

# A Retirement Plan for Individuals

JANUARY 1, 2024

*Investing with*  
**Biblical Principles**

ROTH INDIVIDUAL RETIREMENT ACCOUNT



TIMOTHY PLAN

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# Roth IRA

## NEW ACCOUNT APPLICATION

### 1 Account Registration

Check here if amendment.

#### IRA Owner Information

**i** FOR ASSISTANCE with this form, call Shareholder Services at (800) 662-0201, or the Timothy Plan at (800) 846-7526.

**ESTABLISHED AFTER DEATH.** Check to indicate the IRA is established after the death of the individual named on the right, with either a direct rollover or transfer. If checked, complete "Beneficiary IRA Owner Information" below.

NAME (First, Initial, Last) | DECEASED'S NAME (Inherited IRA) GENDER:  Male  Female DATE OF BIRTH DATE OF DEATH (if applicable)

ADDRESS

CITY STATE ZIP

DAYTIME PHONE NUMBER EMAIL (optional) TAXPAYER ID NUMBER or SSN

U.S. CITIZENSHIP STATUS:  
 CITIZEN  
 RESIDENT ALIEN  
 NONRESIDENT ALIEN

#### Your Beneficiaries

**w** **WARNING.** If you do not name beneficiaries, your account will be paid out to your estate, and probably be subject to probate.

**w** **SPOUSAL CONSENT:** If you live in a marital or community property state, and your spouse is not the sole primary beneficiary, your spouse must sign the Spousal Consent under Item 5 of this form.

I designate the following (as indicated):

**PRIMARY BENEFICIARY(IES),** to receive the percentage indicated of my Roth IRA Account in the event of my death.

**CONTINGENT BENEFICIARY(IES),** to receive the percentage indicated of my Roth IRA Account in the event of the death of my primary beneficiary(ies).

After your death, the Roth IRA assets will be distributed in equal shares (unless indicated otherwise) to the primary beneficiaries who survive you. You may revoke or change the beneficiary designation at any time by completing a new IRA Change of Beneficiary Form and providing it to the Custodian.

**+** **TRUSTS:** To name a trust as your beneficiary, attach to this form either a copy of the pertinent pages of the trust agreement or a certification, in writing, acceptable to the IRA Custodian.

**i** **PERCENTAGES:** All stated percentages must be whole percentages (e.g., 33%, not 33.3%). If the percentages do not add up to 100%, each beneficiary's share will be based proportionately on the stated percentages.

1.	<input type="radio"/> PER STIRPES	%
BENEFICIARY NAME	TYPE: <input type="radio"/> Primary <input type="radio"/> Contingent	DATE OF BIRTH RELATIONSHIP PERCENTAGE
ADDRESS		TAXPAYER ID NUMBER or SSN
2.	<input type="radio"/> PER STIRPES	%
BENEFICIARY NAME	TYPE: <input type="radio"/> Primary <input type="radio"/> Contingent	DATE OF BIRTH RELATIONSHIP PERCENTAGE
ADDRESS		TAXPAYER ID NUMBER or SSN
3.	<input type="radio"/> PER STIRPES	%
BENEFICIARY NAME	TYPE: <input type="radio"/> Primary <input type="radio"/> Contingent	DATE OF BIRTH RELATIONSHIP PERCENTAGE
ADDRESS		TAXPAYER ID NUMBER or SSN
4.	<input type="radio"/> PER STIRPES	%
BENEFICIARY NAME	TYPE: <input type="radio"/> Primary <input type="radio"/> Contingent	DATE OF BIRTH RELATIONSHIP PERCENTAGE
ADDRESS		TAXPAYER ID NUMBER or SSN

**PER STIRPES:** IF YOU WANT THE CHILDREN OF A BENEFICIARY YOU LISTED TO INHERIT THAT BENEFICIARY'S SHARE (IF THAT BENEFICIARY PREDECEASES YOU), CHECK THE PER STIRPES BOX(ES) ABOVE. THIS WILL OVERRIDE ANY SELECTIONS BELOW.

**IF YOU DID NOT SELECT PER STIRPES,** SELECT THE FOLLOWING THAT ACCURATELY REFLECTS YOUR WISHES FOR THOSE WHO ARE NOT DESIGNATED PER STIRPES. YOU MAY ALSO ATTACH A SEPARATE DESIGNATION DULY SIGNED, DATED AND WITNESSED.

- The share of a primary beneficiary who predeceases me** shall go to the primary beneficiary(ies) who survive me in the ratio that each such surviving primary beneficiary's(ies') percentage bears to the total percentage of all surviving primary beneficiary(ies).
- The share of a primary beneficiary who predeceases me** shall go to the contingent beneficiary(ies) who survive me in the ratio that each such surviving contingent beneficiary's(ies') percentage bears to the total percentage of all surviving contingent beneficiary(ies).

#### Beneficiary Roth IRA Owner Information

**i** **NOTE:** Beneficiary Roth IRAs may only be established with assets acquired by a beneficiary due to the death of the individual named above.

NAME (First, Initial, Last) GENDER:  Male  Female DATE OF BIRTH

ADDRESS

CITY STATE ZIP

DAYTIME PHONE NUMBER EMAIL (optional) TAXPAYER ID NUMBER or SSN

U.S. CITIZENSHIP STATUS:  
 CITIZEN  
 RESIDENT ALIEN  
 NONRESIDENT ALIEN

## Contribution Information

### Source of Funds

**+ SPECIAL INSTRUCTIONS:**  
**Recharacterization:** An irrevocable recharacterization election must be provided to the IRA Custodian.  
**Employer SEP Contribution:** Complete and retain Form 5305-SEP.  
**Direct Transfer:** Complete and attach an IRA Transfer form.  
**Rollover:** Complete and attach an IRA Direct Rollover form.  
**SIMPLE:** May not be converted to a Roth IRA until two years have elapsed from your initial participation in your employer's SIMPLE IRA plan.

**⚠️ 60 DAYS:** Rollover contributions typically must be made within 60 days of distribution. Rollover contributions beyond 60 days will only be accepted if accompanied by a Self-Certification of Late Rollover/Conversion form.

\* We will not withhold federal taxes on re-characterizations.

**Regular/Spousal Contribution** Amount: \$ \_\_\_\_\_ Tax Year: 20\_\_\_\_  
 **Conversion** Amount: \$ \_\_\_\_\_ Current Account/Plan Number: \_\_\_\_\_  
 TYPE:  Traditional IRA  SEP IRA  SIMPLE IRA

**Recharacterization\***  
 **Direct Transfer from a Roth IRA**  
 **Rollover**

SOURCE:  Roth IRA  Employer-Sponsored Plan (e.g., 401(a), 401(k), 403(b), governmental 457(b))

IS THE ROLLOVER BEING COMPLETED WITHIN 60 DAYS OF RECEIPT OF THE DISTRIBUTION?

**YES**, Rollover is within 60 days of receipt of the distribution.  **NO**, Rollover is **NOT** within 60 days of receipt of the distribution.  **Not Applicable**, this is a **DIRECT** rollover from an employer-sponsored plan.  
 Self-Certification of Late Rollover/Conversion form is attached

**Repayment of:**  
 Qualified Birth or Adoption Distribution(s)  Withdrawal(s) for Terminal Illness  
 Qualified Reservist Distribution(s)  Emergency Personal Expense Distribution(s)  
 Qualified Disaster Recovery Distribution(s)  Eligible Distribution(s) to Domestic Abuse Victim

**Other** Explain: \_\_\_\_\_

### Group Plan

**Yes.** This account will be part of a group plan. EMPLOYER NAME \_\_\_\_\_ PLAN NUMBER \_\_\_\_\_

### Reduced Sales Charge

Class A & C shares combined.

**⚠️ \$750,000 BREAKPOINT:** This selection is only applicable for Fixed Income and High Yield Bond Funds.

LETTER OF INTENT: Please be advised that over the course of the next thirteen months, I intend to purchase a cumulative amount of the Timothy Plan family of funds equal to or in excess of:

\$50,000  \$100,000  \$250,000  \$500,000  \$750,000  Over \$1 million

If you intend to invest a certain amount over a 13 month period, you may be entitled to reduced sales charges on Class A share purchases. If the amount indicated is not invested within 13 months, regular sales charge rates will apply to shares purchased and any difference in the sales charge owed versus the sales charge previously paid will be deducted from escrowed shares. Please refer to the prospectus for terms and conditions.

RIGHT OF ACCUMULATION: The following accounts, if any, are related and should be included in my aggregate purchases to be calculated when assessing my reduced sales load.

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_

### Net Asset Value (NAV)

**⚠️ FOR ADVISOR/FUND USE ONLY.**

**This account is eligible for NAV purchases.** (Both sections must be selected to be processed.)  
 I certify that  **this account is eligible** for this option according to the terms set forth in the fund prospectus.

## Investment Selection

### Your Fund Choices

If no share class is indicated, a Class A share account will be established.

**⚠️ TO PURCHASE CLASS I SHARES:** You must be working with a Registered Investment Advisor.

FUND NAME(S)	CLASS	20____ INDIVIDUAL CONTRIBUTION	20____ INDIVIDUAL CONTRIBUTION	ALLOCATION
1. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	\$ _____	\$ _____ %
2. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	\$ _____	\$ _____ %
3. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	\$ _____	\$ _____ %
4. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	\$ _____	\$ _____ %
5. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	\$ _____	\$ _____ %

## 4 Payment Method

### Payment Method

You can open your account using any of these methods. Please check your choice.

**+ DIRECT TRANSFERS:** Complete and attach the Roth IRA Transfer Request Form.

- Check** (Please make check payable to the Timothy Plan.)
- Bank Wire** (For instructions, please contact the Transfer Agent toll free at 1-800-662-0201.)
- Direct Transfer** (Funds will be transferred directly from another IRA, SEP-IRA or retirement plan.)
- Other** \_\_\_\_\_

## 5 Account Service Options

### Automatic Investment Plan

**i NOTE:** Contributions made to your IRA using the automatic investment option will be for the current tax year.

\*The bank account designated must have check or draft writing privileges.

**! BENEFICIARY IRAS:** Do not complete this section for Beneficiary IRAs.

I authorize the fund's Agent to draw checks or initiate Automatic Clearing House (ACH) debits against the bank account\* on the attached voided check.

- Amount (minimum \$50 per account, per month or equivalent): \$ \_\_\_\_\_
- Frequency (choose one):
  - Semi-Monthly
  - Monthly
  - Quarterly
  - Semi-Annually
  - Annually
- Day in which deposit should begin (or the first business day thereafter, if a holiday or weekend): \_\_\_\_\_
- Month in which deposit should begin: \_\_\_\_\_
- Fund(s): \_\_\_\_\_

### Bank Information

\*The bank account designated must have check or draft writing privileges.

#### CHECKING OR SAVINGS ACCOUNT INFORMATION\*

NAME OF BANK	BANK'S PHONE NUMBER	ABA ROUTING NUMBER
BANK ADDRESS		
CITY	STATE	ZIP
NAME(S) ON BANK ACCOUNT	BANK ACCOUNT NUMBER	ACCOUNT TYPE: <input type="radio"/> CHECKING <input type="radio"/> SAVINGS

**→ NO CHECKS?** If you do not have a check or preprinted deposit slip for this account, please contact your savings account provider for wiring instructions, or call (800) 662-0201.

**JOHN AND JANE DOE** 101

123 Any Street Date

Anytown, USA 12345

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Pay to the order of \_\_\_\_\_ \$ \_\_\_\_\_

Tape your voided check or preprinted deposit slip here.

PLEASE DO NOT USE STAPLES.

Dollars

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BANK NAME \_\_\_\_\_

BANK ADDRESS \_\_\_\_\_

---

For \_\_\_\_\_

### Distribution Plan

To establish a Distribution Plan (to receive payments to you from this account), please contact Constellation Trust Company at (800) 662-0201.

### Telephone Transaction Privileges

If bank information is provided above, you may elect the convenience of Telephone Purchases. Whether you provide bank information or not, if you elect to do so, you may exchange and/or redeem by telephone.

**NO, I DO NOT WANT THE FOLLOWING PRIVILEGES:**

- Telephone Purchase.
- Telephone Exchange.
- Telephone Redemption.





# Roth IRA

## REQUEST FOR TRANSFER

### 1 Account Information

#### Participant / Owner Information

**i** FOR ASSISTANCE with this form, call Shareholder Services at (800) 662-0201, or the Timothy Plan at (800) 846-7526.

NAME (First, Initial, Last) \_\_\_\_\_ GENDER:  Male  Female \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY, \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

DAYTIME PHONE NUMBER \_\_\_\_\_ TAXPAYER ID NUMBER or SSN \_\_\_\_\_ TIMOTHY PLAN ACCOUNT NUMBER (if any) \_\_\_\_\_

### 2 Account to be Transferred

#### Current Custodian / Financial Institution

**+** ATTACH a copy of your recent account statement from your present Custodian.

NAME OF FINANCIAL INSTITUTION (Trustee, Custodian or Employer) \_\_\_\_\_ ACCOUNT NUMBER \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY, \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

### 3 Transfer Instructions

#### Asset Transfer

**+** TRANSFEREE CUSTODIAN/TRUSTEE may require documentation if the minimum distribution has not been satisfied prior to this transfer.

**!** SIMPLE IRA funds cannot be transferred to a Roth IRA for two years following the date of the initial SIMPLE contribution.

CURRENT PLAN TYPE: (Select One)

- Roth IRA
- Traditional IRA Conversion
- SIMPLE IRA Conversion
- Roth Employer-Sponsored: \_\_\_\_\_
- Inherited (Beneficiary) IRA  Roth

TYPE OF PLAN TRANSFERRING TO: (Select One)

- Roth IRA\*
- Inherited (Beneficiary) IRA  Roth

\*The 10% default withholding rule is applicable on conversions. In order to convert from a Traditional IRA to a ROTH IRA without any taxes withheld, Part 5 must be completed.

#### Net Asset Value (NAV)

**!** FOR ADVISOR/FUND USE ONLY.

This account is eligible for NAV purchases. (Both sections must be selected to be processed.)

I certify that  this account is eligible for this option according to the terms set forth in the fund prospectus.

#### Assets to be Transferred

PLEASE SEE ADDITIONAL INFORMATION INCLUDED WITH THIS FORM.

**i** NOTE: Penalties and market fluctuation may affect the distribution amount.

**!** WIRE TRANSFERS: If you choose to wire-transfer your funds, contact your financial organization for information regarding any incoming or outgoing wire-transfer fees that may apply.

A. PAYMENT AMOUNT:  My entire IRA Account.  A portion of my IRA Account. \$ \_\_\_\_\_

B. PAYMENT SCHEDULE:  Immediately liquidate all investments and send cash proceeds.  Liquidate the investments as identified below:

FUND(S) TO BE LIQUIDATED	ACCOUNT NUMBER	AMOUNT TO BE TRANSFERRED	SENT DATE
1. _____	_____	\$ _____ %	_____
2. _____	_____	\$ _____ %	_____
3. _____	_____	\$ _____ %	_____

### 4 Investment Selection

#### Your Fund Choices

If no share class is indicated, a Class A share account will be established.

**!** TO PURCHASE CLASS I SHARES: You must be working with a Registered Investment Advisor.

FUND NAME(S)	CLASS	ALLOCATION	FUND NAME(S)	CLASS	ALLOCATION
1. _____	ACI	\$ _____ %	4. _____	ACI	\$ _____ %
2. _____	ACI	\$ _____ %	5. _____	ACI	\$ _____ %
3. _____	ACI	\$ _____ %	6. _____	ACI	\$ _____ %

**B****Roth IRA**

REQUEST FOR TRANSFER

**Reduced Sales Charge**

Class A, &amp; C shares combined.

**⚠️ \$750,000 BREAKPOINT:** This selection is only applicable for Fixed Income and High Yield Bond Funds.

LETTER OF INTENT: Please be advised that over the course of the next thirteen months, I intend to purchase a cumulative amount of the Timothy Plan family of funds equal to or in excess of:

\$50,000     \$100,000     \$250,000     \$500,000     \$750,000     Over \$1 million

If you intend to invest a certain amount over a 13 month period, you may be entitled to reduced sales charges on Class A share purchases. If the amount indicated is not invested within 13 months, regular sales charge rates will apply to shares purchased and any difference in the sales charge owed versus the sales charge previously paid will be deducted from escrowed shares. Please refer to the prospectus for terms and conditions.

RIGHT OF ACCUMULATION: The following accounts, if any, are related and should be included in my aggregate purchases to be calculated when assessing my reduced sales load.

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_

**5****Tax Withholding Notice & Election**

(FORM W-4P/OMB NO. 1545-0074)

DEPT. OF TREASURY, INTERNAL REVENUE SERVICE

**NOTICE:** The distributions you receive from your IRA are subject to Federal income tax withholding unless you waive withholding. You may waive withholding on your IRA distribution by returning a signed and dated IRS Form W-4P, Withholding Certificate for Pension or Annuity Payments, or this substitute Form W-4P to your IRA Trustee or Custodian listed above. If you waive withholding on your IRA distribution, or if you do not have enough Federal income tax withheld from your IRA distribution, you may be responsible for payment of estimated tax. You may incur penalties under the

estimated tax rules if your withholding and estimated tax payments are not sufficient. You may waive state income tax withholding to the extent permitted by law. You are responsible for determining and paying all Federal, and if applicable, state and local taxes on distributions from all IRAs you own. If you do not waive withholding or elect an alternative withholding amount, ten percent will be withheld from your nonperiodic IRA distribution. Your election is valid until you revoke it. You may change your withholding election by completing another Form W-4P or substitute. Also note, if you are a

U.S. citizen or resident alien receiving an IRA distribution that is delivered outside the United States or its possessions, withholding is required. That is, you may not waive withholding. If you are a non-resident alien you may not use Form W-4P to withhold income tax or to waive withholding. A foreign person should refer to IRS Publication 515 and to Form W-8BEN.

**ELECTION:** Unless a previous withholding election is in place, you indicate a different withholding amount below, or you waive withholding by indicating your election below, ten percent will be withheld from your IRA distribution.

Effective Date: \_\_\_\_\_

**DO NOT** withhold Federal income tax from my distribution.

**DO NOT** withhold state income tax, unless required.

**WITHHOLD** as indicated below.

\_\_\_\_\_ % (at least 10%) Federal income tax, and \_\_\_\_\_ % state income tax (if indicated), and (if indicated) an additional amount \$ \_\_\_\_\_ Federal income tax and \$ \_\_\_\_\_ state income tax (if permitted).

**6****Acknowledgment****Your Signature**

**⚠️ WARNING.** This application will not be processed unless signed below by the Roth IRA Owner (or Beneficiary Roth IRA Owner).

**i SIGNATURE GUARANTEE:** Your current trustee/custodian may require a guaranteed signature. Contact them for signature requirements.

I certify that I have established the appropriate IRA account with the Timothy Plan, of which Constellation Trust Company is the transferee custodian/trustee. I certify that the information contained on this form is true and correct. I direct the plan administrator to send my assets as set forth in this form. I understand that my direct rollover is irrevocable. I understand I should seek the guidance of a tax or legal professional with regard to this decision. I understand that if I establish a separate conduit account, it is my responsibility to keep my conduit account separate from my other accounts. I understand that my custodian/trustee cannot provide legal advice. I indemnify and agree to hold the custodian/trustee harmless against any liabilities. I assume full responsibility for the consequences of this direct rollover decision.

\_\_\_\_\_  
SIGNATURE OF IRA OWNER  
(or Inherited IRA Owner)

\_\_\_\_\_  
DATE

**To Current Trustee / Custodian**

FOR SUCCESSOR AND CURRENT CUSTODIAN ONLY.

The custodian/trustee signing below agrees to accept custodianship/trusteeship, and the direct rollover assets described above, for the Timothy Plan IRA established on behalf of the above-named IRA owner.

\_\_\_\_\_  
CONSTELLATION TRUST COMPANY

\_\_\_\_\_  
DATE

DELIVERY INSTRUCTIONS

A. IRA Account Number \_\_\_\_\_

B. Make check payable to or certificate registration in the name of \_\_\_\_\_

as  Custodian  Trustee for the Roth IRA of \_\_\_\_\_**7****Mailing Your Application****Return Completed Form**

USE YOUR PREFERRED MAILING METHOD.

REGULAR DELIVERY:

Timothy Plan  
c/o Ultimus Fund Solutions, LLC  
Post Office Box 541150, Omaha, NE 68154

OVERNIGHT DELIVERY:

Timothy Plan  
c/o Ultimus Fund Solutions, LLC  
4221 N 203rd St, Ste 100, Elkhorn, NE 68022

Phone | (800) 662-0201  
Local | (402) 493-4603  
Fax | (402) 963-9094

**FOR ADDITIONAL GUIDANCE.** It is in your best interest to seek the guidance of a tax or legal professional before completing this document. Your first reference should be the IRA agreement and disclosure statement you received upon establishing your IRA or amendments provided by your custodian/trustee. For more information refer to Internal Revenue Service (IRS) Publication 590—Individual Retirement Arrangements, IRS Publication 505—Tax Withholding and Estimated Tax, instructions to your federal income tax return, your local IRS office, or the IRS's web site at www.irs.gov.





# Roth IRA

## 529 PLAN-TO-ROTH IRA DIRECT ROLLOVER REQUEST

### 1 IRA's Trustee or Custodian

#### Current Custodian / Financial Institution

**+** ATTACH a copy of your recent account statement from your present Custodian.

Constellation Trust Company

NAME OF FINANCIAL INSTITUTION (Trustee, Custodian or Employer)

ACCOUNT NUMBER

PHONE NUMBER

Post Office Box 541150

Omaha

NE

68154

ADDRESS

CITY,

STATE

ZIP

### 2 Roth IRA Owner Information

#### IRA Owner Information

**i** FOR ASSISTANCE with this form, call Shareholder Services at (800) 662-0201, or the Timothy Plan at (800) 846-7526.

ESTABLISHED AFTER DEATH. Check to indicate the IRA is established after the death of the individual named on the right, with either a direct rollover or transfer. If checked, complete "Beneficiary IRA Owner Information" below.

NAME (First, Initial, Last)

GENDER:  Male  Female

DATE OF BIRTH

TAXPAYER ID NUMBER OR SSN

RESIDENCE ADDRESS

CITY

STATE

ZIP

U.S. CITIZENSHIP STATUS:

CITIZEN

RESIDENT ALIEN

NONRESIDENT ALIEN

DAYTIME PHONE NUMBER

EMAIL (optional)

ROTH IRA ACCOUNT/PLAN NUMBER

### 3 Distributing 529 Plan Information

#### Plan Information

PLAN NAME

PLAN ACCOUNT NUMBER

PLAN PHONE

ADDRESS

CITY,

STATE

ZIP

#### Account Holder Information

NAME (First, Initial, Last)

GENDER:  Male  Female

TAXPAYER ID NUMBER OR SSN

DAYTIME PHONE NUMBER

EMAIL

#### Designated Beneficiary (Student) Information

NAME (First, Initial, Last)

GENDER:  Male  Female

TAXPAYER ID NUMBER OR SSN

DAYTIME PHONE NUMBER

EMAIL

DATE OF BIRTH

### 4 Direct Rollover Request

Check the box below to request a direct rollover of 529 plan assets to a Roth IRA

I request that the provider of the 529 plan identified above in Part II directly roll over 529 savings to the receiving Roth IRA identified above in Part I in accordance with the instructions below.

I understand that to request this direct rollover, I must meet the eligibility requirements in the Internal Revenue Code, Treasury Regulations, and other applicable guidance, including the following:

- The 529 plan of the designated beneficiary must have been maintained for at least 15 years as of the date of such distribution.

- 529 plan contributions made within the prior five-year period ending on the date of the distribution (and earnings attributable to those contributions) cannot be included in the amount requested to be rolled over.
- The amount requested for rollover must not exceed the eligible amount. For tax year 2024, the maximum eligible amount is equal to \$7,000 (or \$8,000, if age 50 or older before the end of the tax year) not to exceed the Roth IRA owner's compensation (i.e., earned income) for the tax year. This amount, however, must be reduced for any other contributions made by the Roth IRA owner for the tax year to any Roth or Traditional IRAs. In addition, if the Roth IRA

owner is married and filing a joint federal income tax return, the total amount that the Roth IRA owner and the spouse may roll over from 529 plans and contribute to Traditional and Roth IRAs in aggregate must not exceed the combined compensation of both spouses for that same tax year.

- The maximum lifetime limit that may be rolled over to your Roth IRAs from a 529 plan, in aggregate, must not exceed \$35,000 (subject to adjustments authorized by the federal government).
- The 529 plan assets must be paid directly to a Roth IRA maintained for the benefit of the Designated Beneficiary.



# Roth IRA

529 PLAN-TO-ROTH IRA DIRECT ROLLOVER REQUEST



## Contribution Designation Year

**WARNING:** Complete this section only if the 529 plan savings will be deposited to the Roth IRA between January 1 and the taxpayer's due date (excluding extensions) for filing their federal income return (i.e., typically April 15th).

I designate the Roth IRA contribution for the:  Current Year  Prior Year

**Note:** If you do not affirmatively designate the direct rollover of the 529 savings as a prior-year Roth IRA contribution, the contribution will be reported to the IRS as a current-year Roth IRA contribution.



## Amount of Withdrawal

### Withdrawal Instructions

SELECT ONE:

- Entire Balance (I wish to withdraw my entire account balance.)
- Partial Withdrawal (I wish to make a one-time, partial withdrawal of \$ \_\_\_\_\_.)



## Investment Information

### Investment Withdrawal

PLEASE INDICATE THE INVESTMENT(S) FROM WHICH THE ASSETS ARE TO BE WITHDRAWN.

ADDENDUM ATTACHED. Addendum is attached for additional investments. (If you need additional space to list investments, attach a separate sheet that includes all the information requested above. Sign and date the sheet.)

- I wish to withdraw the requested amount on a pro rata basis across all investments.
- I wish to withdraw the requested amount from my investments as indicated in the chart below. (Indicate the investments from which the withdrawal should be taken. Percentages must be in whole numbers (e.g., 33%, not 33 1/3%.)

INVESTMENT DESCRIPTION	AMOUNT OF WITHDRAWAL	DATE
1. _____	\$ _____ %	_____
2. _____	\$ _____ %	_____
3. _____	\$ _____ %	_____
<b>TOTAL:</b>	\$ _____ %	_____



## Investment Information

### Delivery Instructions

FOR SUCCESSOR AND CURRENT CUSTODIAN ONLY.

DELIVERY INSTRUCTIONS

- By Wire. For wire instructions call (800) 662-0201.
- By Check. Make check payable as follows:

Constellation Trust Company

NAME OF RECEIVING ROTH IRA CUSTODIAN/TRUSTEE

as the  Trustee  Custodian FBO \_\_\_\_\_ Roth IRA.

NAME OF ROTH IRA OWNER



## Acknowledgment

### Your Signature

**WARNING:** This application will not be processed unless signed below by the Roth IRA Owner (or Beneficiary Roth IRA Owner).

**SIGNATURE GUARANTEE:** Your current trustee/custodian may require a guaranteed signature. Contact them for signature requirements.

By signing this 529 Plan-to-Roth IRA Direct Rollover Request, I certify that the information I have provided is accurate. I understand that I am responsible for ensuring that I am eligible to authorize this rollover, and I assume all responsibility for any consequences that arise from my actions. I have been advised to seek competent legal and tax advice and have not been given any such advice from the Trustee/Custodian. I elect to irrevocably designate this deposit as a rollover contribution. I indemnify and hold the Trustee/Custodian harmless from any consequences related to executing my directions. I authorize the sponsor of the 529 plan to directly roll over the plan assets as indicated above.

\_\_\_\_\_  
SIGNATURE OF 529 PLAN ACCOUNT OWNER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF ROTH IRA OWNER

\_\_\_\_\_  
DATE

By signing below, the Roth IRA Trustee/Custodian agrees to accept this direct rollover as instructed above.

\_\_\_\_\_  
SIGNATURE OF IRA TRUSTEE/CUSTODIAN REPRESENTATIVE

\_\_\_\_\_  
DATE



## Mailing Instructions

### Return Completed Form

USE YOUR PREFERRED MAILING METHOD.

REGULAR DELIVERY:

Timothy Plan  
c/o Ultimus Fund Solutions, LLC  
Post Office Box 541150, Omaha, NE 68154

OVERNIGHT DELIVERY:

Timothy Plan  
c/o Ultimus Fund Solutions, LLC  
4221 N 203rd St, Ste 100, Elkhorn, NE 68022

Phone | (800) 662-0201  
Local | (402) 493-4603  
Fax | (402) 963-9094

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-RA under section 408A of the Internal Revenue Code.

FORM (Rev. April 2017)

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

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

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

## ARTICLE III

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

## ARTICLE IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

## ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.

3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

## ARTICLE VI

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

2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

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

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

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

judgments, or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

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, etc. collectively referred to as "Investment Advisor"), however, we have no duty to determine the validity of such appointment or any instrument appointing such Investment Advisor. We shall accept all investment or other instructions from your Investment Advisor as having been authorized by you. We shall not be responsible for and you shall indemnify us from all losses of any kind that may result from directions, actions or failures to act by you or your Investment Advisor, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by you or your Investment Advisor. You may at any time remove an Investment Advisor from your account by providing us written notice, provided, however that the removal will not have the effect of canceling any notice, instruction or action taken by us prior to Investment Advisor's removal from your account.

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 Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

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

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

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

respect to this Roth IRA. In addition, you understand and agree that certain of our affiliates may receive investment advisory fees or other servicing fees from investments made by you, including investments made in certain mutual funds and money market funds.

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

If publicly-traded securities are to be included in the specified investments, orders shall be executed through a securities broker/dealer registered under the Securities Exchange Act of 1934 designated by you upon such form as we may prescribe. Any brokerage account maintained in connection herewith shall be in our name for your benefit. We shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization of same by you or your authorized agent. Any cash received by the brokerage account, whether as income or proceeds of transactions, shall be held by the brokerage account pending directions, and we shall have no obligation to direct the broker to remit such cash until directed to do so, but may receive remittances without direction if the same are made by the broker. Investment directions may be given directly to the designated broker by you or your authorized agent (in such manner as the broker may require) and the broker shall be responsible for the execution of such orders. When securities are purchased within the brokerage account requiring that funds be remitted by the Custodian to make settlement, you agree to notify or instruct the broker to notify us on the trade date of the pending securities transaction, and to request delivery of the custodial account assets necessary to settle the trade. You agree to hold us harmless for any losses resulting from your failure to notify us of the pending trade and request for settlement in the above prescribed manner.

9.06 **Investment of Amounts in the Roth IRA** – You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03 of this article). We will have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you provide timely written directions acceptable to us.

You will select the investment for your Roth IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for Roth IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.) We may in our sole discretion make available to you additional investment offerings, 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.

We shall retain in cash so much of the custodial account as you or your Investment Advisor directs or until other instructions are received and we are authorized to place such cash held in the custodial account in an interest-bearing instrument or money market fund as determined appropriate in our sole discretion.

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

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

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

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

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

9.08 **Termination of Agreement, Resignation, or Removal of 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 Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay your Roth IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

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

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

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

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

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

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

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

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

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

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

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

- 9.15 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of Nebraska 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.

- 9.16 **Arbitration** – YOU AGREE THAT ALL CLAIMS AND DISPUTES OF EVERY TYPE AND MATTER WHICH MAY ARISE UNDER THIS AGREEMENT SHALL BE SUBMITTED TO BINDING ARBITRATION BEFORE A PANEL OF ARBITRATORS (AS DESCRIBED BELOW), OF AND PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”). SUCH ARBITRATION HEARINGS AND PROCEEDINGS SHALL TAKE PLACE ONLY IN DOUGLAS COUNTY, NEBRASKA OR ANOTHER SITE SELECTED BY US IN OUR SOLE DISCRETION AND THIS ARBITRATION PROVISION AND THE ARBITRATION SHALL BE ADMINISTERED BY THE AAA PURSUANT TO AND CONSTRUED AND ENFORCED UNDER THE FEDERAL ARBITRATION ACT (TITLE 9 OF THE UNITED STATES CODE) (“FAA”). IF THE FAA IS INAPPLICABLE FOR ANY REASON, SUCH ARBITRATION SHALL BE CONDUCTED PURSUANT TO NEBRASKA LAW. THERE SHALL BE NO CLASS ACTION, CLASS OR CONSOLIDATED ARBITRATION AND THE PREVAILING PARTY IN ANY CLAIM OR DISPUTE OF ANY TYPE SHALL RECOVER REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, ARBITRATION FILING FEES, ARBITRATORS’ FEES, AND OTHER ARBITRATION FEES. ANY ARBITRATION PROCEEDING SHALL BE CONDUCTED BY A PANEL OF THREE NEUTRAL ARBITRATORS SELECTED BY THE PARTIES UNLESS THE PARTIES AGREE OTHERWISE. IF ARBITRATION IS REQUESTED AS DESCRIBED ABOVE, BOTH YOU AND US EXPRESSLY WAIVE ANY RIGHT TO INSTITUTE OR CONDUCT LITIGATION OR ARBITRATION BEFORE ANY OTHER BODY OR TRIBUNAL. THE PARTIES FURTHER AGREE THAT IF A PARTY IS REQUIRED TO ENFORCE THIS ARBITRATION AGREEMENT AGAINST THE OTHER PARTY AND/OR TO COMPEL THE OTHER PARTY TO ARBITRATION PURSUANT TO THIS AGREEMENT, THE PARTY SHALL RECOVER FROM THE OTHER PARTY REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES SO INCURRED. ARBITRATION SHALL BE FINAL AND BINDING UPON THE PARTIES.

- 9.17 **Limitation of Liability** – WE SHALL BE UNDER NO DUTIES WHATSOEVER EXCEPT SUCH DUTIES AS ARE SPECIFICALLY SET FORTH IN THIS AGREEMENT. WE SHALL BE FULLY PROTECTED IN ACTING UPON ANY INSTRUMENT, CERTIFICATE, OR PAPER BELIEVED BY US TO BE GENUINE AND TO BE SIGNED OR PRESENTED BY THE PROPER PERSON OR PERSONS, AND THE WE SHALL BE UNDER NO DUTY TO MAKE ANY INVESTIGATION OR INQUIRY AS TO ANY STATEMENT CONTAINED IN ANY SUCH WRITING BUT MAY ACCEPT THE SAME AS CONCLUSIVE EVIDENCE OF THE TRUTH AND ACCURACY OF THE STATEMENTS THEREIN CONTAINED. YOU SHALL AT ALL TIMES INDEMNIFY AND HOLD US HARMLESS FROM ANY LIABILITY WHICH MAY ARISE HEREUNDER EXCEPT LIABILITY ARISING FROM OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

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## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

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

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

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

### DEFINITIONS

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

**Depositor** – The depositor is the person who establishes the custodial account.

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## SPECIFIC INSTRUCTIONS

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

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

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

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# DISCLOSURE STATEMENT

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## RIGHT TO REVOKE YOUR ROTH IRA

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

## REQUIREMENTS OF A ROTH IRA

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

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

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

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

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

- C. **Contribution Eligibility** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.
- D. **Catch-Up Contributions** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year.
- E. **Nonforfeitable** – Your interest in your Roth IRA is nonforfeitable.
- F. **Eligible Custodians** – The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.
- I. **Collectibles** – You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.
- J. **Beneficiary Distributions** – Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.
  - 1. **Death of Roth IRA Owner Before January 1, 2020** – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your designated beneficiaries, either
    - (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or
    - (b) be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (b). In the case of distributions under option (b), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 72 (70½ if you would have attained 70½ before 2020), if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your

Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

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

An eligible designated beneficiary is any designated beneficiary who is

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

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

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

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

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

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

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

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

## INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

- A. **Contributions Not Deducted** – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.
- B. **Contribution Deadline** – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

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

- C. **Tax Credit for Contributions** – You may be eligible to receive a tax credit for your Roth IRA contributions. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are
  - age 18 or older as of the close of the taxable year,
  - not a dependent of another taxpayer, and
  - not a full-time student.

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

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



2020 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1–39,000	\$1–29,250	\$1–19,500	50
\$39,001–42,500	\$29,251–31,875	\$19,501–21,250	20
\$42,501–65,000	\$31,876–48,750	\$21,251–32,500	10
Over \$65,000	Over \$48,750	Over \$32,500	0

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

D. **Excess Contributions** – An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

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

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

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

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

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

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

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

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

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

H. **Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply.

- 1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax.
- 2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.
- 3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½.
- 4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.
- 5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax.
- 6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax.
- 7) First-time homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution.
- 8) IRS levy.** Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early

distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. **10) Qualified birth or adoption.** Payments from your Roth IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed \$5,000 for each birth or adoption.

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

- I. **Required Minimum Distributions** – You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this disclosure statement regarding beneficiaries' required minimum distributions.
- J. **Rollovers and Conversions** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

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

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

2. **Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution

penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.

3. **SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your SIMPLE IRA.
4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.
5. **Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, or the cost of life insurance coverage.

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

If you are a spouse or nonspouse beneficiary of a deceased employer-sponsored retirement plan participant, or the trustee of an eligible type of trust named as beneficiary of such participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

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

6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse beneficiary, nonspouse beneficiary, or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan,

you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.
8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.
9. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. For further detailed information and effective dates you may obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
10. **Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at [www.irs.gov](http://www.irs.gov).
11. **Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.
12. **Repayment of Qualified Birth or Adoption Distribution.** If you have taken a qualified birth or adoption distribution, you may generally repay all or a portion of the aggregate amount of such distribution to a Roth IRA, as permitted by the IRS. For further information, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
13. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

- K. **Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- L. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

## LIMITATIONS AND RESTRICTIONS

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

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

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

- B. **Gift Tax** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.
- D. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. **Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## OTHER

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

- B. Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.
- E. Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
- F. Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain disasters designated by Congress), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
- G. Coronavirus-Related Distributions (CRDs)** – If you qualify, you may withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You are a qualified individual if you (or your spouse or dependent) is diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you have experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must be made on or after January 1, 2020, and before December 31, 2020.

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

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

# IRA FINANCIAL DISCLOSURE

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.)*

<input checked="" type="checkbox"/>	Annual Custodial Service Fee	\$25.00	_____
<input type="checkbox"/>	Transfer Fee		_____
<input type="checkbox"/>	Distribution Fee		_____
<input type="checkbox"/>	Removal of Excess Fee		_____
<input type="checkbox"/>	Conversion/Recharacterization		_____

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

\*The annual custodial fee will be borne by your Investment Advisor.

## 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.

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-RA under section 408A of the Internal Revenue Code.

FORM (Rev. April 2017)

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

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

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

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

## ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

- (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting one from the divisor for each subsequent year.
  3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

- 9.01 **Definitions** – In this part of this agreement (Article IX), the words “you” and “your” mean the inherited Roth IRA owner. The words “we,” “us,” and “our” mean the custodian. The words “inherited Roth IRA owner” mean the individual establishing this inherited Roth IRA with either a direct rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer from an inherited Roth IRA. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.
- 9.02 **Notices and Change of Address** – Any required notice regarding this inherited Roth IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us in writing of any change of address.
- 9.03 **Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from

your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your inherited Roth 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, etc. collectively referred to as "Investment Advisor"), however, we have no duty to determine the validity of such appointment or any instrument appointing such Investment Advisor. We shall accept all investment or other instructions from your Investment Advisor as having been authorized by you. We shall not be responsible for and you shall indemnify us from all losses of any kind that may result from directions, actions or failures to act by you or your Investment Advisor, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by you or your Investment Advisor. You may at any time remove an Investment Advisor from your account by providing us written notice, provided, however that the removal will not have the effect of canceling any notice, instruction or action taken by us prior to Investment Advisor's removal from your account.

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 Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

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

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

9.05 **Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your inherited Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your inherited Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your inherited Roth IRA at our discretion. We reserve the right to charge any additional fee upon 30 days notice

to you that the fee will be effective. You agree that fees such as subtransfer agent fees, shareholder servicing fees and/or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this inherited Roth IRA. In addition, you understand and agree that certain of our affiliates may receive investment advisory fees or other servicing fees from investments made by you, including investments made in certain mutual funds and money market funds.

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

If publicly-traded securities are to be included in the specified investments, orders shall be executed through a securities broker/dealer registered under the Securities Exchange Act of 1934 designated by you upon such form as we may prescribe. Any brokerage account maintained in connection herewith shall be in our name for your benefit. We shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization of same by you or your authorized agent. Any cash received by the brokerage account, whether as income or proceeds of transactions, shall be held by the brokerage account pending directions, and we shall have no obligation to direct the broker to remit such cash until directed to do so, but may receive remittances without direction if the same are made by the broker. Investment directions may be given directly to the designated broker by you or your authorized agent (in such manner as the broker may require) and the broker shall be responsible for the execution of such orders. When securities are purchased within the brokerage account requiring that funds be remitted by the Custodian to make settlement, you agree to notify or instruct the broker to notify us on the trade date of the pending securities transaction, and to request delivery of the custodial account assets necessary to settle the trade. You agree to hold us harmless for any losses resulting from your failure to notify us of the pending trade and request for settlement in the above prescribed manner.

9.06 **Restrictions on Contributions to the Inherited Roth IRA** – Your inherited Roth IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred compensation plans, or multiple transfers from inherited Roth IRAs. In order to combine these inherited retirement assets in the same inherited Roth IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited Roth IRA. You may not make regular contributions to this inherited Roth IRA.

9.07 **Investment of Amounts in the Inherited Roth IRA** – You have exclusive responsibility for and control over the investment of the assets of your inherited Roth IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your successor beneficiaries will have the right to direct the investment of your inherited Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03 of this article). We will have no discretion to direct any investment in your inherited Roth IRA. We assume no responsibility for rendering investment advice with respect to your inherited Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your inherited Roth IRA. In the absence of instructions from you, or if

your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your inherited Roth IRA unless you provide timely written directions acceptable to us.

You will select the investment for your inherited Roth IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in inherited Roth IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts). We may in our sole discretion make available to you additional investment offerings, 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.

We shall retain in cash so much of the custodial account as you or your Investment Advisor directs or until other instructions are received and we are authorized to place such cash held in the custodial account in an interest-bearing instrument or money market fund as determined appropriate in our sole discretion.

9.08 **Successor Beneficiaries** – We may allow you, if permitted by state law, to name successor beneficiaries for your inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each inherited Roth IRA beneficiary designation form that you file with us will cancel all previous designations. The consent of a successor beneficiary will not be required for you to revoke a successor beneficiary designation. If you do not designate a successor beneficiary, your estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for you.

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

9.09 **Required Minimum Distributions** – You are required to take minimum distributions from your inherited Roth IRA. The options available to you as a beneficiary of a deceased plan participant or deceased Roth IRA owner are determined according to the type of plan you have inherited. Any payment elections you either made or defaulted to under the plan you inherited generally carry over to the inherited Roth IRA.

9.10 **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 inherited Roth IRA to another financial organization. If you do not complete a transfer of your inherited Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your inherited Roth IRA assets to a successor inherited Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay your inherited Roth IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

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

- Any fees, expenses, or taxes chargeable against your inherited Roth IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your inherited Roth 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 inherited Roth IRA to you in cash or property if the balance of your inherited Roth IRA drops below the minimum balance required under the applicable investment or policy established.

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

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

9.13 **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.

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

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

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

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

9.17 **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 Nebraska 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.

9.18 **Arbitration** – YOU AGREE THAT ALL CLAIMS AND DISPUTES OF EVERY TYPE AND MATTER WHICH MAY ARISE UNDER THIS AGREEMENT SHALL BE SUBMITTED TO BINDING ARBITRATION BEFORE A PANEL OF ARBITRATORS (AS DESCRIBED BELOW), OF AND PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”). SUCH ARBITRATION HEARINGS AND PROCEEDINGS SHALL TAKE PLACE ONLY IN DOUGLAS COUNTY, NEBRASKA OR ANOTHER SITE SELECTED BY US IN OUR SOLE DISCRETION AND THIS ARBITRATION PROVISION AND THE ARBITRATION SHALL BE ADMINISTERED BY THE AAA PURSUANT TO AND CONSTRUED AND ENFORCED UNDER THE FEDERAL ARBITRATION ACT (TITLE 9 OF THE UNITED STATES CODE) (“FAA”). IF THE FAA IS INAPPLICABLE FOR ANY REASON, SUCH ARBITRATION SHALL BE CONDUCTED PURSUANT TO NEBRASKA LAW. THERE SHALL BE NO CLASS ACTION, CLASS OR CONSOLIDATED ARBITRATION AND THE PREVAILING PARTY IN ANY CLAIM OR DISPUTE OF ANY TYPE SHALL RECOVER REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, ARBITRATION FILING FEES, ARBITRATORS’ FEES, AND OTHER ARBITRATION FEES. ANY ARBITRATION PROCEEDING SHALL BE CONDUCTED BY A PANEL OF THREE NEUTRAL ARBITRATORS SELECTED BY THE PARTIES UNLESS THE PARTIES AGREE OTHERWISE. IF ARBITRATION IS REQUESTED AS DESCRIBED ABOVE, BOTH YOU AND US EXPRESSLY WAIVE ANY RIGHT TO INSTITUTE OR CONDUCT LITIGATION OR ARBITRATION BEFORE ANY OTHER BODY OR TRIBUNAL. THE PARTIES FURTHER AGREE THAT IF A PARTY IS REQUIRED TO ENFORCE THIS ARBITRATION AGREEMENT AGAINST THE OTHER PARTY AND/OR TO COMPEL THE OTHER PARTY TO ARBITRATION PURSUANT TO THIS AGREEMENT, THE PARTY SHALL RECOVER FROM THE OTHER PARTY REASONABLE ATTORNEYS’ FEES, COSTS AND EXPENSES SO INCURRED. ARBITRATION SHALL BE FINAL AND BINDING UPON THE PARTIES.

9.19 **Limitation of Liability** – WE SHALL BE UNDER NO DUTIES WHATSOEVER EXCEPT SUCH DUTIES AS ARE SPECIFICALLY SET FORTH IN THIS AGREEMENT. WE SHALL BE FULLY PROTECTED IN ACTING UPON ANY INSTRUMENT, CERTIFICATE, OR PAPER BELIEVED BY US TO BE GENUINE AND TO BE SIGNED OR PRESENTED BY THE PROPER PERSON OR PERSONS, AND THE WE SHALL BE UNDER NO DUTY TO MAKE ANY INVESTIGATION OR INQUIRY AS TO ANY STATEMENT CONTAINED IN ANY SUCH WRITING BUT MAY ACCEPT THE SAME AS CONCLUSIVE EVIDENCE OF THE TRUTH AND ACCURACY OF THE STATEMENTS THEREIN CONTAINED. YOU SHALL AT ALL TIMES INDEMNIFY AND HOLD US HARMLESS FROM ANY LIABILITY WHICH MAY ARISE HEREUNDER EXCEPT LIABILITY ARISING FROM OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

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## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

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

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

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

### DEFINITIONS

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

**Depositor** – The depositor is the person who establishes the custodial account.

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## SPECIFIC INSTRUCTIONS

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

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

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

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# DISCLOSURE STATEMENT

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## RIGHT TO REVOKE YOUR INHERITED ROTH IRA

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

## REQUIREMENTS OF AN INHERITED ROTH IRA

- A. **Form of Contribution** – Your contribution must be either a rollover contribution from an eligible inherited employer-sponsored retirement plan or a transfer contribution from an inherited Roth IRA. Your rollover or transfer contribution may be in cash and/or property.
- B. **Contribution Restrictions** – You may not make regular contributions to your inherited Roth IRA.
- C. **Nonforfeitable** – Your interest in your inherited Roth IRA is nonforfeitable.
- D. **Eligible Custodians** – The custodian of your inherited Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- E. **Commingling Assets** – The assets of your inherited Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- F. **Life Insurance** – No portion of your inherited Roth IRA may be invested in life insurance contracts.
- G. **Collectibles** – You may not invest the assets of your inherited Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as inherited Roth IRA investments.
- H. **Required Minimum Distributions** – You are required to take minimum distributions from your inherited Roth IRA at certain times in accordance with Treasury Regulation 1.408-8. The calculation of the required minimum distribution is based, in part, on determining the original owner's designated beneficiary. A designated beneficiary is determined based on the beneficiaries designated as of the date of the original owner's death, who remain beneficiaries as of September 30 of the year following the year of the original owner's death. Any payment elections you either made or defaulted to under an inherited retirement plan or Roth IRA generally carry over to this inherited Roth IRA. Below is a summary of the inherited Roth IRA distribution rules.

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

## Death of Original Owner Before January 1, 2020

1. If you are the beneficiary of a deceased employer-sponsored retirement plan participant, and the original participant died
  - (a) on or after his or her required beginning date, distributions must be made to you over the longer of your single life expectancy, or the original participant's remaining life expectancy. If the original participant's designated beneficiary was not an individual or qualified trust as defined in the Treasury Regulations, the original employer-sponsored retirement plan will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary of the original employer-sponsored retirement plan, distributions will commence using the original participant's single life expectancy, reduced by one in each subsequent year.
  - (b) before his or her required beginning date, the entire amount remaining in the account will, at your election, either
    - (i) be distributed by December 31 of the year containing the fifth anniversary of the original participant's death, or
    - (ii) be distributed over your remaining life expectancy.

If the original participant's spouse is the sole designated beneficiary, he or she must elect either option (i) or (ii) by the earlier of December 31 of the year containing the fifth anniversary of the original participant's death, or December 31 of the year life expectancy payments would be required to begin. A designated beneficiary of the original participant, other than a spouse who is the sole designated beneficiary, must elect either option (i) or (ii) by December 31 of the year following the year of the original participant's death. If no election is made, the distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of the original participant's death. Generally, if the original participant's spouse is the designated beneficiary, distributions need not commence until December 31 of the year the original participant would have attained age 72 (70½ if the original participant would have attained 70½ before 2020), if later.

If the original participant's designated beneficiary is not an individual or qualified trust as defined in the Treasury Regulations, the original retirement plan will be treated as having no designated beneficiaries for purposes of determining the distribution period. If there is no designated beneficiary of the original retirement plan, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original participant's death.

If you have inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan and have either elected or defaulted to payments under the five-year rule, you may change to a life expectancy payment election if, by December 31 of the year following the year of the original owner's death, you remove a life expectancy-based payment before rolling over the remaining assets to your inherited Roth IRA.

2. If you are the beneficiary of a deceased Roth IRA owner, the entire amount remaining in the inherited account will, at your election, either
  - (a) be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death, or
  - (b) be distributed over your remaining life expectancy.

If you are a spouse who is the sole designated beneficiary of a Roth IRA owner, you must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of the original owner's death, or December 31 of the year life expectancy payments would be required to begin. If you are a designated beneficiary of the original Roth IRA owner, other than a spouse who is the sole designated beneficiary, you must elect either option (a) or (b) by December 31 of the year following the year of the original Roth IRA owner's death. If no election is made, the 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 the original Roth IRA owner's death. Generally, if the original Roth IRA owner's spouse is the designated beneficiary, distributions need not commence until December 31 of the year the original Roth IRA owner would have attained age 72 (70½ if the original Roth IRA owner would have attained 70½ before 2020), if later.

If the original Roth IRA owner's designated beneficiary is not an individual or qualified trust as defined in the Treasury Regulations, the original Roth IRA will be treated as having no designated beneficiaries for purposes of determining the distribution period. If there is no designated beneficiary of the original Roth IRA, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death.

3. If you have elected to take life expectancy payments and fail to request your required minimum distribution by December 31, we reserve the right to do any one of the following.
  - (a) Make no distribution until you give us a proper withdrawal request
  - (b) Distribute your entire inherited Roth IRA to you in a single sum payment
  - (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Single Life Expectancy Table, and pay those distributions to you until you direct otherwise

#### **Death of Original Owner On or After January 1, 2020**

The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of the original owner's death unless you are an eligible designated beneficiary or the account has no designated beneficiary for purposes of determining a distribution period.

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

An eligible designated beneficiary is any designated beneficiary who is

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

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

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

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

- I. **Waiver of 2020 RMD** – In spite of the general rules described above, you are not required to take a life expectancy payment from your inherited Roth IRA for calendar year 2020. In addition, if the five-year rule applies to your inherited Roth IRA, the five-year period is determined without regard to calendar year 2020. For example, if the original Roth IRA owner died in 2017, your five-year period will end in 2023 instead of 2022.

#### **INCOME TAX CONSEQUENCES OF ESTABLISHING AN INHERITED ROTH IRA**

- A. **Tax-Deferred Earnings** – The investment earnings of your inherited Roth IRA are not subject to federal income tax as they accumulate in your inherited Roth IRA. In addition, distributions of your inherited Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.
- B. **Taxation of Distributions** – The taxation of inherited Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.
  1. **Qualified Distribution.** A qualified distribution is a distribution that is made after the expiration of a five-year period. Qualified distributions from your inherited Roth IRA are not included in your income.
  2. **Nonqualified Distribution.** If you have not satisfied the five-year period for a qualified distribution, any earnings you withdraw from your inherited Roth IRA will be included in your gross income. When you take a distribution from the inherited Roth IRA, the amounts the original owner contributed to a Roth IRA, Roth 401(k), Roth 403(b), or governmental Roth 457(b) as Roth elective deferrals or Roth IRA contributions, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions the original owner made to a Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of the regular contributions, conversion, and employer-sponsored retirement plan rollovers. These "ordering rules" are complex. If you have any questions regarding the taxation of distributions from your inherited Roth IRA, see a competent tax advisor.
- C. **Income Tax Withholding** – Any nonqualified withdrawal of earnings from your inherited Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your inherited Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

- D. **Early Distribution Penalty Tax** – No 10 percent early distribution penalty tax will apply to the inherited Roth IRA distribution because the distribution is due to the death of the original owner.
- E. **Rollovers and Transfers** – Your inherited Roth IRA may receive multiple rollover contributions from inherited qualified retirement plans, 403(a) annuity plans, 403(b) tax-sheltered annuity plans, or 457(b) governmental deferred compensation plans, or multiple transfers from inherited Roth IRAs. In order to combine these inherited retirement assets in the same inherited Roth IRA, you must have inherited the assets from the same owner and they must have been subject to the same beneficiary payment elections and calculation methods as under the receiving inherited Roth IRA. Rollover is a term used to describe a direct movement of cash or other property to your inherited Roth IRA from an eligible retirement plan that you have inherited as an eligible beneficiary. The rollover and transfer rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or transfer, please see a competent tax advisor.
1. **Roth IRA-to-Inherited Roth IRA Transfers.** Assets you have inherited from a deceased Roth IRA owner may be directly transferred to an inherited Roth IRA.
  2. **Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals to an Inherited Roth IRA.** If you are a nonspouse beneficiary or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or governmental 457(b) plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals, and their earnings, to an inherited Roth IRA, as permitted by the IRS. If you are a spouse beneficiary, you may either directly or indirectly roll over assets from an eligible inherited employer-sponsored retirement plan to an inherited Roth IRA. Regardless of the method of rollover, the Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements. Roth elective deferrals may not be rolled over to an inherited Traditional IRA.
  3. **Rollovers from Eligible Retirement Plans Without Roth Elective Deferrals to an Inherited Roth IRA.** If you are a nonspouse beneficiary or the trustee of an eligible type of trust named as beneficiary of a deceased employer-sponsored retirement plan participant, you may directly roll over any inherited assets eligible for rollover from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. If you are a spouse beneficiary, you may either directly or indirectly roll over assets from an eligible inherited employer-sponsored retirement plan to an inherited Roth IRA, as permitted by the IRS. The amount of the rollover from the retirement plan will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any after-tax contributions). Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from an eligible retirement plan to an inherited Roth IRA.
  4. **Written Election.** At the time you make a rollover to an inherited Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the election is irrevocable.
- C. **Prohibited Transactions** – If you or any successor beneficiary engage in a prohibited transaction with your inherited Roth IRA, as described in IRC Sec. 4975, your inherited Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your inherited Roth IRA. (1) Taking a loan from your inherited Roth IRA (2) Buying property for personal use (present or future) with inherited Roth IRA assets (3) Receiving certain bonuses or premiums because of your inherited Roth IRA.
- D. **Pledging** – If you pledge any portion of your inherited Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## OTHER

- A. **IRS Plan Approval** – Articles I through VIII of the agreement used to establish this inherited Roth IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://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 an inherited Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free inherited Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information 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](http://www.irs.gov).
- E. **Coronavirus-Related Distributions (CRDs)**. If you qualify, you may withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You are a qualified individual if you (or your spouse or dependent) is diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you have experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must be made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elect otherwise. If you are a spouse beneficiary, you may repay these distributions over three years beginning with the day following the day a CRD is made. Repayments may be made to your eligible retirement plan or IRA.

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

## LIMITATIONS AND RESTRICTIONS

- A. **Gift Tax** – Transfers of your inherited Roth IRA assets to a successor beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- B. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to inherited Roth IRA distributions.

# IRA INHERITED IRA FINANCIAL DISCLOSURE

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

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

## INVESTMENT OPTIONS

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

## FEES

There are certain fees and charges connected with your inherited 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 inherited IRA itself. *(Select and complete as applicable.)*

<input checked="" type="checkbox"/>	Annual Custodial Service Fee	\$25.00	_____
<input type="checkbox"/>	Transfer Fee		_____
<input type="checkbox"/>	Distribution Fee		_____
<input type="checkbox"/>	Removal of Excess Fee		_____
<input type="checkbox"/>	Conversion/Recharacterization		_____

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

\*The annual custodial fee will be borne by your Investment Advisor.

## EARNINGS

The method for computing and allocating annual earnings (e.g., interest, dividends) on your inherited 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 inherited IRA include the following.

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# TIMOTHY PLAN

*Investing with Biblical Principles*

## **HEADQUARTERS**

1055 Maitland Center Commons  
Maitland, FL 32751

**800.846.7526**

**[invest@timothyplan.com](mailto:invest@timothyplan.com)**  
**[timothyplan.com](http://timothyplan.com)**

## **SHAREHOLDER SERVICES**

The Timothy Plan  
c/o Ultimus Fund Solutions  
Post Office Box 541150  
Omaha, NE 68154

**800.662.0201**

### **APPLICATIONS MUST BE PRECEDED OR ACCOMPANIED BY A TIMOTHY PLAN PROSPECTUS.**

The prospectus containing more complete information on any of the Timothy Plan® mutual funds or portfolios, including sales charges and expenses, may be obtained from your financial adviser, from the Timothy Plan Sales Desk, 800-846-7526 or by downloading it from our web site at [timothyplan.com](http://timothyplan.com). Please read it carefully before investing. The Timothy Plan® is distributed by Timothy Partners, Ltd. Member FINRA.