1949, but before January 1, 1951; age 73 if you were born on or after January 1, 1951, but before January 1, 1960; and age 75 if you were born on or after January 1, 1960. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain the applicable age.

   2. **Calculation –** The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the previous year by the applicable denominator. The applicable denominator 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 RMD 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 factor from the Uniform Lifetime Table.

      We reserve the right to do any one of the following by your required beginning date.

      (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 RMD each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

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 SIMPLE 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.

      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.


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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 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 RMD age (as described in the *Required Minimum Distributions* section above), 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.

2. **Death of SIMPLE IRA Owner On or After January 1, 2020 –** Upon your death, your SIMPLE IRA will be paid to your beneficiary. The beneficiary's options for payment will differ depending on whether the beneficiary is an eligible designated beneficiary, a designated beneficiary, or a nonperson beneficiary, and the timing of your death. The options described below assume that separate accounting for the inherited SIMPLE IRA is established by December 31 of the year following the year of your death. If separate accounting is not established by this date, your beneficiaries' options may be further limited, and payments may be accelerated. Beneficiaries should consult with their tax professional or attorney for a determination of their distribution options and payment calculations.

   **Designated Beneficiary.** A designated beneficiary is an individual who is a beneficiary specified under the SIMPLE IRA. Certain see-through trusts may also qualify as a designated beneficiary under the SIMPLE IRA for purposes of determining available payment options and distribution calculations. For purposes of determining the RMD due after your death, a 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.

   **Eligible Designated Beneficiary.** An eligible designated beneficiary is any designated beneficiary who, as of the date of your death, is one of the following:

   - your surviving spouse,
   - your child who has not reached age 21,
   - a disabled individual (a physician must determine that the 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
   - a chronically ill individual (the individual must have been certified by a licensed health care practitioner that, as of the date of the certification, the 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 that is reasonably expected to be lengthy in nature 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 a loss of functional capacity, or
     3. requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment).

   (a) **Death Before Your Required Beginning Date.**

   **Designated Beneficiary.** 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. This 10-year rule is not subject to an annual distribution requirement.

   **Eligible Designated Beneficiary.** If your beneficiary is an eligible designated beneficiary, the beneficiary may choose to distribute the entire amount remaining in your account by using either the:

   (i) 10-year rule: This option requires a total distribution of the entire account by December 31 of the year containing the tenth anniversary of your death. No annual payment is required under this option.

   (ii) Life expectancy payment option: Annual payments taken over the remaining life expectancy of the eligible designated beneficiary.

   If your spouse is your sole eligible designated beneficiary, he or she must elect either the 10-year rule or life expectancy payments by the earlier of December 31 of the year containing the tenth anniversary of your death, or December 31 of the year you would have attained the applicable age for RMDs. If no election is made, distributions will be made in accordance with the life expectancy payment option. All other eligible designated beneficiaries must elect either the 10-year rule or life expectancy payment option by December 31 of the year following the year of your death. If no election is made by an eligible designated beneficiary, payments will be made using the life expectancy payment option.

   A nonspouse eligible designated beneficiary's remaining life expectancy is determined by using the beneficiary's age in the year following the year of your death to determine the factor from the IRS Single Life Expectancy table, reducing it by one in each subsequent year. A spouse beneficiary's remaining life expectancy is determined using the spouse beneficiary's age and the Uniform Lifetime Table each year, as permitted under the Treasury Regulations.

   Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals, and certain see-through trusts) may take a distribution of the amount remaining in your account over the remaining life expectancy of the designated beneficiary of the trust. The trustee of the trust is responsible for determining whether the trust is a see-through trust, the trust beneficiary's options, and the minimum payment required for the year. No trust paperwork is required to be provided to the SIMPLE IRA trustee or custodian.


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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 the applicable age for RMDs (as described in the *Required Minimum Distributions* section above), 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 (age 21). Once the age of majority is reached, the beneficiary will have 10 years to deplete the account with annual payments continuing each year.

**No Designated Beneficiary.** If a beneficiary other than a person (e.g., your estate, a charity, or a trust that is not a see-through trust) is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If you die before your required beginning date and 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.

**Hypothetical RMD.** If your spouse beneficiary is using the ten-year rule and, before the tenth year, chooses to: 1) treat the SIMPLE IRA as his or her own SIMPLE IRA, 2) roll over the SIMPLE IRA to his or her own SIMPLE IRA, or 3) roll over the SIMPLE IRA to his or her own Traditional IRA or eligible employer-sponsored retirement plan (if two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer), a hypothetical RMD may need to be calculated and distributed. This amount is not eligible to roll over or be treated as the spouse's own SIMPLE IRA or Traditional IRA. If, in the year the spouse is treating the SIMPLE IRA as his or her own SIMPLE IRA or rolling over to his or her own SIMPLE IRA, Traditional IRA, or employer-sponsored retirement plan, the spouse beneficiary will attain the applicable age for RMDs or older, the spouse beneficiary must calculate and distribute a hypothetical RMD amount that would have been required had the life expectancy payment option applied instead of the ten-year option. This RMD amount must be calculated and distributed for each year, beginning with the later of the year the SIMPLE IRA owner or the spouse beneficiary would have attained the applicable age for RMDs and for each year until the year the transaction moving the SIMPLE IRA to the spouse beneficiary's own IRA or plan occurs. The amount is calculated using the spouse beneficiary's life expectancy in those years determined using the Uniform Lifetime Table. For additional information on hypothetical RMD requirements, 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.

(b) **Death On or After Your Required Beginning Date.**

**Designated Beneficiary.** A portion of your account must continue to be distributed annually to your designated beneficiary. The amount of the distribution must be determined using the longer of your single life expectancy in the year of death, reduced by one each year, or the beneficiary's single life expectancy in the year after the year of your death, reduced by one each year. In addition, the account must be depleted by the earlier of December 31 of the year containing the tenth anniversary of your death or December 31 of the year the single life expectancy factor is equal to, or less than, one.

**Eligible Designated Beneficiary.** If your beneficiary is a nonspouse eligible designated beneficiary, the beneficiary may continue to distribute the amount remaining in your account over the longer of your single life expectancy in the year of death, reduced by one each year, or the beneficiary's single life expectancy in the year after the year of your death, reduced by one each year. Spouse beneficiaries may use the longer of your single life expectancy in the year of death, reduced by one each year, or the spouse beneficiary's life expectancy each year determined by using the Uniform Lifetime Table, as permitted under the Treasury Regulations. A minor child who is your beneficiary must continue the payments annually based upon the beneficiary's single life expectancy in the year after death, reduced by one, and must deplete the account by December 31 of the year the beneficiary attains age 31.

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals, and certain see-through trusts) may take a distribution of the amount remaining in your account over the longer of your single life expectancy or the remaining life expectancy of the beneficiary of the trust. The trustee of the trust is responsible for determining whether the trust is a see-through trust, the trust beneficiary's options, and the minimum payment required for the year. No trust paperwork is required to be provided to the SIMPLE IRA trustee or custodian.

**No Designated Beneficiary.** If you die on or after your required beginning date and there is no designated beneficiary of your SIMPLE IRA, distributions will continue to the beneficiary using your single life expectancy in the year of your death, reduced by one in each subsequent year.

**Year of Death RMD.** If you die before satisfying the RMD amount for the year, to avoid a 25 percent excess accumulation penalty tax a beneficiary must remove the remaining year-of death RMD no later than the tax-filing deadline (including extensions thereof) for the taxable year of that beneficiary that begins with or within that calendar year (or, if later, the last day of the calendar year following the year of your death).

(c) **Special Rules for Spouse Beneficiaries.** A spouse who is the sole eligible designated beneficiary of your entire SIMPLE IRA will be deemed to elect to treat your SIMPLE IRA as his or her own by either (1) transferring it to a SIMPLE IRA in the spouse beneficiary's name, (2) making contributions to your SIMPLE IRA or (3) failing to timely remove an RMD, other than the year of death RMD, from your SIMPLE IRA. Regardless of whether the spouse is the sole eligible designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own SIMPLE IRA. If two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the spouse beneficiary may also roll over to his or her own Traditional IRA or eligible employer-sponsored retirement plan.

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.


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K. **Missed RMD –** If you, or your beneficiary upon your death, fail to timely remove an RMD, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is reduced to 10 percent. You or your beneficiary upon your death, must file IRS Form 5329 along with the income tax return to report and remit any additional taxes to the IRS.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends the earlier of: (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed.

L. **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.

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.

M. **Waiver of 2020 RMD –** RMDs and life expectancy payments for beneficiaries were waived for calendar year 2020. If the five-year rule applies to a SIMPLE IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020 because of this waiver. For example, if a SIMPLE IRA owner died in 2019, the beneficiary's five-year period ends in 2025 instead of 2024.

## 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.

| 2024 Adjusted Gross Income* | | | | | | Applicable Percentage |
|---|---|---|---|---|---|---|
| Joint Return | | Head of Household | | All Other Cases | | |
| Over | Not Over | Over | Not Over | Over | Not Over | |
| | $46,000 | | $34,500 | | $23,000 | 50 |
| $46,000 | $50,000 | $34,500 | $37,500 | $23,000 | $25,000 | 20 |
| $50,000 | $76,500 | $37,500 | $57,375 | $25,000 | $38,250 | 10 |
| $76,500 | | $57,375 | | $38,250 | | 0 |

| 2025 Adjusted Gross Income* | | | | | | Applicable Percentage |
|---|---|---|---|---|---|---|
| Joint Return | | Head of Household | | All Other Cases | | |
| Over | Not Over | Over | Not Over | Over | Not Over | |
| | $47,500 | | $35,625 | | $23,750 | 50 |
| $47,500 | $51,000 | $35,625 | $38,250 | $23,750 | $25,500 | 20 |
| $51,000 | $79,000 | $38,250 | $59,250 | $25,500 | $39,500 | 10 |
| $79,000 | | $59,250 | | $39,500 | | 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. **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 –** Ten percent federal income tax withholding will be applied to a withdrawal from your SIMPLE IRA unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.

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 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


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IRS. 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 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. **10) Qualified birth or adoption.** Payments from your SIMPLE 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. **11) Terminal illness.** Payments from your SIMPLE IRA made because you are terminally ill are not subject to the 10 percent early distribution penalty tax. You are terminally ill if you have been certified by a physician, in accordance with documentation requirements to be established by the IRS, as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification. **12) Qualified disaster recovery distribution.** If you are an affected SIMPLE IRA owner in a federally declared disaster area who has sustained an economic loss by reason of such qualified disaster, you may take up to $22,000 per disaster from your SIMPLE IRA without incurring the 10 percent early distribution penalty tax. **13) Domestic abuse.** If you are a victim of domestic abuse you may withdraw up to $10,000 (subject to possible cost-of-living adjustments each year beginning in 2025) or 50% of your SIMPLE IRA balance, whichever is less, within one year of the abuse without incurring the 10 percent early distribution penalty tax. **14) Emergency personal expenses.** You may take one withdrawal in a calendar year as an emergency personal expense distribution for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, without incurring the 10 percent early distribution penalty tax. The amount that may be treated as an emergency personal expense distribution in any calendar year is $1,000 or the total balance in your SIMPLE IRA over $1,000, determined as of the date of each such distribution, whichever is less. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made SIMPLE IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.

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. **SIMPLE IRA Portability –** Your SIMPLE IRA may be transferred to another SIMPLE IRA or Traditional IRA of yours, rolled over to another SIMPLE IRA, Traditional IRA, or an eligible employer-sponsored retirement plan of yours, may receive transfer or rollover contributions, or may be converted to a Roth IRA, provided that all of the applicable 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 portability rules are summarized below. These transactions are often complex. If you have any questions regarding a transfer, rollover, or conversion, please see a competent tax advisor.

1. **SIMPLE IRA-to-SIMPLE IRA Transfers.** You may transfer your SIMPLE IRA to another SIMPLE IRA at any time with no limits on the number of transfers that may be completed in a 12-month period. A transfer is the movement of assets directly from one SIMPLE IRA to another and is not subject to taxation or the early distribution penalty tax. You may not transfer a SIMPLE IRA to a Roth IRA.
2. **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.
3. **Traditional IRA-to-SIMPLE IRA Rollovers and Transfers.** Assets from your Traditional IRA may be rolled over or transferred 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.
4. **SIMPLE IRA-to-Traditional IRA Rollovers and Transfers.** Assets from your SIMPLE IRA may be rolled over or transferred to a Traditional IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer.
5. **IRA-to-IRA Rollover Restrictions.** A distribution that is payable to you and is eligible to be rolled over from any IRA must be rolled over within 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.

   Only one distribution from any IRA (Traditional, Roth, or SIMPLE) may be rolled over to another IRA 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.

   If you are required to take an RMD for the year, you must remove all of your RMDs for the year for all of your IRAs before rolling over a distribution from any Traditional or SIMPLE IRA. The first distribution taken from your IRA will go toward satisfying your RMD and may not be rolled over.

   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.
6. **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


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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 designated Roth account assets 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 generally must be rolled over to your SIMPLE 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. 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.

7. **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.

8. **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 required to take an RMD for the year, you must remove all of your RMDs for all of your IRAs before converting your SIMPLE IRA.

9. **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.

10. **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. **Repayments of Certain Distributions.**

1. **Qualified Birth or Adoption Distributions.** If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.

2. **Terminal Illness Distributions.** If you have taken a distribution due to a terminal illness, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

3. **Domestic Abuse Distributions.** If you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

4. **Emergency Personal Expense Distributions.** If you had taken an emergency personal expense distribution, the distribution may be repaid within a three-year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made SIMPLE IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.

5. **Qualified Disaster Recovery Distributions.** If you have taken a qualified disaster recovery distribution, the distribution may be recontributed to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or refer to the IRS website at www.irs.gov.

J. **Recharacterizations –** You may not recharacterize a Roth IRA conversion back to a SIMPLE IRA.

## 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 the taxable year you engage in the prohibited transaction. 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.


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## OTHER

A. **IRS Plan Approval –** Articles I through VII of the agreement used to establish this SIMPLE 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 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 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, a federally-declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your SIMPLE IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and 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.

**Qualified Disaster Recovery Distributions.** If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to $22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

**Repayments of Withdrawals for Home Purchase.** If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related SIMPLE 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 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**

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 Custodial Service Fee $ 12

☒ Overnight Distribution $ 10

☒ Wire Fee $ 15

☐ Transfer Out 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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