



VANTAGE®

# Account Application

Date Stamp  
(Office use only)  
Rev. 2/2/2026

This is a fillable PDF form. To complete the form, click in an area and type.

New Client Existing Client

## Personal Information (All information in this section is required.)

Legal Name: \_\_\_\_\_  
First, Middle, Last

Legal Address: \_\_\_\_\_  
(P.O. Box not allowed. Must be legal residence)

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Mobile Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

By providing your mobile number, you agree to receive account related text messages. Message and data rates may apply. Reply STOP to opt out at any time. To Opt Out now check here:

Occupation (If retired, must state former occupation): \_\_\_\_\_ Industry: \_\_\_\_\_

County of Residence: \_\_\_\_\_ Marital Status: Single Married Widdowed or Divorced

## Account Type (Please select one.)

**Traditional IRA**  
(IRS Form 5305-A)

**Roth IRA**  
(IRS Form 5305-RA)

**SEP IRA**  
(IRS Form 5305-SPE needed to open account)

**SIMPLE IRA**  
(IRS Form 5305-Simple needed to open account)

**Health Savings Account** - Please select one of the following

**Self Coverage**

**Family Coverage** (IRS Form 5305-C)

**Beneficiary IRA** This option applies to beneficiaries of deceased parties only - Please select on of the following:

**Traditional IRA**

**Roth IRA**

Original IRA Holder: \_\_\_\_\_ Date of Passing: \_\_\_\_\_

## Application Fee

Visa

Master Card

Discover

Amex

Promo Code (If applicable): \_\_\_\_\_

Name On Card: \_\_\_\_\_

Card Number: \_\_\_\_\_ Exp: \_\_\_\_\_

Billing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## How Did You Hear About Us?

Referred by a friend or family? Yes No If yes, their name: \_\_\_\_\_  
First and Last Name

Are they a Vantage Client? Yes No

Workshop / Event: \_\_\_\_\_ Company Name: \_\_\_\_\_  
Event Name and Date

Advertisement: Bing Google Yahoo Facebook Linked In

## Beneficiary Designation

*If designating a Trust as the beneficiary, please include a copy of the Trust Abstract. If the Primary or Contingent box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. If more than one Primary Beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the Account. Multiple Contingent Beneficiaries with no share percentage indicated will also be deemed to share equally. Share percentages must equal 100%.*

Legal Name: \_\_\_\_\_ Primary Contingent Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Relationship: \_\_\_\_\_ Share: \_\_\_\_\_

Legal Name: \_\_\_\_\_ Primary Contingent Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Relationship: \_\_\_\_\_ Share: \_\_\_\_\_

Legal Name: \_\_\_\_\_ Primary Contingent Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Relationship: \_\_\_\_\_ Share: \_\_\_\_\_

## Spousal Consent (Only required if your spouse is not the primary beneficiary - see note below.)

The consent of spouse must be signed only if all of the following conditions are present:

- a. Your Spouse is living;
- b. Your Spouse is not the sole primary beneficiary named; and
- c. You and your spouse are residents of a community property state (such as AZ, CA, ID, LA, NV, NM, TX, WA, or WI).

I am the spouse of the account holder listed above. I hereby certify that I have reviewed the Beneficiary Designation and I understand that I have a property interest in the account. I hereby acknowledge and consent to the above Beneficiary Designation other than, or in addition to, myself as primary beneficiary. I further acknowledge that I am waiving part or all of my rights to receive benefits under this plan when my spouse dies.

I, \_\_\_\_\_ hereby consent to the above Beneficiary Designation.  
(Please type or print name.)

Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Interested Party Authorization

I hereby authorize Administrator to provide the individual and/or entity named below access to information contained in my account. I understand that this authorization relates only to information and that the named individual and/or entity may not conduct transactions on my behalf. I understand if an entity is named, any individual associated with the entity may receive information related to my account. I understand that I may revoke this authorization by providing written notice to Administrator at any time.

Interested Party Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_ Relationship: \_\_\_\_\_

# Appointment of Custodian, Investment Direction and Important Disclosures.

Your signature is required. Please read before signing.

The account holder shown on the front of this application must read this agreement carefully and sign and date this part. By signing this application, you acknowledge the following:

## Administrator Role:

I, the undersigned Account Owner, understand that Vantage Retirement Plans, L.L.C. ("Administrator") provides certain record keeping and administrative services in connection with self-directed retirement accounts on the behalf of the appointed custodian of the account ("Custodian"). I am making this application (my "Account Application") for Custodian to become the custodian of my self-directed retirement account (my "Account") and for Administrator to provide services to Custodian and me in connection with my Account. Custodian is identified in the IRS Form 5305 disclosed to and reviewed by me (the "Custodial Account Agreement"). I understand and acknowledge: (i) the Custodial Account Agreement is my separate agreement with Custodian and I consent to all its terms and conditions; (ii) Custodian may delegate certain responsibilities for my Account to Administrator under the Custodial Account Agreement; (iii) this Account Application, including the terms and conditions of the Documents (defined below), sets forth the terms of my relationship with Administrator; (iv) Administrator provides services as a record keeper and administrator, and no communication between me and Administrator, whether by e-mail, U.S. Mail, facsimile, direction/authorization letter, or otherwise, creates a contractual obligation of Administrator; (v) Administrator is a beneficiary of the terms and conditions of the Custodial Account Agreement; and (vi) Custodian is a beneficiary of the terms and conditions of this Account Application. For purposes of this Account Application, the terms Administrator and Custodian include their respective agents, assigns, licensees, and franchisees.

## Appointment:

I hereby appoint Custodian as the custodian of my Account and Administrator as the administrator of my Account. Administrator may change custodians at any time to any institution permitted by law. The appointment of Custodian and Administrator does not create a fiduciary relationship between me or my Account and Administrator or Custodian. I understand and agree that neither Administrator nor Custodian is a fiduciary to me or for my Account and/or my investment as such term is defined in the IRC, ERISA, and/or any applicable federal, state, or local law. I authorize Administrator to communicate with me by e-mail, and I will regularly monitor the e-mail address(es) that I provide to Administrator. I will deliver written notice to Administrator within ten (10) days of any change to the contact information I provide to Administrator, including, but not limited to, e-mail addresses, mailing addresses, and telephone numbers. Administrator may cease providing services and resign as administrator if I do not respond to written correspondence from Administrator or fail to pay any of Administrator's fees.

I hereby agree to participate in the Account offered by Custodian. I direct that all benefits upon my death be paid as stated above. If I designate a trust as a beneficiary, then I understand that I must disclose information regarding such trust to Administrator and Custodian. I authorize Administrator to deduct annual fees and other charges from my Account. I acknowledge and agree that I am responsible for determining my eligibility to participate in this Account, the amount and deductibility of any contributions made in connection with the Account, and the taxation of any distribution from my Account.

## Adequate Information:

I acknowledge that I have received a copy of the Fee Schedule and reviewed the appropriate IRS Form 5305 for my type of account, and that occasionally Administrator will provide additional documents and forms for my information and use in connection with my Account (documents provided or made available to me by Administrator regarding the administration of my Account are hereafter collectively referred to as the "Documents"). The Documents contain terms and conditions that apply to my Account, and I agree to be bound by those terms and conditions, as they may be amended from time to time. Failure to promptly notify Administrator in writing of my objection(s) to a term or condition of my Account Application or a Document is deemed a waiver of such an objection. If my Account Application pertains to an individual retirement account (an "IRA"), then I may revoke the Account Application without penalty by delivering written notice of the same to Custodian c/o Administrator within seven (7) days of the date of submission of the Account Application to Administrator. I have received sufficient information from Administrator to complete this Account Application. I have been afforded the opportunity to request information from Administrator and am satisfied with the information Administrator has provided to me.

## Responsibility for Tax Consequences:

I assume all responsibility for any tax consequences and/or penalties that may result from making contributions to, transactions with, or distributions from my Account. I am authorized and of legal age to establish this Account and purchase investments permitted under the Plan Agreement offered by Custodian. I assume complete responsibility for: (i) determining my eligibility for the Account transaction(s) that I direct Administrator to make on my behalf; (ii) ensuring all contributions I make are within the limits established by applicable tax laws and regulations; and (iii) the tax consequences of any contribution and distribution (including rollover contributions and distributions). I understand and acknowledge that no tax advice has been or will be provided to me by Administrator. I certify under penalty of perjury that: (i) I have provided Administrator with complete and accurate social security or tax identification number(s); and (ii) I am not subject to backup withholding because: (a) I am exempt from backup withholding; or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding because of a failure to report interest or dividends; or (c) the IRS has notified me that I am no longer subject to backup withholding. (Please note: you must cross out item (ii) if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return). I understand and acknowledge the IRS does not require my consent to any provision of this document other than the certification required to avoid backup withholding. If the Account is a rollover contribution, then I hereby irrevocably elect, pursuant to the requirements of Section 1.402(a)(5)-1T of the IRS regulations, to treat this contribution as a rollover contribution.

## Investment Instructions:

I hereby instruct Custodian to follow the investment directions that I provide to Administrator relating to my Account. Investment directions must be made in the form of an executed Administrator-approved direction letter. Administrator will not accept investment directions in any form other than an Administrator-approved Document. Administrator may accept and act in accordance with electronic copies of signed direction letters or other Documents. In taking any action related to my Account, Administrator and Custodian may act on my instruction, designation, or representation stated in an investment direction letter or other Document for the Account that has been delivered to Administrator. Administrator does not verify information and signatures supplied in an investment direction letter or other Document, and I am responsible for all damages associated with or arising from falsified or forged information and/or signatures in investment direction letters and other Documents delivered to Administrator regarding the Account. I understand that I am responsible for providing true, correct, and complete information in all instructions and other Documents delivered to Administrator and that Administrator and Custodian are not responsible for any damages caused by or related to incomplete or incorrect information, misleading, or impossible instructions, or falsified or forged information or signatures contained in a direction or other Document delivered to Administrator.

## Account Responsibility:

The Account is established for the exclusive benefit of me or my beneficiaries. I take complete responsibility for the type of investment instrument(s) that I choose to fund my Account. I further understand that my Account is self-directed and that Administrator and Custodian will not investigate, perform due diligence, or otherwise review or ascertain the legitimacy, quality, security, and/or suitability of any investment or the persons offering the investment. I am solely responsible for investigating and performing all due diligence and research that a reasonably prudent investor would undertake prior to making an investment and throughout the period an investment is held, including, but not limited to, completing title and lien searches and monitoring the status and compliance of the investment(s) and investment source(s). It is my responsibility to review investments for all investment risks, and to monitor my Account investments for status, risks, and compliance for the entire duration they are held in my Account. I understand and agree that Administrator and Custodian are not required to take any action should there be any default regarding an investment asset in my Account. Administrator is not responsible for any damages associated with use of the website [www.vantageiras.com](http://www.vantageiras.com) or its associated pages (the "Website"), including, but not limited to, inability to access the Website or inaccurate information.

## Release; Indemnification; Litigation Costs:

I understand and agree that Administrator does not and will not provide, through its website, workshops, or otherwise, any investment advice, structure, guidance, or strategies, or any tax advice, legal advice, due diligence, research, recording or title services, or endorsement of professional relationships ("Advisory Activities"). I understand and agree that Administrator has not made, through its website, workshops, or otherwise, any representations, warranties, promises, or guarantees regarding any investment, including, but not limited to, the quality and/or suitability of an investment, investment performance, preservation of capital, return on capital, feasibility of an investment strategy, security lien positions, placement of security interests, the credibility of business practices and/or ethics, or an investment's compliance with the Employee Retirement Income Securities Act ("ERISA"), the Internal Revenue Code ("IRC"), or any federal, state, or local law or regulation, including, but not limited to, applicable securities laws ("Investment Representations"). If I desire Advisory Activities and/or Investment Representations, then I will not look to nor rely on Administrator and will consult with independent legal, accounting, and/or financial professionals. I am aware of the transactions prohibited by Internal Revenue Code Section 4975 ("Prohibited Transactions") and warrant and represent that I will not participate in or request Administrator to participate in any Prohibited Transaction. Understanding and acknowledging that Administrator will not provide me with, and has at no time provided me with, any Advisory Activities, Investment Representations, or Prohibited Transactions, I fully, finally, and forever release and discharge Administrator from all claims relating to and arising from, in the broadest sense, Advisory Activities, Investment Representations, and Prohibited Transactions. I covenant not to sue or otherwise assert against Administrator, in any forum, any claim of any nature whatsoever, which I had, now have, or may purport to have related to or arising out of Advisory Activities, Investment Representations, or Prohibited Transactions. This release extends to all claims, whether known or unknown, past, present, or future. My release will remain effective as a full and complete release notwithstanding my discovery of new facts and/or claims.

If I elect to transfer assets from another custodian and/or administrator to the Account, then I hold harmless and fully indemnify Administrator and Custodian from and against claims, action, omissions, damages, liabilities, obligations, penalties, fines, judgments, deficiencies, losses, costs, expenses, assessments (including without limitation, interest, penalties, and reasonable attorneys' fees) arising from or relating to the transferred assets, in the broadest sense, prior to the date Custodian comes into possession of the assets designated for transfer to the Account. Neither Custodian nor Administrator has any duty or responsibility to investigate or take any action regarding actions or omissions completed by a prior custodian or administrator of accounts and assets held by me and/or for my benefit.

I further hold harmless and fully indemnify Administrator from and against all claims, actions, omissions, damages, liabilities, obligations, penalties, fines, judgments, deficiencies, losses, costs, expenses, assessments (including without limitation, interest, penalties, and reasonable attorneys' fees) arising from or relating to: (i) any action taken by Administrator or Custodian in reliance upon my instructions, designations, or representations; (ii) any action taken by Administrator or Custodian in exercising a right or power of Administrator or Custodian; (iii) any Advisory Activities, Investment Representations, or Prohibited Transaction; (iv) my actions or omissions in investigating, reviewing, and selecting investments; and (v) any action or omission of a third party regarding the Account or its assets; (vi) any claim made by a third-party related to my Account whereby Administrator or Custodian is named as a party.

In the event a claim, action, omission, damage, liability, obligation, penalty, fine, judgment, deficiency, loss, cost, expense, or assessment subject to the foregoing releases and indemnification (an "Indemnified Claim") is noticed or asserted, Administrator and Custodian may: (i) at their sole discretion, select their own attorneys to represent them regarding the Indemnified Claim(s); and deduct from my Account amounts sufficient to pay for any damages, costs, and expenses associated with such claim, including, but not limited to, all internal costs of Administrator and Custodian, and attorneys' fees and costs incurred by Administrator or Custodian, in connection with such claim (collectively, "Litigation Costs"). If there are insufficient funds in my Account to fully reimburse Administrator and Custodian for all Litigation Costs, then, upon demand by Administrator or Custodian, I will promptly reimburse Administrator and/or Custodian the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, then Administrator and Custodian may seize and/or liquidate any of my assets under their control, and/or initiate legal action to obtain full reimbursement of the Litigation Costs.

I understand and acknowledge that if the services of Administrator or Custodian were marketed, suggested, or otherwise recommended to me by a third-party, individual or entity, such as a financial representative or investment promoter, then all such persons are not and will not be construed as agents, employees, representatives, affiliates, partners, consultants, or subsidiaries of Administrator or Custodian. Neither Administrator nor Custodian is responsible for or bound by any statements, representations, warranties, or agreements, made by any such person.

If any provision of this Account Application is determined to be illegal, invalid, void, or unenforceable, then such provision is severed from this Account Application and such illegality or invalidity will not affect the remaining provisions of this Account Application, which will remain in full force and effect.

# Appointment of Custodian, Investment Direction and Important Disclosures. *(Continued)*

Your signature is required. Please read before signing.

The account holder shown on the front of this application must read this agreement carefully and sign and date this part. By signing this application, you acknowledge the following:

## Important Information for Opening a New Account:

To comply with the USA PATRIOT Act, Administrator has adopted a Customer Identification Program that requires all accounts include a copy of an unexpired, photo-bearing, government-issued identification of the Account holder. The copy must be legible to permit Administrator to identify Account Owner's name and driver's license number or state issued identification number.

## Electronic Communications, Signatures, and Records:

Subject to any limitations in Treasury Regulation section 1.401(a)-21 and other applicable federal law, I understand and acknowledge and the Account is subject to the Uniform Electronic Transactions Act, as passed in the state where the Administrator or Custodian is organized, and the federal Electronic Signature in Global and National Commerce Act (ESIGN Act, as contained in 15 U.S.C. 7001), as those laws pertain to electronic communication, electronic signatures, and electronic storage of Account records. Pursuant to applicable law, in lieu of the retention of the original records, Administrator and Custodian may cause any, or all, of its records, and records at any time in its custody, to be photographed or otherwise reproduced to permanent form, and any such photograph or reproduction has the same force and effect as the original thereof.

I acknowledge and agree that Administrator may monitor and record telephonic communications between me (or any Account representative) and Administrator for record-keeping, training, and quality assurance purposes, and I consent to the same. My consent is effective without regard to, and is not contingent upon, the disclosure and/or publication of notice at the time of telephonic communication.

I further consent to Administrator's disclosure of records regarding the Account when required by law, including under subpoenas and/or orders issued by state and/or federal agencies, or state and/or federal courts.

## Arbitration; Class Action:

Scope. I consent to the arbitration of any claim, controversy, dispute, or disagreement between me, the Account Owner, and Administrator (collectively the "Parties") arising out of and relating to the Account, the Account Application, the Documents, and/or the Custodial Account Agreement (each a "Dispute") under the terms and provisions set forth herein (the "Procedures") and in accordance with the Federal Arbitration Act. The Procedures do not preclude Administrator from seeking a temporary restraining order, injunction, or other equitable relief in state court or federal court for the breach of any duty, obligation, covenant, representation, or warranty, the breach of which may cause irreparable harm or damage to Administrator. All Disputes must be commenced within one (1) year after they accrue.

These Procedures do not apply to claims, controversies, disputes, or disagreements between me, the Account Owner, and persons other than the Administrator that arise out of or relate to the Account and/or investments made by me by or through the Account. I warrant and represent that I will not join or seek to add Administrator as a party, whether designated as indispensable or otherwise, to any legal proceeding or civil action between me, the Account Owner, and persons other than the Administrator that arise out of or relate to the Account and/or investments made by me by or through the Account.

Waiver. I acknowledge and agree that all Disputes not commenced within one (1) year after they accrue are waived by the Parties. I will only assert Disputes in my individual capacity and will not, and waive all right to assert, claims against Administrator in a class action or representative action in any forum, and I understand I have no right or authority to claim any Dispute be arbitrated on a class action or representative action basis. BY SIGNING THIS AGREEMENT, I, AS THE ACCOUNT OWNER, WAIVE ALL RIGHTS TO A JURY TRIAL AND ALL RIGHTS TO PARTICIPATE IN A CLASS ACTION OR REPRESENTATIVE ACTION.

Written Notice. If a Dispute occurs, then written notice of the Dispute must be delivered by the noticing Party (the "Claimant") to the other Party ("Respondent") by certified U.S. Mail, return receipt requested (a "Dispute Notice"). The Dispute Notice must identify the facts and claims that comprise the Dispute and the Claimant's requested remedy. Upon delivery of the Dispute Notice, the Parties must engage in good faith efforts to resolve the Dispute. If the Parties cannot resolve the Dispute within thirty (30) days following the Dispute Notice (the "Negotiation Period"), then the Parties must proceed to arbitration as set forth below.

Arbitration. A Dispute not resolved by agreement of the Parties will be resolved by means of binding arbitration before a single arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association, including the Rules for Emergency Measures of Protection, unless otherwise provided herein.

The Parties may mutually agree to appoint a qualified arbitrator. Unless otherwise agreed by the Parties, a qualified arbitrator is a retired federal or state court judge, or American Arbitration Association ("AAA") and/or National Academy of Distinguished Neutrals ("NADN") neutral, located in Arizona with at least fifteen (15) years of working experience related to commercial legal disputes. If the Parties do not mutually select an arbitrator for appointment within fifteen (15) days of the expiration of the Negotiation Period, then the arbitrator of the Dispute will be selected and appointed as follows: The Claimant will nominate one arbitrator and notify the Respondent of Claimant's nomination within twenty (20) days of the expiration of the Negotiation Period; the Respondent will within fifteen (15) days of Claimant's delivery of notice of nomination nominate one arbitrator and notify Claimant of Respondent's nomination; and the two nominated arbitrators will then confer amongst themselves and mutually nominate and appoint a third arbitrator and notify the Parties of the same within fifteen (15) days of Respondent's delivery of notice to Claimant. Unless otherwise provided herein, the third arbitrator will serve as the sole arbitrator to hear and decide the Dispute identified under the Dispute Notice (the "Arbitrator"). If Claimant fails to nominate an arbitrator and deliver notice of its nomination to Respondent within twenty (20) days of the expiration of the Negotiation Period, then all claims asserted by Claimant under the Dispute Notice will be deemed waived. If Respondent fails to timely nominate an arbitrator and provide notice of the same to Claimant under the Procedures, then the arbitrator timely nominated by Claimant will be appointed and serve as the Arbitrator. If one or both Parties' nominated arbitrators fail to appoint and notice the appointment of a third arbitrator, then the Dispute will be submitted to the AAA by the Party that noticed the Dispute, and the AAA will select and appoint the Arbitrator under its applicable rules.

The arbitration must be held in the Phoenix, Arizona metropolitan area and, unless otherwise provided herein, the Dispute is governed by Arizona law. The arbitration proceedings and arbitration award must be maintained by the Parties as strictly confidential, except as otherwise required by court order or as is necessary to confirm, vacate, or enforce the arbitration award and for disclosure in confidence to the Parties' respective attorneys, tax advisors, and senior management and to immediate family members of a Party who is an individual.

The Arbitrator will require exchange of disclosure statements by the Parties that conform with Arizona Rule of Civil Procedure 26.1 within forty-five (45) days following the appointment of the Arbitrator. All discovery must be completed within one hundred-twenty (120) days following the appointment of the Arbitrator, unless the Arbitrator otherwise determines for good cause. Any dispute or objections regarding discovery or the relevance of evidence will be determined by the Arbitrator. The final decision of the Arbitrator must be reduced to writing, include findings of fact and conclusions of law, and identify the prevailing Party for an award of attorneys' fees and costs. The prevailing Party is entitled to an award of his/her/its reasonable attorneys' fees and costs. The decision of the Arbitrator is binding on the Parties and not subject to appeal. Judgment upon the award(s) rendered by the Arbitrator may be entered and execution had in any court of competent jurisdiction and application may be made to such court(s) for a judicial acceptance of the award and an order of enforcement. The Arbitrator is not authorized to award punitive or other damages not measured by the prevailing party's actual damages. The Arbitrator has no authority to consider a class action or representative action by one or more Parties or otherwise preside over any form of a class or representative proceeding. All privileges under state and federal law, including attorney-client and work-product privileges, will be preserved and protected to the same extent that such privileges would be protected in a federal court proceeding applying the state laws of Arizona.

Under penalty of perjury, I certify that I have examined this Account Application, including all accompanying documents, and to the best of my knowledge and belief, the Account Application is true, correct, and complete. I have carefully read this document and I understand its contents, and I have not executed this Account Application under any duress, pressure, or fraud. I understand that upon signing below, this document becomes a legally enforceable agreement under which I will give up rights and potential claims. I have been encouraged to have legal counsel review this agreement before signing it. I understand that no person associated with Administrator or Custodian has authority to agree to anything different than as set forth in this Account Application.

**PRINT, SIGN, AND MAIL THIS FORM TO ADMINISTRATOR. THIS FORM CONTAINS SENSITIVE FINANCIAL INFORMATION.**

**Account Owner's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*An incomplete application will be discarded if not completed within 30 days of submitting. A new application will be required to open an account.*

**Vantage, as agent for Custodian:** \_\_\_\_\_ **Date:** \_\_\_\_\_



VANTAGE®

# Fee Schedule

Date Stamp  
(Office use only)  
Rev. 1/29/2026

## Account Owner Information (As it appears on your account application)

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_ Middle Initial: \_\_\_\_\_

## Account Fees

<b>Account Setup Fee</b> (Non-refundable account application fee)	<b>\$50</b>
<b>Annual Administration Fee</b> (Due upon account funding)	
Per Asset	<b>\$450</b>
Per Mortgage Liability	<b>\$150</b>
<i>Maximum Annual Administration Fee \$2,250</i>	

## Transaction Fees

Purchase, Sale, Exchange, Payoff, or Reregistration of Any Asset or Liability (For the addition or removal of an asset)	<b>\$175</b>
Roth Conversion or Recharacterization (Including partial requests)	<b>\$75</b>
Reregistration to Beneficiary Account	<b>\$125</b>
Domestic Wire Transfers	<b>\$50</b>
International Wire Transfers	<b>\$75</b>
Cashier's Checks	<b>\$50</b>
Check Fee or ACH Transfers (No Check / ACH Fee for Required Minimum Distributions)	<b>\$10</b>
Overnight Mail / Certified Mail	<b>\$45 minimum / \$15</b>
Returned Items or Stop Payment Requests	<b>\$50</b>
Tax Form Corrections	<b>\$50 each</b>
Legal Research Fee (3 hour minimum - \$150 per additional hour)	<b>\$450 minimum / \$150</b>
Custom Research Fee (5 hour minimum - \$75 per additional hour)	<b>\$350 minimum / \$75</b>
Full Account Termination (All assets are removed and the account is closed. An account cannot remain open with a zero market value. Annual administration fees are not prorated)	<b>\$250</b>
Outgoing Transfer / Rollover (For all Cash / In-Kind Transfers or Rollovers)	<b>\$100</b>
Specialized Distributions (In-Kind Distributions, Removal of Excess / Non-Deductible Contribution, Distribution due to Divorce / Legal Separation and Substantially Equal Payments)	<b>\$100</b>
Late Fee on Outstanding Invoices	<b>\$35</b>
Late or Incomplete Fair Market Valuation Submission (Assessed May 1st)	<b>\$125 per account</b>

## Pay Fees From

**Credit Card:**                      Visa                      MC                      Discover                      AMEX

**Name On Card:** \_\_\_\_\_

**Card Number:** \_\_\_\_\_ **Exp.:** \_\_\_\_\_

**Billing Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

Note: By adding your credit card information, you are authorizing Vantage to keep the information on file for the payment of future fees.

## Signature

Vantage Retirement Plans, LLC (“Administrator”) performs recordkeeping and administration duties in connection with Account Owner’s self-directed account (the “Account”) on behalf of the custodian (“Custodian”) as set forth in Account Owner’s account application (the “Account Application”). The terms and conditions of this document are incorporated into the Account Application, and the terms and conditions of the Account Application are incorporated herein.

The Custodian is entitled to receive, from the assets held in your Account, a fee equal in amount to all income that is generated from any Undirected Cash (defined as any cash in your Account not invested pursuant to a specific investment direction by you, the Account holder) which is held by Custodian in an account or product of an FDIC or other United States government insured financial institution, United States government security, or security that is insured or guaranteed by the United States government (“Custodial Fee”). The Custodial Fee is associated with cash management activities, including, but not limited to, account maintenance, depository bank selection, transaction processing, subaccounting, recordkeeping, and other services performed under the terms of this Agreement and your Account Application. Custodian retains the right, but does not have the obligation, to reduce this fee by rebating a portion of the Custodial Fee into your Account. You agree that the Custodial Fee may be retained by Custodian as compensation for the services provided by Custodian under this Agreement and your Account Application. Custodian may pay all or an agreed portion of Custodial Fee to Administrator as agreed between Custodian and Administrator. Custodian reserves the right to change all or part of the Custodial Fee at its discretion. If changes adversely affect any clients, 30 days written notice of the change will be provided.

### **FEES WILL BE DEDUCTED FROM YOUR ACCOUNT UNLESS OTHER ARRANGEMENTS HAVE BEEN MADE.**

Minimum account balances may apply. Annual administration fees may be prepaid from your Account and not prorated. For your convenience, your annual fee will be reflected on your statements showing your administration charges. You may pay the amount shown on the statement.

If you have previously provided a credit card to be kept on file for payment of fees associated with your Account and the credit card is declined, the Administrator reserves the right to deduct these fees from your Account. If there are insufficient funds in your Account, we may liquidate other assets to pay for such fees. All Undirected Cash is maintained by Custodian at FDIC insured banks. Fees are subject to change.

Accounts that are not funded or that maintain a zero balance for sixty (60) days may be subject to closure.

*In accordance with your Account Application, this Fee Disclosure is part of your Agreement with Administrator and must accompany your Account Application.*

**PLEASE SIGN AND RETURN THIS FORM TO THE VANTAGE OFFICE**

Account Owner’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## VANTAGE®

### Safekeeping Your Confidentiality

#### Privacy Policy

Vantage Retirement Plans, LLC (“we” or “us”) respects your desire for privacy and is committed to maintaining the confidentiality of your personal financial information. We believe the protection of customer information is a priority. As such, it is one of our fundamental business responsibilities as we strive to offer you the best IRA administration and recordkeeping services. This document outlines our Privacy Policy for maintaining your information.

**Information We May Collect.** To better understand your needs, administer our business, process transactions, and provide you with services, we collect non-public personal information about you from applications, questionnaires, or other forms submitted to us (through our website or otherwise) and your transactions with us or others. Non-public personal information may include information such as your name, postal address, e-mail address, social security number, assets, income, account balances, and account history.

**Our Disclosure of That Information.** We may disclose some of the information described above, such as your name and address, to affiliated companies that perform recordkeeping, marketing, mailings and other services on our behalf. We do not provide account or personal information to non-affiliated companies for the purpose of telemarketing or direct mail marketing.

We may disclose information about you, your accounts, and your transactions: (a) where it is necessary or helpful to effect, process, or confirm your transactions; (b) to verify the existence, history, and condition of your account for credit reporting agencies; (c) to comply with legal process, such as subpoenas and court orders; (d) to law enforcement authorities if we believe a crime has been committed; (e) if you give us your consent; and (f) as otherwise permitted by law.

We do not disclose non-public personal information about our current or former customers to others, except as set forth in this policy. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

**Maintaining Accurate Information.** We have procedures in place that help us to maintain the accuracy of the personally identifiable information that we collect. Please contact us at (866) 459-4580 if you believe that our information about you is incomplete, out-of-date, or incorrect.

**Information Security.** We restrict access to your non-public personal information to those employees who have a need to know such information (e.g., to process your transactions or provide services to you). We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information.

**Changes to this Policy.** We may add to, delete, or change the terms of this Privacy Policy from time to time. We will notify you by mail within 30 days of any changes.

**Questions.** We value our customer relationships. If you have any questions regarding this Policy, please call us at (866) 459-4580. You can also write to us at Vantage Retirement Plans, LLC, 8742 E. Via de Commercio, Scottsdale, AZ 85258.

# Traditional Individual Retirement Custodial Account

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

## Article I

1.01 Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For tax years after 2017; these limits will be increased to reflect a cost-of-living adjustment, if any.

## Article II

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

## Article III

3.01 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)).

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

## Article IV

4.01 Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

4.02 The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70 1/2. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

(a) A single sum; or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

4.03 If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

(1) The designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph 4.03(a)(3) below, if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph 4.03(a)(3) below, over such period.

(2) The designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph 4.03(a)(3) below if longer.

(3) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

(b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (1) below or, if elected or there is no designated beneficiary, in accordance with paragraph (2) below:

(1) The remaining interest will be distributed in accordance with paragraphs 4.03 (a)(1) and 4.03 (a)(2) above (but not over the period in paragraph 4.03(a)(3), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70 1/2. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph 4.03(a)(2) above (but not over the period in paragraph 4.03(a)(3), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with 4.03(b)(2) below if there is no such designated beneficiary.

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

4.04 If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is other than the Depositor's surviving spouse, no additional contributions may be accepted in the account.

4.05 The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:

(a) The required minimum distribution under paragraph 4.02(b) for any year, beginning with the year the Depositor reaches age 70 1/2, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph 4.05 (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 4.03(a) and 4.03(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70 1/2, if applicable under paragraph 4.03(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 4.03(a) and 4.03(b)(i).

(c) The required minimum distribution for the year the Depositor reaches age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

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

## Article V

5.01 The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulation sections 1.408-5 and 1.408-6.

5.02 The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

#### Article VI

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

#### Article VII

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

#### Article VIII

8.01 **Applicable Law:** This Custodial Agreement is subject to all applicable federal laws and regulations and shall be governed by and construed under the applicable laws of the state of Washington, where the Custodian is organized. The term Depositor also includes the Depositor's Beneficiary(ies), where appropriate throughout this Agreement. Any lawsuit filed against or by Custodian or Administrator shall only be instituted in the district or county courts of Chelan County, Washington, where Custodian maintains its principal office, and Depositor agrees to submit to such jurisdiction both in connection with any such lawsuit which Depositor may file and in connection with any lawsuit which Custodian or Administrator may file against Depositor.

8.02 **Custodian and Administrator:**

(a) The Custodian for the Custodial Account is Foundation Trust Company, LLC

(b) The Administrator for the Custodial Account is Vantage Retirement Plans, LLC, an Arizona corporation.

8.03 **Agent for the Custodian:** The Custodian has appointed the Administrator to act as agent for the Custodian for the purpose of performing administrative or other custodial-related services with respect to the Custodial Account for which the Custodian otherwise has responsibility under this Agreement. All limitations of duties to the Depositor, and releases or indemnifications of the Custodian by the Depositor in this Agreement shall apply equally to the Administrator. The administrator shall perform duties on behalf of the Custodian which include, but are not limited to, executing applications or adoption agreements, transfers, stock powers, escrow accounts, purchase agreements, notes, deeds, conveyances, liens, placing assets or liabilities in the Administrator's name for the benefit of the Depositor to provide administrative feasibility for such transactions, depositing contributions, and income, paying liabilities and distributions and government reporting for Depositors who have established a Custodial Account with the Custodian.

8.04 **Annual Accounting:** The Custodian shall, at least annually, provide the Depositor or Beneficiary (in the case of death) with an accounting of such Depositor's account. Such accounting shall be deemed to be accepted by the Depositor or Beneficiary, if the Depositor or Beneficiary does not object in writing within 60 days after the mailing of such accounting statement.

8.05 **Amendment:** The Depositor irrevocably delegates to the Custodian the right and power to amend this Custodial Agreement. Except as hereafter provided, the Custodian will give the Depositor 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Depositor of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor shall be deemed to have consented to any such amendment unless the Depositor notifies the Custodian to the contrary within 30 days after notice to the Depositor and requests a distribution or transfer of the balance in the account.

8.06 **Resignation and Removal of Custodian:**

(a) The Custodian may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing agreement selected by the successor trustee or custodian by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor trustee or custodian and notify the Custodian of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.

(b) The Depositor may at any time remove the Custodian and replace the Custodian with a successor trustee or custodian of the Depositor's choice by giving 30 days' notice of such removal and replacement. The Custodian shall then deliver the assets of the account as directed by the Depositor. However, the Custodian may retain a portion of the assets of the IRA as a reserve for payment of any anticipated remaining fees and expenses and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.

(c) The Custodian may resign and demand that the Depositor appoint a successor trustee or custodian of this IRA by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor trustee or custodian, notify the Custodian of the name and address of the successor trustee or custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian of an individual retirement account.

(i) If the Depositor designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or custodian.

(ii) If the Depositor does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution.

In either case, the Custodian may expend any assets in the account to pay expenses of transfer (including re-registering the assets and preparation of deeds, assignments, and other instruments of transfer or conveyance) to the successor trustee or custodian or the Depositor, as the case may be. In addition, the Custodian may retain a portion of the assets as a reserve for payment of any anticipated remaining fees and expenses. Upon satisfaction of such fees and expenses, the Custodian shall pay over any remainder of the reserve to the successor trustee or custodian or to the Depositor, as the case may be.

(d) Administrator may at any time select a qualified successor custodian by giving the Depositor and Custodian written notice at least 30 days prior to the effective date of such appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire Custodial Account balance or designate a different successor trustee or custodian and notify the Custodian and Administrator of such designation. If the Depositor does not request distribution of the Custodial Account balance or notify the Administrator of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the Custodial Account to the successor custodian. The

successor custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.

**8.07 Custodian's Fees and Expenses:**

- (a) The Depositor agrees to pay the Custodian any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this IRA, including any fees for distributions from, transfers from, and terminations of this IRA. The Custodian may change its fee schedule at any time by giving the Depositor 30 days prior written notice.
- (b) The Depositor agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, a valuation fee from a qualified independent third party appraiser pursuant to section 8.02, and any taxes of any kind whatsoever that may be levied or assessed with respect to such account.
- (c) All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the Depositor, but the Depositor shall be responsible for any deficiency.
- (d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian reserves the right to withhold any payment from the Custodial account, to request a court ruling to determine the disposition of the Custodial account assets, and to charge the Custodial account for any expenses incurred in obtaining such legal determination.
- (e) The Custodian shall be entitled to receive, from the assets held in the Custodial Account, a fee equal in amount to all income that is generated from any Undirected Cash (defined as any cash in the Custodial Account not invested pursuant to a specific investment direction by Depositor) which has been deposited by Custodian into FDIC or other United States government insured financial institutions, United States government securities, or securities that are insured or guaranteed by the United States government, as provided in Section 9.01(b) below. Custodian's fees from the Undirected Cash in the Custodial Account are associated with cash management activities, including, but not limited to, account maintenance, depository bank selection, transaction processing, sub-accounting, record keeping, and other services performed under the terms of this Agreement. Custodian retains the right, but does not have the obligation, to reduce this fee by rebating a portion of the fee into the Custodial Account. The Depositor agrees that this fee may be retained by the Custodian as compensation for the services provided by Custodian under this Agreement. The Custodian may pay all or an agreed portion of this fee to the Administrator as agreed between the Custodian and the Administrator. The Custodian reserves the right to change all or part of the Custodial Fee Schedule at its discretion with 30 days advance written notice to Depositor.
- (f) In addition to any portion of the Custodian's fee that the Administrator receives from the Custodian as provided in Section 8.07(e), the Administrator shall be entitled to fees for account opening, asset purchases and sales, distributions, transfers, terminations, and annual administration of the Custodial Account, along with other miscellaneous fees, as disclosed in a fee schedule provided by the Administrator to the Depositor. The Administrator may change its fee schedule at any time by giving the Depositor 30 days prior written notice. If payment is not received on the due date reflected on an invoice, a past due notice will be mailed to Depositor and a late fee equal to \$35 shall be assessed to the Custodial Account. Additionally, assets may be liquidated from the account, without notice, for any outstanding fee which has not been paid. If fees are not paid within thirty (30) days after Administrator has mailed the past due notice, Administrator will begin the process of closing the Custodial Account. Any asset distributed directly to Depositor as part of closing the Custodial Account will be reported to the IRS on Form 1099-R and may subject the Depositor to possible taxes and penalties. Accounts with past due fees, unfunded accounts, and accounts with zero value will continue to incur administration fees until such time as Depositor notifies Administrator (on a form prescribed by Custodian) of Depositor's intent to close the account or until Custodian resigns.

**8.08 Withdrawal Requests:** All requests for withdrawal shall be in writing on a form provided by the Custodian. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested. The Custodian reserves the right to reject any withdrawal request it may deem appropriate and to apply to a court of competent jurisdiction to make a determination with respect to the proper party eligible to receive a distribution from the account.

**8.09 Age 70 1/2 Default Provisions:** If the Depositor does not choose any of the distribution methods under Article IV of this Custodial Agreement by the April 1st following the calendar year in which the Depositor reaches age 70 1/2, distribution shall be determined based upon the distribution period in the uniform lifetime distribution period table in Regulation section 1.401(a)(9)-9. However, no payment will be made until the Depositor provides the Custodian with a proper distribution request acceptable to the Custodian. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account. Upon receipt of such distribution request, the Depositor may switch to a joint life expectancy in determining the required minimum distribution if the Depositor's spouse was the sole beneficiary as of the January 1<sup>st</sup> of the distribution calendar year and such spouse is more than 10 years younger than the Depositor.

**8.10 Death Benefit Default Provisions:**

- (a) If the Depositor dies before his or her required beginning date and the beneficiary does not select a method of distribution described in Article IV, Section 4.03(b)(i) or (ii) by the December 31st following the year of the Depositor's death, then distributions will be made pursuant to the single life expectancy of the Designated Beneficiary determined in accordance with IRS regulations. However, no payment will be made until the beneficiary provides the Custodian with a proper distribution request acceptable to the Custodian and other documentation that may be required by the Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.
- (b) If the Depositor dies on or after his or her required beginning date, distribution shall be made in accordance with Article IV, Section 4.03(a). However, no payment will be made until the beneficiary provides the Custodian with a proper distribution request acceptable to the Custodian and other documentation that may be required by the Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.

**8.11 Transitional Rule for Determining Required Minimum Distributions for Calendar Year 2002:** Unless the Custodian provides otherwise, if a Depositor (or beneficiary) is subject to required minimum distributions for calendar year 2002, such individual may elect to apply the 1987 proposed regulations, the 2001 proposed regulations, or the 2002 final regulations in determining the amount of the 2002 required minimum. However, the Custodian, in its sole discretion, reserves the right to perform any required minimum distribution calculations through its data systems or otherwise based upon any of the three sets of regulations delineated in the previous sentence.

**8.12 Responsibilities:**

Depositor agrees that all information and instructions given to the Custodian by the Depositor is complete and accurate and that the Custodian shall not be responsible for any incomplete or inaccurate information provided by the Depositor or Depositor's beneficiary(ies). Depositor and Depositor's beneficiary(ies) agree to be responsible for all tax consequences arising from contributions to and distributions from this Custodial Account and acknowledges that no tax advice has been provided by the Custodian.

**8.13 Designation of Beneficiary:**

- (a) Except as may be otherwise required by State law, in the event of the Depositor's death, the balance in the account shall be paid to the beneficiary or beneficiaries designated by the Depositor on a beneficiary designation form acceptable to and filed with the Custodian. The Depositor may change the Depositor's beneficiary or beneficiaries at any time by filing a new beneficiary designation with the Custodian. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Depositor, or if the Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the account will be payable to the Depositor's estate.
- (b) If the Custodian permits, in the event of the Depositor's death, any beneficiary may name a subsequent beneficiary(ies) to receive the balance of the account to which such beneficiary is entitled upon the death of the original beneficiary by filing a Subsequent Beneficiary Designation Form acceptable to and filed with the Custodian. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment

schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. In no event can any subsequent beneficiary be treated as a designated beneficiary of the Depositor. The preceding sentence shall not apply with respect to the subsequent beneficiary(ies), if any, designated by the original spouse beneficiary where the Depositor dies before his or her required beginning date. In this case, the original spouse beneficiary is treated as the Depositor. If the balance of the account has not been completely distributed to the original beneficiary and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.

## ARTICLE IX SELF-DIRECTED IRA PROVISIONS

### 9.01 **Investment of Contributions:**

- (a) At the direction of the Depositor (or the direction of the beneficiary upon the Depositor's death), the Custodian shall invest all contributions to the Custodial Account and earnings thereon in investments that are acceptable to the Custodian, and that are considered administratively feasible by the Custodian, which may include but are not limited to marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), certificates of deposit, real estate, deeds of trust, mortgages, unsecured notes, limited partnerships, limited liability companies, private stock, other private placement offerings, and other investments to which the Custodian consents, in such amounts as are specifically selected and specified by the Depositor in orders to the Custodian in such form as may be acceptable to the Custodian, without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a trust investment. The Custodian shall be responsible for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received as required, or, if received, are unclear in the opinion of the Custodian, or if there is insufficient Undirected Cash in the Custodial Account to comply with such orders, all or a portion of the contribution may be held uninvested without liability for loss of income or appreciation, and without liability for interest pending receipt of such orders or clarification, or the contribution may be returned. The Custodian and the Administrator shall have no duty other than to follow the written investment directions of the Depositor and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Depositor under any circumstances.
- (b) Depositor hereby acknowledges and agrees that Custodian will deposit all Undirected Cash in the Custodial Account into pooled deposit accounts at one or more FDIC or other United States government insured institutions or in United States government securities or in securities that are insured or guaranteed by the United States government pending further investment direction by Depositor. All income generated by Undirected Cash in Custodian's pooled deposit accounts shall be retained by Custodian as fees, as described in paragraph 8.07(e) above. Depositor authorizes Custodian to transfer any Undirected Cash in the Custodial Account into any FDIC insured financial institution or in United States government securities or in securities that are insured or guaranteed by the United States government without any further approval or direction by the Depositor.

9.02 **Indemnification:** The Custodian and Administrator shall have no duty other than to follow the written instructions of the Depositor, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Depositor under any circumstances. By performing services under this Agreement, the Custodian and the Administrator are acting as the agent of Depositor, and nothing in this Agreement shall be construed as conferring fiduciary status on the Custodian or the Administrator. Depositor agrees to indemnify and hold harmless the Custodian and the Administrator from any and all claims, damages, liability, actions, costs, expenses (including reasonable attorneys' fees) and any loss to the Custodial Account, to the Depositor or to Depositor's beneficiary(ies) as a result of any action taken (or omitted to be taken) pursuant to and/or in connection with any investment transaction directed by Depositor or Depositor's investment advisor or resulting from serving as the Custodian or the Administrator, including, without limitation, claims, damages, liability, actions and losses asserted by the Depositor or the Depositor's beneficiary(ies).

9.03 **Registration:** All assets of the Custodial Account shall be registered in the name of the Custodian, or in the name of the Administrator, who shall be the nominee of the Custodian for purposes of holding assets of the Custodial Account. The same Administrator may be the nominee of the Custodian with respect to the holding of assets of other investors whether or not held under agreements similar to this one or in any capacity whatsoever; and the Custodian may commingle the assets so held to the extent permitted by law. However, the Custodial Account and each other account or asset so held shall each be separate and distinct; a separate account therefore shall be maintained by the Custodian (or by the Administrator on behalf of the Custodian). The assets of the Custodial Account may be held by the Custodian in individual or bulk segregation either in the Custodian's vaults or vaults of the Custodian's agent or through brokerage accounts of entities permitted to hold assets of the applicable type under the Securities Exchange Act of 1934 or the Commodities Exchange Act.

9.04 **Investment Advisor:** The Depositor may appoint an Investment Advisor, qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct the investment of the Custodial Account or any specified portion of the Custodial Account. The Depositor shall notify the Custodian in writing of any such appointment by providing the Custodian a copy of the instruments appointing the Investment Advisor and evidencing the Investment Advisor's acceptance of such appointment, an acknowledgment by the Investment Advisor that it is a fiduciary of the account, and a certificate evidencing the Investment Advisor's current registration under the Investment Advisor's Act of 1940. The Custodian shall comply with any investment directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Depositor that the Investment Advisor's appointment has been terminated. The Custodian and the Administrator shall have no duty other than to follow the written investment directions of such Investment Advisor and shall be under no duty to question said instructions, and the Custodian and Administrator shall not be liable for any investment losses sustained by the Depositor as a result of following the written investment directions of the Depositor's Investment Advisor.

9.05 **No Investment Advice:** The Depositor acknowledges and agrees that the Custodian and the Administrator do not provide or assume responsibility for any tax, legal or investment advice with respect to the investments and assets in the Custodial Account and shall not be liable for any loss which results from the Depositor's exercise of control over the Custodial Account. The Depositor and the Depositor's beneficiary(ies) release, indemnify and agree to hold the Custodian and the Administrator harmless in the event that any investment or sale of the assets in the Custodial Account pursuant to a direction by the Depositor or the Depositor's Investment Advisor violates any federal or state law or regulation or otherwise results in a disqualification, penalty, tax or fine imposed upon the Custodian, the Administrator, the Depositor or the Custodial Account.

9.06 **Prohibited Transactions:** The Depositor acknowledges and agrees that the Custodial Account is subject to the provisions of Internal Revenue Code §4975(c), which defines certain prohibited transactions. Depositor acknowledges and agrees that the Custodian and the Administrator shall make no determination as to whether any transaction or investment in the Custodial Account is prohibited under IRC sections 4975(c), 408(e) or 408A, or under any other state or federal law. The Depositor understands that should the Custodial Account engage in a prohibited transaction, and depending on the type of prohibited transaction, certain assets of the Custodial Account will be deemed to have been distributed and will be subject to taxes as well as possible penalties. The Depositor agrees that he or she will consult with a tax or legal professional of the Depositor's choice to ensure that none of the investments in the Custodial Account will constitute a prohibited transaction and that the investments in the Custodial Account comply with all applicable federal and state laws, regulations and requirements.

9.07 **Unrelated Business Income Tax:** The Depositor acknowledges and agrees that the Custodial Account is subject to the provisions of Internal Revenue Code Sections 511-514 relating to Unrelated Business Taxable Income (UBTI) of tax-exempt organizations. If the Depositor directs the Custodian to make an investment in the Custodial Account which generates UBTI, the Depositor agrees to prepare or have prepared the required IRS Form 990-T tax return, an application for an Employer Identification Number (EIN) for the Custodial Account (if not previously obtained), and any other documents that may be required, and to submit them to the Custodian for filing with the Internal Revenue Service at least ten (10) days prior to the date on which

- the return is due, along with an appropriate directive authorizing the Custodian to execute the forms on behalf of the Custodial Account and to pay the applicable tax from the assets in the Custodial Account. Depositor understands and acknowledges that the Custodian and the Administrator do not make any determination of whether or not investments in the Custodial Account generate UBTI; have no duty to and do not monitor whether or not the Custodial Account has incurred UBTI; and do not prepare Form 990-T on behalf of the Custodial Account.
- 9.08 **Disclosures and Voting:** The Custodian shall deliver, or cause to be executed and delivered, to Depositor all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian shall not vote any shares of stock or take any other action, pursuant to such documents, with respect to such assets except upon receipt by the Custodian of adequate written instructions from Depositor.
- 9.09 **Miscellaneous Expenses:** In addition to those expenses set out in Section 8.07 of this plan, the Depositor agrees to pay any and all expenses incurred by the Custodian in connection with the investment of the account, including expenses of preparation and filing any returns and reports with regard to unrelated business income, including taxes and estimated taxes, as well as any transfer taxes incurred in connection with the investment or reinvestment of the assets of the account.
- 9.10 **Valuations:** The assets in the Custodial Account must be valued by Depositor annually at the end of each calendar year in accordance with section 408(i) and other guidance provided by the IRS, and Custodian retains the right to request and secure from Depositor a valuation of the assets in the Custodial Account more frequently. Custodian and Administrator are not obligated to complete any valuation of assets in the Custodial Account. Custodian relies on and reports to the IRS the values the Depositor secures and reports to Administrator. Depositor must provide the year-end value of all assets in the Custodial Account to Administrator by no later than the January 10th of the following year. If Depositor does not deliver year-end Custodial Account asset values required under section 408(i) to Administrator by January 10th of the following year, or otherwise timely deliver Custodial Account asset values requested by Custodian, then Custodian and/or Administrator may resign and Custodian may distribute Custodial Account assets to you. Upon written instruction from Depositor, Custodian may in its sole discretion (but is not required to) secure a fair market value of Custodial Account assets from third-party pricing sources and valuation agents designated by Depositor. Custodian and/or Administrator may charge Depositor a fee for such actions. Custodian and Administrator make no representations regarding the accuracy of values obtained from any source, including those designated by Depositor. If Depositor fails to timely provide the year-end value of all assets in the Custodial Account to Administrator as provided herein, then Depositor will be deemed to have certified as accurate and current as of the year-end the Custodial Account asset value last reported to the IRS or to Administrator by Depositor (whichever is later) and authorized Custodian to report that same value to the IRS as true and correct. Depositor releases and indemnifies Custodian and Administrator from all claims arising out of or relating to valuations of assets in the Custodial Account or the reporting of Custodial Account asset value to the IRS, and covenants not to directly or indirectly sue for or otherwise assert against Custodian or Administrator, in any forum, claims which Depositor had, now has, or may claim to have against Custodian or Administrator, arising out of or related to the same. This release extends to all claims, whether known or unknown, present or future. This release remains in effect as a full and complete release notwithstanding the discovery of additional facts or claims. Depositor indemnifies and holds harmless Custodian and Administrator from and against all damages, liabilities, obligations, penalties, fines, judgments, claims, deficiencies, losses, costs, expenses, investigations, audits, assessments (including without limitation, interest, penalties, and reasonable attorneys' fees) arising out of or resulting from any valuation of or reported value of assets in the Custodial Account, and must fully answer, defend, satisfy, pay, and otherwise resolve the same.
- 9.11 **Insurance, Tax and Other Payments:** Custodian and Administrator shall not bear or assume any responsibility to notify Depositor or to secure or maintain any fire, casualty, liability or other insurance coverage, including but not limited to title insurance coverage, on any real or personal property owned in the Custodial Account or on any property which serves as collateral under any mortgage, deed of trust, or other security instrument with respect to any promissory note or other evidence of indebtedness in the Custodial Account. Depositor acknowledges and agrees that it is the responsibility of Depositor to decide what insurance is necessary or appropriate for any investment in the Custodial Account, and to direct Custodian in writing (on a form prescribed by Custodian) to pay the premiums for any such insurance. Custodian and Administrator shall not be responsible for notification or payments of any real estate taxes, homeowners' association dues, utilities or other charges with respect to any investment held in the Custodial Account unless Depositor specifically directs the Custodian to pay the same in writing (on a form prescribed by Custodian), and sufficient funds are available to pay the same from the Custodial Account. Depositor acknowledges and agrees that it shall be Depositor's responsibility to provide to Custodian or to ensure that Custodian has received any and all bills for insurance, taxes, homeowner's dues, utilities or other amounts due for assets held in the Custodial Account. Furthermore, Depositor agrees that it shall be Depositor's responsibility to determine that payments have been made by verifying the payments via Depositor's Custodial Account statements.

#### Article X Miscellaneous Provisions

- 10.01 **Electronic Communications, Signatures, and Records:** Subject to any limitations contained in Treasury Regulation section 1.401(a)-21 and any other applicable federal or state law or regulation, Depositor acknowledges and agrees that the Custodial Account shall be subject to the provisions of the Uniform Electronic Transactions Act, as passed in the state where the Custodian is organized (Revised Code of Washington (RCW) Chapter 1.80, et seq.), and the federal Electronic Signature in Global and National Commerce Act (ESIGN Act, as contained in 15 U.S.C. 7001), as those laws pertain to electronic communication, electronic signatures, and electronic storage of Custodial Account records. Pursuant to RCW Section 1.80.120, in lieu of the retention of the original records, Custodian may cause any, or all, of its records, and records at any time in its custody, to be photographed or otherwise reproduced to permanent form, and any such photograph or reproduction shall have the same force and effect as the original thereof and may be admitted in evidence equally with the original.
- 10.02 **Severability:** If any provision of this Custodial Account Agreement is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions which shall remain in full force and effect. Neither Depositor's or Custodian's failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or Depositor's right or Custodian's right to enforce each and every such provision.

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

**Purpose of Form** - Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a). However only Articles I through VII have been reviewed by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian. To make a regular contribution to a traditional IRA for a year, the IRA must be established no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the Depositor or his or her beneficiaries. Do not file Form 5305-A with the IRS. Instead, keep it with your records. For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), and 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.

**Identifying Number** - The Depositor's social security number will serve as the identifying number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

**Traditional IRA for Nonworking Spouse** - Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

**Specific Instructions –**

**Article IV:** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70 1/2 to ensure that the requirements of section 408(a)(6) have been met.

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

# TRADITIONAL IRA DISCLOSURE STATEMENT

## RIGHT TO REVOKE YOUR TRADITIONAL IRA ACCOUNT

You may revoke your Traditional IRA within 7 days after you sign the Traditional IRA Adoption Agreement by hand-delivering or mailing a written notice to the name and address indicated below:

IRA Administrator  
Vantage Retirement Plans, LLC  
20860 N. Tatum Blvd. Suite 240  
Phoenix, AZ 85050

If you revoke your account by mailing a written notice, such notice must be postmarked by the 7th day after you sign the Adoption Agreement. If you revoke your Traditional IRA within the 7-day period you will receive a refund of the entire amount of your contributions to the Traditional IRA without any adjustment for earnings or any administrative expenses. If you exercise this revocation, we are still required to report the contribution on Form 5498 (except transfers) and the revoked distribution on Form 1099-R.

## GENERAL REQUIREMENTS OF A TRADITIONAL IRA

- Your contributions must be made in cash, unless you are making a rollover or transfer contribution, and the Custodian accepts non-cash rollover or transfer contributions.
- The annual contributions you make on your behalf may not exceed the lesser of 100% of your compensation or the "applicable annual dollar limitation" (defined below), unless you are making a rollover, transfer, or SEP contribution. If contributions are being made under an employer's SIMPLE Retirement Plan, you must establish a separate SIMPLE-IRA document to which only SIMPLE contributions may be made. This type of IRA is called a "SIMPLE-IRA". "SIMPLE-IRA" contributions may not be made into this account. Roth IRA contributions may not be made into this account.
- Beginning in 2020, there is no maximum age restriction in making a traditional IRA contribution. Your regular annual contributions for any taxable year may be deposited at any time during that taxable year and up to the due date for the filing of your Federal income tax return for that taxable year, no extensions. This generally means April 15th of the following year.
- The Custodian of your IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- No portion of your IRA funds may be invested in life insurance contracts.
- Your interest in your IRA is nonforfeitable at all times.
- The assets in your IRA may not be commingled with other property except in a common trust fund or common investment fund.
- You may not invest the assets of your IRA in collectibles (as described in Section 408(m) of the Internal Revenue Code.) A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS. However, if the Custodian permits, specially minted US gold, silver and platinum coins and certain state-issued coins are permissible IRA investments. You may also invest in certain gold, silver, platinum or palladium bullion. Such bullion must be permitted by the Custodian and held in the physical possession of the IRA Custodian.
- Your interest in your IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70½, if you were born before July 1, 1949; and age 72, if you were born after June 30, 1949. The methods of distribution, election deadlines, and other limitations are described in detail below.

## WHO IS ELIGIBLE TO MAKE A REGULAR TRADITIONAL IRA CONTRIBUTION?

You are permitted to make a regular contribution to your IRA for any taxable year if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, taxable alimony, royalties from creative efforts, "earned income" in the case of self-employeds, qualified foster care payments ("Difficulty of Care payments"), and certain taxable non-tuition fellowship and stipend payments. Members of the Armed Forces who serve in combat zones who receive compensation that is otherwise non-taxable, are considered to have taxable compensation for purposes of making regular IRA contributions. The amount of your regular, annual contribution that is deductible, depends upon whether or not you are an active participant in a retirement plan maintained by your employer; your modified adjusted gross income (Modified AGI); your marital status; and your tax filing status.

## ACTIVE PARTICIPANT

You are considered an active participant if you participate in your employer's qualified pension, profit-sharing, or stock bonus plan qualified under Section 401(a) of the Internal Revenue Code ("the Code"); qualified annuity under Section 403(a) of the Code; a simplified employee pension plan (SEP) under Section 408(k) of the Code; a retirement plan established by a government for its employees (this does not include a Section 457 plan); Tax-Sheltered Annuities (TSA) or custodial accounts under Section 403(b) of the Code; pre-1959 pension trusts under Section 501(c)(18) of the Code; and SIMPLE IRA plans under Section 408(p) of the Code.

If you are not sure whether you are covered by an employer-sponsored retirement plan, check with your employer or check your Form W-2 for the year in question. The W-2 form will have a check in the "retirement plan" box if you are covered by a retirement plan. You can also obtain IRS Notice 87-16 for more information on active participation in retirement plans for IRA deduction purposes.

## CONTRIBUTIONS

**Regular Contributions** - The maximum amount you may contribute for any one year is the lesser of 100% of your compensation or the "applicable annual dollar limitation" described below. This is your contribution limit. The deductibility of regular IRA contributions depends upon your marital status, tax filing status, whether or not you are an "active participant" and your Modified AGI.

Applicable Annual Dollar Limitation

Tax Year	Contribution Limit
2001	\$2,000
2002 through 2004	\$3,000
2005 through 2007	\$4,000
2008 through 2012	\$5,000
2013 through 2018	\$5,500
2019 through 2020	\$6,000

The \$6,000 annual limit is subject to cost-of living increases in increments of \$500, rounded to the lower increment.

**Catch-up Contributions** - Beginning for 2002, if an individual has attained the age of 50 before the close of the taxable year for which an annual contribution is being made and meets the other eligibility requirements for making regular traditional IRA contributions, the annual IRA contribution limit for that individual would be increased as follows:

Tax Year	Normal Limit	Additional Catch-up*	Total Contribution
2002	\$3,000	\$ 500	\$3,500
2003	\$3,000	\$ 500	\$3,500
2004	\$3,000	\$ 500	\$3,500
2005	\$4,000	\$ 500	\$4,500
2006	\$4,000	\$1,000	\$5,000
2007	\$4,000	\$1,000	\$5,000
2008 – 2012	\$5,000	\$1,000	\$6,000
2013 – 2018	\$5,500	\$1,000	\$6,500
2019 – 2020	\$6,000	\$1,000	\$7,000

\*The additional catch-up amount for traditional IRAs is not subject to COLAs.

**Deductibility for Nonactive Participants** - If you (and your spouse) are not an active participant, then the applicable annual dollar limitation is also your deduction limit for Federal income tax purposes.

**Deductibility for Active Participants** – Unmarried Active Participant (or a Married Person filing a separate tax return who did not live with their spouse at any time during the year) - The amount of your IRA deduction depends upon your Modified Adjusted Gross Income (MAGI) for the taxable year. If your MAGI is below a certain amount, you can deduct the entire contribution. If your MAGI is above a certain amount, you cannot deduct any of the contribution. If your MAGI is between certain amounts, you are entitled to a partial deduction. Any contributions that you cannot deduct because of the active participation rules are called nondeductible contributions and you must report these contributions to the IRS on Form 8606. Refer to the chart below for the MAGI ranges. Also refer to IRS Publication 590-A for additional information.

**Married Active Participant Filing a Joint Tax Return** - The amount of your IRA deduction depends upon your Modified Adjusted Gross Income (MAGI) for the taxable year. If your MAGI is below a certain amount, you can deduct the entire contribution. If your MAGI is above a certain amount, you cannot deduct any of the contribution. If your MAGI is between certain amounts, you are entitled to a partial deduction. Any contributions that you cannot deduct because of the active participation rules are called nondeductible contributions and you must report these contributions to the IRS on Form 8606. Refer to the chart below for the MAGI ranges. Also refer to IRS Publication 590-A for additional information.

**Married Active Participant Filing a Separate Return (who lived together at any time during the year)** - If you have a separate Modified AGI of more than \$10,000 no deduction is permitted if either you or your spouse was an active participant for the year. If you or your Spouse's separate Modified AGI is more than \$0 but less than \$10,000, then each spouse's deductible limit is reduced for every \$1 of Modified AGI between \$0 and \$10,000.

**Deductibility of Regular Contributions** - The AGI dollar ranges for certain active participants in employer-sponsored plans are as follows:

	Married Participants Filing Jointly	Unmarried Participants	Married Participants Filing Separately*
1998	\$50,000 - \$ 60,000	\$30,000 - \$40,000	\$0 - \$10,000
1999	\$51,000 - \$ 61,000	\$31,000 - \$41,000	\$0 - \$10,000
2000	\$52,000 - \$ 62,000	\$32,000 - \$42,000	\$0 - \$10,000
2001	\$53,000 - \$ 63,000	\$33,000 - \$43,000	\$0 - \$10,000
2002	\$54,000 - \$ 64,000	\$34,000 - \$44,000	\$0 - \$10,000
2003	\$60,000 - \$ 70,000	\$40,000 - \$50,000	\$0 - \$10,000
2004	\$65,000 - \$ 75,000	\$45,000 - \$55,000	\$0 - \$10,000
2005	\$70,000 - \$ 80,000	\$50,000 - \$60,000	\$0 - \$10,000
2006	\$75,000 - \$ 85,000	\$50,000 - \$60,000	\$0 - \$10,000
2007	\$83,000 - \$103,000	\$52,000 - \$62,000	\$0 - \$10,000
2008	\$85,000 - \$105,000	\$53,000 - \$63,000	\$0 - \$10,000
2009	\$89,000 - \$109,000	\$55,000 - \$65,000	\$0 - \$10,000
2010	\$89,000 - \$109,000	\$56,000 - \$66,000	\$0 - \$10,000
2011	\$90,000 - \$110,000	\$56,000 - \$66,000	\$0 - \$10,000
2012	\$92,000 - \$112,000	\$58,000 - \$68,000	\$0 - \$10,000
2013	\$95,000 - \$115,000	\$59,000 - \$69,000	\$0 - \$10,000
2014	\$96,000 - \$116,000	\$60,000 - \$70,000	\$0 - \$10,000
2015 – 2016	\$98,000 - \$118,000	\$61,000 - \$71,000	\$0 - \$10,000
2017	\$99,000 - \$119,000	\$62,000 - \$72,000	\$0 - \$10,000

2018	\$101,000 - \$121,000	\$63,000 - \$73,000	\$0 - \$10,000
2019	\$103,000 - \$123,000	\$64,000 - \$74,000	\$0 - \$10,000
2020	\$104,000 - \$124,000	\$65,000 - \$75,000	\$0 - \$10,000

\* This AGI dollar range also applies to a nonactive participant spouse who files separately, where his or her spouse is an active participant.

**Special Deduction Rule for Spouse Who is not an Active Participant** - In the case where an IRA participant is not an active participant in an employer plan at any time during a taxable year but whose spouse is an active participant, a special AGI range applies in calculating the nonactive participant's IRA deduction. In order to use this special deduction rule, such spouse must file a joint income tax return with their spouse who is the active participant. In this case, the AGI range for deductible IRA contributions is \$150,000 - \$160,000 for years prior to 2007. For years beginning in 2007, the AGI dollar ranges for the spouse who is not an Active Participant are as follows:

2007	\$156,000 - \$166,000
2008	\$159,000 - \$169,000
2009	\$166,000 - \$176,000
2010	\$167,000 - \$177,000
2011	\$169,000 - \$179,000
2012	\$173,000 - \$183,000
2013	\$178,000 - \$188,000
2014	\$181,000 - \$191,000
2015	\$183,000 - \$193,000
2016	\$184,000 - \$194,000
2017	\$186,000 - \$196,000
2018	\$189,000 - \$199,000
2019	\$193,000 - \$203,000
2020	\$196,000 - \$206,000

**Spousal IRAs** - If during any year you receive compensation and your spouse receives no compensation (or chooses to be treated as receiving no compensation), you may make contributions to both your IRA and your spouse's IRA. If you are eligible then you may contribute 100% of your combined compensation not to exceed the applicable annual dollar limitation divided any way you wish so long as no more than the applicable annual dollar limitation is contributed into either account. You and your spouse must file a joint tax return and have unequal compensations to take advantage of this spousal contribution limit.

If you or your spouse are an active participant in an employer-sponsored plan, then the IRA deduction for your IRA and your spouse's IRA contribution is based upon the AGI "phase-out" ranges in exactly the same manner as the phase-out under the "Married Active Participant Filing Joint Tax Returns" or under the "Special Deduction Rule for Spouse Who is not an Active Participant", whichever applies, as explained above.

**\$200 Minimum Deduction** - If you fall into any of the categories listed above, your minimum allowable deduction will be \$200 until phased out under the appropriate marital status. In other words, if your deductible amount calculated under the appropriate dollar amounts above results in a deduction between \$0 and \$200, your permitted deduction is \$200 instead of the calculated deduction.

**Nondeductible IRA Contributions** - You may make a nondeductible IRA contribution in one of two ways. First, you are permitted to treat any regular IRA contributions that are not deductible due to your active participation status as explained above as nondeductible contributions. Secondly, you are permitted to treat an otherwise deductible IRA contribution as a nondeductible contribution. Your total contribution for the year however, is still limited to the lesser of 100% of your compensation or the applicable annual dollar limitation.

Nondeductible IRA contributions represent money in your IRA which has already been taxed. Therefore, when you receive a distribution from any of your traditional IRAs (including SEP IRAs and SIMPLE IRAs), a portion of each distribution will be treated as a tax-free return of your nondeductible contributions. You are responsible for indicating the amount of nondeductible IRA contributions you make for a year on IRS Form 8606 which is attached to your Federal income tax return. You should also be aware that there is a penalty of \$100 if you should overstate the nondeductible amount unless you can show it was due to a reasonable cause. There is also a \$50 penalty if you do not file the IRS Form 8606 for years that you are required to do so.

If you make a nondeductible IRA contribution for a year and you decide not to treat it as a nondeductible contribution, you must withdraw the contribution plus earnings attributable to the nondeductible contribution on or before the tax filing deadline, including extensions, for the year during which the contribution was made. You may not take a deduction for such amounts. Such earnings will be taxable to you in the year in which the contribution was made and may be subject to the 10% additional tax if you are under the age of 59 1/2.

**Special Rules for Qualified Reservist Distributions** – Qualified Reservist Distributions are eligible to be repaid to an IRA within a 2-year period after the end of active duty. A Qualified Reservist Distribution is a distribution received from an IRA by members of the National Guard or reservists who are called to active duty for a period of at least 180 days and such distribution is taken during the period of such active duty. This provision is retroactively effective with respect to distributions after September 11, 2001, for individuals called to active duty after September 11, 2001. The repayments are not treated as tax-free rollovers. Instead, these repayments become basis in the IRA.

**Simplified Employee Pension Plan (SEP) Contributions** - Your employer may make a SEP contribution on your behalf into this IRA up to 25% of your compensation not to exceed a specified dollar limit. This limit is a per employer limit. Therefore if you work for more than one employer who maintains a SEP plan, you may receive up to 25% of your compensation from each employer not to exceed a specified dollar limit. Your employer may contribute to this IRA or any other IRA on your behalf under a SEP plan even if you are covered under a qualified plan for the year.

In calculating a SEP contribution, there is a maximum compensation limit that can be considered and this compensation limit is subject to cost-of-living adjustments. For 2019, the compensation limit was \$280,000 and for 2020 it is \$285,000. Also, there is a maximum SEP contribution limit for each year that is subject to cost-of-living adjustments. For 2019, the maximum SEP contribution limit was \$56,000; and for 2020 it is \$57,000.

## EXCESS CONTRIBUTIONS

Generally an excess IRA contribution is any contribution which exceeds the applicable contribution limits, and such excess contribution is subject to a 6% excise tax penalty on the principal amount of the excess each year until the excess is corrected. You must file IRS Form 5329 to report this excise tax.

**Method #1: Withdrawing Excess in a Timely Manner (For Years Prior to 2018)** - This 6% penalty may be avoided if the excess amount plus the earnings attributable to the excess are distributed by your tax filing deadline including extensions for the year during which the excess contribution was made, and you do not take a deduction for such excess amount. If you decide to correct your excess in this manner, the principal amount of the excess returned is not taxable, however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59 1/2, the earnings attributable are subject to a 10% premature distribution penalty. This is the only method of correcting an excess contribution that will avoid the 6% penalty.

**Method #1: Withdrawing Excess in a Timely Manner (For Years After 2017)** - This 6% penalty may be avoided if the excess amount plus the earnings attributable to the excess are distributed by your tax filing deadline including extensions *for the year for which the excess contribution was made*, and you do not take a deduction for such excess amount. If you decide to correct your excess in this manner, the principal amount of the excess returned is not taxable; however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59 1/2, the earnings attributable are subject to a 10% premature distribution penalty. This is the only method of correcting an excess contribution that will avoid the 6% penalty.

**Method #2: Withdrawing Excess After Tax Filing Due Date** - If you do not correct your excess contribution under Method #1 prescribed above, then you may withdraw the principal amount of the excess (no earnings need be distributed). The 6% penalty will, however, apply first to the year in which the excess was made and each subsequent year until it is withdrawn.

**Excess Amount May be Taxable** - If the principal amount of your excess contribution is withdrawn after your tax filing deadline for the year during which the contribution was made in accordance with Method #2, it is not taxable unless the total amount of contributions you made during the year the excess was made exceeded the applicable annual dollar limitation. If the aggregate contribution is greater than the applicable annual dollar limitation, the principal amount of the excess withdrawn under Method #2 is taxable and is subject to the 10% additional tax if you are not yet age 59 1/2. There are exceptions to this rule if the excess was due to a rollover where the taxpayer received erroneous information or if the contribution was a SEP contribution.

**Method #3: Undercontributing in a Subsequent Year** - Another method of correcting an excess contribution is to treat a prior year excess as a regular contribution in a subsequent year where you have an unused contribution limit for such subsequent year. Basically, all you do is undercontribute in the first subsequent year where you have an unused contribution limit until your excess amount is used up. However, once again, you will be subject to the 6% penalty in the first year and each subsequent year on any excess contribution that remains as of the end of each year.

## ROLLOVERS AND RECHARACTERIZATIONS

**Rollover Contribution from Another Traditional IRA** - A rollover from another traditional IRA is any amount you receive from one traditional IRA and redeposit (roll over) some or all of it over into another traditional IRA. You are not required to roll over the entire amount received from the first traditional IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for Federal income tax purposes.

The following special rules also apply to rollovers between IRAs:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you. However, if the reason for distribution was for qualified first time homebuyer expenses and there has been a delay or cancellation in the acquisition of such first home, the 60-day rollover period is increased to 120 days. This 60-day rollover period may also be extended in cases of disaster or casualty beyond the reasonable control of the taxpayer.
- Beginning in 2015, you can make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own. The limit will apply by aggregating all of an individual's IRAs, including SEP and SIMPLE IRAs as well as traditional and Roth IRAs, effectively treating them as one IRA for purposes of the limit. (See IRS Publication 590-A for more information).
- The same property you receive in a distribution must be the same property you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be the property that is rolled over into the second IRA.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to receive a complete distribution from your IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
- If you inherit an IRA due to the death of the participant, and you receive a distribution, you may not roll this IRA into your own IRA unless you are the spouse of the decedent.
- If you are age 70 1/2 or older (or age 72 or older if you were born after June 30, 1949) and wish to roll over to another IRA, you must first satisfy the required minimum distribution for that year and then the rollover of the remaining amount may be made.
- Rollovers from a SEP IRA or an Employer IRA follow the IRA to IRA rollover rules since your contributions under these types of plans are funded directly into your own traditional IRA.

**Special Rollover Rules for Qualified Disaster Distributions**— Qualified Disaster Distributions (QDDs) are eligible to be rolled over to an IRA (or other eligible retirement plan) within a 3-year period after the eligible individual received such distribution. The maximum amount of a QDD is \$100,000 per taxpayer; is not subject to the premature distribution penalty tax of 10%, and will be taxed pro rata over a 3 year period unless the taxpayer elects to pay all of the taxes in the year of the distribution. More information on Qualified Disaster Distributions and other tax relief provisions applicable to affected individuals of Hurricanes, Wildfires and other disasters, as well as other disaster relief, can be found in IRS Publication 976 and in the instructions for the applicable Form 8915. Taxpayers using these tax relief provisions must file the applicable Form 8915 with his or her Federal income tax return. The following link provides a list of States and local IRS contact information: <https://www.irs.gov/uac/around-the-nation>. The affected taxpayer then would click on the State and find the detailed information, including a list of postponed contribution deadlines, extended rollover periods and other extensions that may apply for performing certain tax acts.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President on March 27th, 2020. The over \$2 trillion economic relief package delivers protecting the American people from the public health and economic impacts of COVID-19. The CARES Act provides fast and direct economic assistance for American workers, families, and small businesses, and preserve jobs for our American industries. The Act allows participants early access to account balances as well as postponements to certain required filings. For more information related to Coronavirus-related Copyright 1994-2025, PenServ Plan Services, Inc. Vantage.doc (2025)

relief for retirement plans and IRAs, visit the IRS website at <https://www.irs.gov/newsroom/coronavirus-related-relief-for-retirement-plans-and-iras-questions-and-answers>.

**Applicable Form 8915** – The following outlines the specific Form 8915 for the different types of disasters:

- 2016 Presidentially Declared Disaster Areas where distributions occurred in 2016 are reported on Form 8915-A. The form contains a chart of all of the disaster areas (45) that the form can be used for. Same pro rata taxation and rollover rules as described above apply. See Publication 976 for more information.
- For 2017 Qualified Disaster Distributions use Form 8915-B.
- For 2018 Qualified Disaster Distributions use Form 8915-C.
- For 2019 Qualified Disaster Distributions use Form 8915-D.
- For Coronavirus Related Distributions (CRDs) use Form 8915-E (this form will be available by 12/31/2020).

**Special Rules for Qualified Settlement Income Received from Exxon Valdez Litigation** - Any qualified taxpayer who receives qualified settlement income during the taxable year, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of: (a) \$100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years); or (b) the amount of qualified settlement income received by the individual during the taxable year.

The contribution will be deemed made on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the deadline for filing the income tax return for such year, not including extensions thereof.

If the settlement income is contributed to a traditional IRA such income is not currently includible in the taxpayer's gross income

A qualified taxpayer means:

1. Any individual who is a plaintiff in the civil action *In re Exxon Valdez*, No. 89-095-CV (HRH) (Consolidated) (D. Alaska); or
2. Any individual who is a beneficiary of the estate of such a plaintiff who acquired the right to receive qualified settlement income from that plaintiff and was the spouse or an immediate relative of that plaintiff.

**Special Rules for Rollovers/Recharacterizations of Amounts Received in Airline Carrier Bankruptcy** – Effective December 11, 2008, a “qualified airline employee” may contribute any portion of an “airline payment” amount to a Roth IRA within 180 days of receipt of such payment (or, if later, within 180 days of the enactment of the Worker, Retiree and Employer Recovery Act of 2008). Such contribution is treated as a qualified rollover contribution to the Roth IRA, and as such, the airline payment is includible in gross income of the recipient to the extent it would be so includible were it not part of the rollover contribution.

An “airline payment” means any payment by a commercial airline carrier to a “qualified airline employee” that is paid: (1) under an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007; and (2) in respect of the employee's interest in a bankruptcy claim against the airline carrier.

In determining the amount that may be contributed to a Roth IRA, any reduction in the airline payment on account of employment tax withholding is disregarded. A “qualified airline employee” is an employee or former employee of a commercial passenger airline who was a participant in a qualified defined benefit plan maintained by the airline carrier that was terminated or became subject to the benefit accrual and other restrictions applicable to plans maintained by commercial passenger airlines.

Effective February 14, 2012, under the FAA Modernization and Reform Act of 2012 (“The Act”) certain qualified airline employees may rollover or recharacterize to a Traditional IRA in lieu of a Roth IRA. The Act permits “qualified airline employees” and their surviving spouses, who received an “airline payment amount”, and did *not* roll over any portion of such payment to a Roth IRA:

- To rollover now to a Traditional IRA 90% of the payment received, and the amount rolled over is excludible from income in the taxable year payment was made;
- The rollover must take place within 180 days after the receipt of the “airline payment amount” or within 180 days of February 14, 2012, the date of enactment (i.e. August 13, 2012), whichever is later.

Additional the Act permits “qualified airline employees” and their surviving spouses who contributed all or a portion of an “airline payment amount” previously to a Roth IRA:

- To recharacterize up to 90% of such amounts, to a traditional IRA;
- The recharacterization transfer must be made within 180 days of February 14, 2012, the date of enactment (i.e. August 13, 2012);
- The IRA owner can then claim a refund of the Federal taxes they previously paid on such transferred funds if made under certain time frames;
- The amount rolled over will be excluded from income in the taxable year payment was made;
- The transfer must be “trustee to trustee”;
- The contribution amount (including any net income allocable to it), rolled into the traditional IRA, will be deemed to have been rolled over at the time of the rollover to the ROTH.

The Act does *not* apply to employees who in the taxable year or any preceding years, when payment were made, were chief executive officers (“CEO”) or one of the 4 highest compensated officers (other than the CEO), whose total compensation had to be reported to shareholders (as required by Securities and Exchange Commission Act of 1934).

The PATH Act of 2015 extended this rollover deadline to 180 after enactment or until June 15, 2016.

**Rollovers From SIMPLE IRA Plans** – Prior to December 19, 2015, a SIMPLE IRA is a separate IRA that may only receive contributions under an Employer-sponsored SIMPLE IRA Retirement Plan. These contributions must remain segregated in a SIMPLE IRA account for a two-year period measured from the initial contribution made into your SIMPLE IRA under the Employer's SIMPLE IRA plan. A rollover or transfer from a SIMPLE IRA to any other IRA may not occur until this initial two-year period has been satisfied. Rollovers or transfers between SIMPLE IRA plans are permitted without waiting the two-year period. All of the IRA to IRA rollover rules generally apply to rollovers between SIMPLE IRAs.

**Rollover Contributions from Another Plan into a SIMPLE IRA** – Beginning December 19, 2015, if your Employer's Plan permits, you are permitted to rollover from a qualified plan, a qualified annuity, a 403(b) Plan, a governmental 457(b) Plan and from a Traditional IRA into your SIMPLE IRA Plan. Your SIMPLE IRA may only accept these rollovers after your SIMPLE IRA has been in existence for 2 years measured from the date of the first contribution into your SIMPLE IRA account.

**Recharacterizations** - You may be able to recharacterize certain contributions under the following two different circumstances:

1. By recharacterizing a current year regular contribution plus earnings explained in this section; or
2. Prior to 1/1/2018, by recharacterizing a conversion made to a Roth IRA by transferring the amount plus earnings back to a traditional IRA discussed in the next section under the heading "Conversion from a Traditional IRA to a Roth IRA". Beginning 1/1/2018, recharacterizations of conversions are no longer permitted.

If you decide by your tax filing deadline (including extensions) of the year for which the contribution was made to transfer a current year contribution plus earnings from your traditional IRA to a Roth IRA, no amount will be included in your gross income as long as you did not take a deduction for the amount of the contribution. You may also recharacterize a current year contribution plus earnings from your Roth IRA to a traditional IRA by your tax filing deadline including extensions of the year for which the contribution was made. A regular contribution that is appropriately recharacterized from your Roth IRA to a traditional IRA may be deductible depending upon the deductibility rules previously discussed. In order to recharacterize a regular contribution from one type of IRA to another type of IRA, you must be eligible to make a regular contribution to the IRA to which the contribution plus earnings is recharacterized. All recharacterizations must be accomplished as a direct transfer, rather than a distribution and subsequent rollover. You are also required to report recharacterizations to the IRS in accordance with the instructions to IRS Form 8606. Any recharacterized contribution (whether a regular contribution or a conversion) cannot be revoked after the transfer. You are required to notify both trustees (and custodians) and to provide them with certain information in order to properly effectuate such a recharacterization.

**Conversion from a Traditional IRA to a Roth IRA** - You are permitted to make a qualified rollover contribution from a traditional IRA to a Roth IRA. This is called a "conversion" and may be done at any time without waiting the usual 12 months.

Beginning in 2018, for conversions made in 2018, you are no longer permitted to recharacterize a conversion made to a Roth IRA back to a traditional IRA.

**Taxation in Completing a Conversion from a Traditional IRA to a Roth IRA** - If you complete a conversion from a traditional IRA to a Roth IRA, the conversion amount (to the extent taxable) is generally included in your gross income for the year during which the distribution is made from your traditional IRA that is converted to a Roth IRA. However, the 10% additional income tax for premature distributions does not apply.

**Reconversions** - Since recharacterizations of IRA conversions are no longer permitted beginning with 2018 conversions, reconversions will no longer apply, unless it is a 2017 conversion that was recharacterized in 2018.

**Qualified Rollover Contribution** - This term includes: (a) Rollovers between Roth IRA accounts; (b) Traditional IRA converted to a Roth IRA; (c) Direct Rollover from an Employer's plan of funds other than a Designated Roth Contribution Account; and (d) a rollover from a Designated Roth Contribution Account to a Roth IRA. Qualified Rollover Contributions must meet the general IRA rollover rules, except that the 12-month rollover restriction does not apply to rollovers (conversions) between a traditional IRA and a Roth IRA. However, the 12-month rule does apply to rollovers between Roth IRAs. Beginning in 2008, rollovers from employer-sponsored plans, such as qualified plans and 403(b)s, to a Roth IRA are permitted. You could also roll over from the employer's plan to a traditional IRA, and then roll over (convert) to a Roth IRA.

**Rollovers From Employer-Sponsored Plans to a Traditional IRA** - The rules discussed in this section apply only to amounts under an employer's plan, other than Designated Roth Contribution Accounts. An eligible rollover distribution from a Designated Roth Contribution Account can be rolled over only to a Roth IRA or another accepting employer's plan. Rollovers to traditional IRAs are permitted if you have received an eligible rollover distribution from one of the following:

- A qualified plan under Section 401(a);
- A qualified annuity under Section 403(a);
- A Tax-Sheltered Annuity (TSA) or Custodial Account under Section 403(b);
- A governmental section 457(b) plan; or
- The Federal Employees' Thrift Savings Plan.

**Eligible Rollover Distributions** - An eligible rollover distribution from one of the employer-sponsored plans listed above generally include any distribution that is not:

- part of a series of substantially equal payments that are made at least once a year and that will last for:
  - your lifetime (or your life expectancy), or
  - your lifetime and your beneficiary's lifetime (or joint life expectancies), or
  - a period of ten years or more.
- attributable to your required minimum distribution for the year
- amounts attributable to any hardship distribution
- deemed distributions of any defaulted participant loan
- certain corrective distributions and ESOP dividends
- the cost of life insurance coverage

**Rollovers of After-Tax Employee Contributions** - Beginning for eligible rollover distributions you receive after December 31, 2001, you can roll over your after-tax employee contributions to a traditional IRA either as a 60-day rollover or as a direct rollover. If you roll over your after-tax employee contributions to a traditional IRA, you are required to keep track of these amounts as required by the IRS according to their instructions. This will enable you to calculate the nontaxable amount of any future distributions from your traditional IRAs. Once you roll over your after-tax employee contributions to a traditional IRA, it becomes basis in the IRA, and these amounts cannot later be rolled over to an employer plan.

**Direct Rollover to Another Plan** - You can elect a direct rollover of all or any portion of your payment that is an "eligible rollover distribution", as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to a traditional IRA or another employer plan that accepts rollovers. If you elect a direct rollover, you are not taxed on the payment until you later take it out of the IRA or the employer plan, and you will not be subject to the 20%

mandatory Federal income tax withholding otherwise applicable to Eligible Rollover Distributions that are paid directly to you. Your employer is required to provide you with a Notice regarding the effects of electing or not electing a direct rollover to an IRA or another employer plan. Although a direct rollover is accomplished similar to a transfer, the IRA Custodian must report the direct rollover on Form 5498 as a rollover contribution.

**Eligible Rollover Distribution Paid to You** - If you choose to have your eligible rollover distribution paid to you (instead of electing a direct rollover), you will receive only 80% of the payment, because the plan administrator is required to withhold 20% of the payment and send it to the IRS as Federal income tax withholding to be credited against your taxes. However, you may still roll over the payment to an IRA within 60 days after receiving the distribution. The amount rolled over will not be taxed until you take it out of the IRA. If you want to roll over 100% of the payment to an IRA, you must replace the 20% that was withheld from other sources. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over. In either event, the 20% that was withheld can be claimed on your Federal income tax return as a credit toward that year's tax liability.

**Conduit Rollover IRAs** - A direct rollover (or rollover within 60 days) of any eligible rollover distribution may generally be treated as a "Conduit IRA", provided that a separate IRA is established for purposes of retaining the ability to later roll these funds back into an employer's plan that accepts the rollover. The conduit IRA need not be completely distributed in order for a rollover back to an employer's plan that accepts rollovers. In addition, a surviving spouse may also treat such conduit IRA for purposes of rolling over into the surviving spouse's employer plan that accepts rollovers.

**Rollovers from Traditional IRAs into Employer-Sponsored Plans** - Beginning for distributions made after December 31, 2001, traditional IRAs are permitted to be rolled over into an employer's plan. The employer's plan must accept these types of rollovers. The maximum amount that can be rolled over from a traditional IRA to an employer's plan that accepts these rollovers cannot exceed the amount that would be taxable. Any amount in a traditional IRA that represents the principal amount of a nondeductible IRA contribution or a rollover of after-tax employee contributions to a traditional IRA or any other basis amount may not be rolled over to an employer's plan. The types of IRAs that can be rolled over to an employer's plan that accepts these rollovers include regular traditional IRAs, rollover "conduit" IRAs, SEP IRAs and SIMPLE IRAs (after the two-year waiting period has been satisfied applicable to SIMPLE IRAs). In determining the maximum amount eligible to be rolled over from an IRA to an employer's plan, you must treat all of these types of IRAs as one IRA. Only the taxable amount is eligible to be rolled over. If you are interested in rolling over your traditional IRAs into your employer's plan, you should contact the plan administrator of your employer's plan for additional information.

**Special Rules for Surviving Spouses, Alternate Payees, and Other Beneficiaries** - If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to your own traditional IRA, an inherited traditional IRA, your own employer's plan that accepts rollovers, or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to your employer's plan that accepts rollovers. If you are the spouse or former spouse alternate payee with respect to a Qualified Domestic Relations Order (QDRO), you may have the payment paid as a direct rollover or paid to you which you may roll over to your own traditional IRA or your own employer's plan that accepts rollovers.

**Special Rules for Nonspouse Beneficiaries** - For distributions prior to 2007, any distribution to a beneficiary other than a surviving spouse was not eligible to be rolled over to an IRA. Beginning in 2007, eligible rollover distributions payable from an employer's plan to a nonspouse beneficiary is eligible for direct rollover into an Inherited IRA. Such amounts must be paid in the form of a direct rollover, rather than a distribution and subsequent rollover. Thus, if the distribution is paid directly by the employer's plan to the nonspouse beneficiary, no rollover is permitted. Also, the IRA receiving the direct rollover must be an Inherited IRA, rather than an IRA owned by the nonspouse beneficiary. The Inherited IRA is subject to the same required minimum distributions that apply to beneficiaries under the employer's plan and carries over to the Inherited IRA. The IRA must be established and titled in a manner that identifies it as an IRA with respect to a deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith".

For these purposes, a nonspouse beneficiary includes an individual beneficiary and a trust beneficiary that meets the special "look through" rules under the IRS regulations. A nonindividual beneficiary (such as an estate or charity) or a non-look through trust is not eligible for direct rollover. Any required minimum distributions applicable to the employer's plan for the year in which the direct rollover occurs and any prior year is not eligible for direct rollover.

**The following additional rules apply to a rollover from an employer-sponsored plan to a traditional IRA:**

- The rollover must be completed no later than the 60th day after the day the distribution was received by you.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to roll over the entire amount you received from the employer's plan.
- If you are age 70 1/2 or older (or age 72, if born after June 30, 1949) and wish to roll over your employer's plan to a traditional IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
- If your distribution consists of property (i.e., stocks) you may either roll over the same property (the same stock) or you may sell the distributed property and roll over the proceeds from the sale. This is true whether the proceeds from the sale are more or less than the fair market value of the property on the date of distribution. You may not keep the property received in the distribution and roll over cash which represents the fair market value of the property.

## DISTRIBUTIONS

**Taxation of Distributions** - When you start withdrawing from your IRA, you may take the distributions in periodic payments, random withdrawals or in a single sum payment. Generally, all amounts distributed to you from your IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to your IRA, rolled over after-tax employee contributions from your employer's plan or repaid a Qualified Reservist Distribution (collectively referred to as "basis"), the nontaxable portion of any distribution from any of your IRAs (except Roth IRAs), if any, will be a percentage based upon the ratio of your unrecovered "basis" to the aggregate of all IRA balances, including SEP, SIMPLE and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your IRA are taxed at ordinary income tax rates for Federal income tax purposes and are not eligible for any favorable tax treatment. You must file Form 8606 to calculate the portion of any IRA distribution that is not taxable.

**Premature Distributions** - If you are under age 59 1/2 and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses in excess of 7.5% (applies for all years prior to 2021) of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time homebuyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; due to an IRS levy; Qualified Disaster Distributions; certain coronavirus-related distributions; qualified reservist distributions; or qualified birth or adoption distributions (limited to \$5,000 per child per parent).

attaining age 59 1/2, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification.

**Age 70 1/2/Age 72 Required Minimum Distributions** – Your Required Beginning Date (RBD) will depend on when you were born. For individuals who were born before July 1, 1949, your RBD is the April 1 of the year following the year you attain age 70 1/2. For individuals who were born after June 30, 1949, your RBD is the April 1 of the year following the year you attain age 72. You are required to begin receiving minimum distributions from your IRA by your required beginning date. The year you attain age 70 1/2/72 is referred to as your "first distribution calendar year". The required minimum for your first distribution calendar year must be withdrawn no later than your required beginning date. The required minimum distribution for your second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year. Your minimum distribution for each year beginning with the calendar year you attain the age of 70 1/2/72 is generally based upon the value of your account at the end of the prior year divided by the factor for your age derived from the Uniform Lifetime Distribution Period Table regardless of who or what entity is your named beneficiary. This uniform table assumes you have a designated beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum amount is the fair market value of each IRA you own as of the prior December 31<sup>st</sup>, adjusted for outstanding rollovers (or transfers) as of such prior December 31<sup>st</sup> and recharacterizations that relate to a conversion or failed conversion made in the prior year.

However, no payment will be made from this IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary as of the January 1<sup>st</sup> of the relevant distribution calendar year and such spouse is more than 10 years younger than you. In any distribution calendar year you may take more than the required minimum. However, if you take less than the required minimum with respect to any distribution calendar year, you are subject to a Federal excise tax penalty of 50% of the difference between the amount required to be distributed and the amount actually distributed. If you are subject to that tax, you are required to file IRS Form 5329.

**Reporting the Required Minimum Distribution** - The Custodian must provide a statement to each IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian to perform the calculation if requested by the IRA owner. The statement must inform the IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the IRA owner that the Custodian must report to the IRS that the IRA owner is required to receive a minimum for the calendar year.

**Death Distributions for Deaths Occurring Prior to 2020** - If you die before your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the beneficiary's single life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. However, if your spouse is your sole beneficiary, these distributions are not required to commence until the December 31<sup>st</sup> of the calendar year you would have attained the age of 70 1/2, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed no later than the December 31<sup>st</sup> of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over the longer of the beneficiary's single life expectancy or your remaining life expectancy. These distributions must commence no later than December 31<sup>st</sup> of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death reduced by one each year thereafter. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year. If your spouse is your sole beneficiary, your spouse may elect to treat your IRA as his or her own IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your spouse elects to treat your IRA as his or her own IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving spouse and then the remaining balance can be treated as your spouse's own IRA.

**Death Distributions for Deaths Occurring After 2019** - Unless you have named an Eligible Designated Beneficiary, generally distributions will be required to be made over a 10 year period to the beneficiary. Eligible Designated Beneficiaries (EDB) include: your spouse; a beneficiary who is disabled as defined in section 72(m)(7) of the Internal Revenue Code; a beneficiary who is chronically ill within the meaning of section 7702B(c)(2) of the Internal Revenue Code; a child of the decedent who has not reached the Age of Majority as defined under state law; and any other individual who is not more than 10 years younger than the decedent. An EDB is permitted to receive the distribution based on their single life expectancy. A Non-Designated Beneficiary (e.g. estate, charity) is required to distribute the entire account within 5 years of the account owner's death.

## PROHIBITED TRANSACTIONS

If you or your beneficiary engage in a prohibited transaction (as defined under Section 4975 of the Internal Revenue Code) with your IRA, it will lose its tax exemption and you must include the value of your account in your gross income for that taxable year. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

## PENALTIES

If you are under age 59 1/2 and receive a premature distribution from your IRA, an additional 10% income tax will apply on the taxable amount of the distribution unless an exception applies. If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account. If you are age 70 1/2 or over or if you should die, and the appropriate required minimum distributions are not made from your IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

You must file IRS Form 5329 with the Internal Revenue Service for any year an additional tax is due. You must file IRS Form 8606 for any year you make a nondeductible IRA contribution, rollover after-tax employee contributions from your employer's plan, repay a Qualified Reservist Distribution, convert from your traditional IRA to a Roth IRA or recharacterize a contribution to your traditional IRA. The penalty for not filing Form 8606, when required, is \$50.

## INCOME TAX WITHHOLDING

All withdrawals from your IRA (except certain transfers and any recharacterization) are subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your IRA distribution in most cases. If withholding does apply to your distribution, the applicable rate of withholding is 10% of the amount of the distribution. In addition to Federal income tax withholding, distributions from IRAs may also be subject to state income tax withholding.

**IRA distributions delivered outside the United States** - In general, if you are a US citizen or resident alien and your home address is outside of the United States or its possessions, you cannot choose exemption from withholding on distributions from your traditional IRA.

To choose exemption from withholding, you must certify to the payer under penalties of perjury that you are not a U.S. citizen, a resident alien of the United States, or a tax-avoidance expatriate. Even if this election is made, the payer must withhold tax at the rates prescribed for nonresident aliens.

For more information on withholding on pensions and annuities, see "Pensions and Annuities" in Chapter 1 of *Publication 505, Tax Withholding and Estimated Tax*. For more information on withholding on nonresident aliens and foreign entities, see *Publication 515, Withholding of tax on Nonresident Aliens and Foreign Entities*.

## TRANSFERS

**Transfers Between "Like" IRAs** - A direct transfer of all or a portion of your funds is permitted from this IRA to another traditional IRA or visa versa. Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. If you should transfer all or a portion of your IRA to your former spouse's IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the IRA of your spouse or former spouse. If your spouse is the beneficiary of your IRA, in the event of your death, your spouse may "assume" your IRA. The assumed IRA is then treated as your surviving spouse's IRA.

**Qualified Charitable Distributions** - If an IRA owner is exactly age 70½ or over, the IRA owner may direct the IRA trustee or custodian to transfer up to \$100,000 per year from the IRA to a qualified charity. Such transfer will not be subject to Federal income taxes. Qualified Charitable Distributions may also be made by a beneficiary who is exactly age 70½ or over. Qualified Charitable Distributions are not subject to Federal income tax withholding. Ongoing SEP IRAs or SIMPLE IRAs are not permitted to be transferred under this rule.

The amount transferred will be treated as coming from the taxable portion of the IRA and will be an exception to the pro-rata basis recovery rules applicable to traditional IRAs. The tax-free transfer to a qualified charity applies only if the IRA owner could otherwise receive a charitable deduction with respect to the transferred amount. In other words, it must be made to a qualified charitable organization that the taxpayer would have otherwise been able to take a tax deduction for making the charitable contribution. However, since such transfer will be tax-free, the taxpayer may not also take a charitable deduction on his or her tax return.

Since the eligible individual must be at least exactly age 70½ or over, the taxpayer may also be subject to required minimum distributions with respect to his or her traditional IRA. However, any amount transferred to the qualified charity under this rule from a traditional IRA will be treated toward satisfying the individual's required minimum distribution for the year, even though the transferred amount is tax-free.

Although the IRA trustee or custodian must pay the Qualified Charitable Distribution directly to the qualified charity, the taxpayer is responsible for substantiating and reporting the Qualified Charitable Distribution on his or her Federal income tax return. The trustee or custodian of the IRA will report the amount transferred on IRS Form 1099-R as if the IRA owner withdrew the money. After the IRA trustee or custodian issues the payment in the name of the charity, the trustee or custodian may deliver the payment to the IRA owner, who then would deliver the payment to the charity.

For individuals who attain age 70 ½ after 2019, the RMD age is now age 72. Therefore, you may receive a QCD prior to the year that a RMD is required. There will be a special offset calculation of your QCD amount for years after 2019, if you continue to make deductible IRA contributions.

**Qualified HSA Funding Distribution** - Beginning for contributions made for 2007 and thereafter, a special one-time, tax-free transfer from an IRA to an HSA is permitted. This one-time transfer counts toward the eligible individual's HSA contribution limit for the year of the transfer.

Prior to 2007, if an IRA owner wanted to use the money in an IRA to make an annual HSA contribution, the distribution from the IRA was taxable and subject to the 10% additional tax if the individual was under the age of 59 ½. Prior law did not provide for a tax-free transfer from an IRA to an HSA.

Beginning for annual HSA contributions made for 2007 or thereafter, an HSA-eligible individual may make an irrevocable once-in-a-lifetime, tax-free "qualified HSA Funding distribution" from an IRA to an HSA, subject however to strict requirements. The amount of the HSA funding distribution must be made in the form of a trustee-to-trustee transfer from the IRA to the HSA. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred. Consequently, this one-time transfer from an IRA to an HSA counts toward the individual's total HSA contribution limit for the year depending upon the type of coverage under the HDHP (self-only or family).

## FEDERAL ESTATE AND GIFT TAXES

Generally there is no specific exclusion for IRAs under the estate tax rules. Therefore, in the event of your death, your IRA balance will be includible in your gross estate for Federal estate tax purposes. However, if your surviving spouse is the beneficiary of your IRA, the amount in your IRA may qualify for the marital deduction available under Section 2056 of the Internal Revenue Code. A transfer of property for Federal gift tax purposes does not include an amount which a beneficiary receives from an IRA plan.

## IRS APPROVAL AS TO FORM

This IRA Custodial Agreement has been approved by the Internal Revenue Service as to form. This is not an endorsement of the plan in operation or of the investments offered.

## ADDITIONAL INFORMATION

You may obtain further information on IRAs from your District Office of the Internal Revenue Service. In particular you may wish to obtain IRS Publication 590-A Contributions to Individual Retirement Arrangements (IRAs), and 590-B Distributions from Individual Retirement Arrangements (IRAs).

## FINANCIAL DISCLOSURE

**In General:** IRS regulations require the Custodian to provide you with a financial projected growth of your IRA account based upon certain assumptions.

**Growth in the Value of Your IRA:** Growth in the value of your IRA is neither guaranteed nor projected. The value of your IRA will be computed by totaling the fair market value of the assets credited to your account. At least once a year the Custodian will send you a written report stating the current value of your IRA assets. The Custodian shall disclose separately a description of:

- the type and amount of each charge;
- the method of computing and allocating earnings, and
- any portion of the contribution, if any, which may be used for the purchase of life insurance.

**Custodian Fees:** The Custodian may charge reasonable fees or compensation for its services and it may deduct all reasonable expenses incurred by it in the administration of your IRA, including any legal, accounting, distribution, transfer, termination or other designated fees. Dividends, interest or other income, including net realized capital gains, if any, from your IRA assets will be credited to your IRA and invested as you direct the Custodian. All charges made by the Custodian will be separately disclosed on an attachment hereto. Such fees may be charged to you or directly to your custodial account. In addition, depending on your choice of investment vehicles, you may incur brokerage commissions attributable to the purchase or sale of assets.

**BELOW ARE THE COMBINED DISCLOSURES FOR LEGISLATION CHANGES UNDER THE SECURE ACT AND SECURE 2.0 ACT**

**SECURE Act – Setting Every Community Up for Retirement Enhancement Act of 2019**

Repeal of maximum age for traditional IRA contributions

- Individuals will be able to make contributions to their IRA even after attaining the age of 70 ½ (72/73), if income is earned.
- Effective for taxable years beginning after December 31, 2019.

Increase in age for required beginning date for mandatory distributions

- The required beginning date for mandatory distributions has been amended from age 70 ½ to age 72 (and under SECURE 2.0 to age 73).
- This only applies to persons turning 70 ½ after December 31, 2019. Anyone who turned 70 ½ prior to 2020 must begin taking, and continue to take, distributions under pre-SECURE Act rules.

Modification of required distribution rules for designated beneficiaries

- Upon the death of an IRA account owner, distributions of the entire account balance to anyone other than an “eligible designated beneficiary” must generally be made within 10 years of the account owner’s death.
- An eligible designated beneficiary includes the surviving spouse, a child of the IRA account owner who has not yet reached the age of majority (age 21 as defined in IRS regulations), a disabled individual, a chronically ill individual, or an individual who is not more than 10 years younger than the decedent.
- This change eliminates the ability to have “stretch IRAs” by limiting the distribution period for certain beneficiaries.
- Effective for distributions on behalf of IRA account owners who die after December 31, 2019.

Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption

- Distributions from a retirement plan, in the case of a qualified birth or adoption, are exempt from the 10% early withdrawal penalty.
- The child must be under 18 years of age, the distribution must be made within the 1-year period after the birth or adoption date of the child, and the distribution exception is capped at \$5,000 per child, per parent.
- These funds may be repaid to the plan by a rollover, and the repayment would be treated as a nontaxable direct rollover (reported as a “repayment”).
- Effective for distributions made after December 31, 2019.

Tax-exempt “difficulty of care payments”, a type of qualified foster care payment to individual care providers under a state Medicaid Home and Community-Based Services waiver program (Medicaid Waiver payments), may be treated as compensation for purposes of making an IRA contribution.

For tax years beginning after December 31, 2019, certain taxable non-tuition fellowship and stipend payments are treated as compensation for the purpose of IRA contributions. Compensation will include any amount included in gross income and paid to aid in pursuit of graduate or postdoctoral study.

**CARES Act – Coronavirus Aid, Relief, and Economic Security Act of 2020**

The CARES Act provided assistance to the American people from the public health and economic impact of COVID-19. The provisions under the CARES Act were mostly available during 2020, but the highlights are listed here:

- Coronavirus-related distributions - a coronavirus-related distribution (CRD) is a distribution made on or after January 1, 2020, and before December 30, 2020 to a qualified individual from an IRA, qualified plan, 403(b), or governmental 457(b) of up to \$100,000 in the aggregate for any taxable year. A CRD was directly repaid (i.e., rolled over) to any IRA or other eligible plan that accepts rollovers ratably within 3 years. Amounts not repaid could be taxed over a 3-year period.
- The CARES Act provides for 2 special coronavirus-related loan conditions to qualified individuals: 1) increases the amount that can be borrowed; and 2) extends the time to repay an existing loan. Loans are not permitted from individual retirement accounts, however.

**Waiver of Required Minimum Distribution (RMD)**

All Required Minimum Distributions were waived for the calendar year 2020 under the CARES Act, including for a participant whose required beginning date is in 2020 (e.g. Initial year 2019 RMDs due by April 1, 2020). Beneficiaries required to take RMDs from inherited IRAs were included in the waiver.

The 2020 RMD waiver applied to all IRA owners, not only to qualified individuals affected by COVID-19.

RMDs taken at any point during 2020 could have been rolled back into an eligible plan. IRS notice 2020-51 provided an extension to roll back any RMD taken on or after January 1, 2020 by August 31, 2020 without regard to the 60-day deadline that applies to IRA to IRA rollovers, or the one rollover in a 12-month period restriction.

RMD amounts that were received after August 31st were still eligible for **ROLLOVER BUT** were subject to the normal rollover restrictions.

Qualified Charitable Distributions are not affected by the CARES Act. As it relates to the change in RMD age under the SECURE Act mentioned previously, an IRA owner or beneficiary who was age 70½ could still request a QCD even if they did not have a 2020 RMD. Those individuals continue to remain QCD eligible despite the increase in RMD age to 72. See Appendix D in IRS Publication 590-B to determine the correct amount of the QCD.

## **SECURE 2.0 Act of 2022 (SECURE 2.0)**

Continuing the initiatives of the SECURE Act of 2019, SECURE 2.0 Act of 2022 (SECURE 2.0), Division T of the Consolidated Appropriations Act of 2023, was signed into law on December 29, 2022 (date of enactment). Some changes became effective on the date of enactment - or even retroactively, but the Internal Revenue Service and the Department of Labor must provide technical guidance to practitioners and taxpayers for them to be practicable.

### **Increase in Age for Required Beginning Date for Mandatory Distributions**

- The required beginning date for Required Minimum Distributions (RMDs) has been increased from age 72 to age 73 starting on January 1, 2023.
- The Act further increases the RMD age, starting January 1, 2033, from 73 to 75.

### **Indexing IRA Catch-Up Limit**

- Indexes the current \$1,000 age 50 catch-up limit.
- Effective for taxable years beginning after December 31, 2023.

### **Withdrawals for Certain Emergency Expenses**

- Provides an exception for certain distributions used for emergency expenses, which are unforeseeable or immediate financial needs relating to personal or family emergency expenses.
- Only one distribution is permissible per year of up to \$1,000, and a taxpayer has the option to repay the distribution within 3 years.
- No further emergency distributions are permissible during the **3-YEAR** repayment period unless repayment occurs.
- Effective for distributions made after December 31, 2023.

### **Special Rules for Certain Distributions from Long-Term Qualified Tuition Programs to Roth IRAs**

- SECURE 2.0 amended the Internal Revenue Code to allow for tax and penalty free rollovers, up to \$35,000 over the course of a taxpayer's lifetime, from any 529 account in their name to their Roth IRA.
- These rollovers are subject to Roth IRA annual contribution limits, but not the income threshold for contributions. To qualify, the 529 account must have been open for 15 years or more.

### **Remove Required Minimum Distribution Barriers of Life Annuities**

- An actuarial test related to certain commercial lifetime annuities in qualified plans and IRAs in the required minimum distribution regulations is eliminated. This will reinstate certain guarantees for the benefit of individuals who are otherwise unwilling to elect a life annuity under a defined contribution plan or IRA.
- This provision is effective for calendar years ending after the date of enactment of the Act.

### **Qualifying Longevity Annuity Contracts**

- To preserve the intended longevity protection, the 25% limit is eliminated, and the dollar limit is increased to \$200,000.
- In addition, QLACs with spousal survival rights are available, and free-look periods are permitted up to 90 days with respect to contracts purchased or received in an exchange on or after July 2, 2014.

### **Eliminating a Penalty on Partial Annuitization**

- A participant that holds an annuity contract in their retirement account may elect to calculate the Required Minimum Distribution (RMD) by aggregating the value of the annuity with the value of the non-annuitized portion of the account. The annuity contract payments for the year can then be deducted from the combined RMD amount.
- This became effective on the date of enactment of the **ACT**; however, the Treasury Secretary is to update the relevant regulations accordingly. Until then, taxpayers may rely on a **GOOD FAITH INTERPRETATION OF THE LAW**.

### **Reduction in Excise Tax on Certain Accumulations in Qualified Retirement Plans**

- The penalty for failure to take Required Minimum Distributions (RMD) is reduced from 50% to 25%.
- In addition, if a failure to take the RMD is corrected within a 2-year correction period, the excise tax on the failure is further reduced from 25% down to 10% percent. This correction window begins on the tax filing due date for the year the excess **OCCURRED AND** ends on the earlier of the last day of the second taxable year following such deadline or when the taxpayer is audited.
- Effective for taxable years beginning after the date of enactment of the Act.

### **Updating Dollar Limit for Mandatory Distributions**

- Under current law, employers may automatically roll over former employees' retirement accounts from a workplace retirement plan into an IRA if their balances are between \$1,000 and \$5,000.
- The limit is now increased from \$5,000 to \$7,000, effective for distributions made after December 31, 2023.

One-Time Election for Qualified Charitable Distribution (QCD) to Split-Interest Entity; Increase in Qualified Charitable Distribution Limitation

- Expands the Qualified Charitable Distribution provision to allow for a one-time, \$50,000 distribution to charities through charitable gift annuities, charitable remainder unitrusts, and charitable remainder annuity trusts.
- This is effective for distributions made in taxable years beginning after the date of enactment of the Act.
- In addition, the \$50,000 special distribution amount, as well as \$100,000 overall QCD limit, will be indexed for inflation for distributions made in taxable years ending after the date of enactment of the Act.

Repayment of Qualified Birth or Adoption Distribution Limited to 3 Years

- The recontribution period for distributions made in the case of birth or adoption, a qualified birth or adoption distribution (QBAD), is restricted to 3 years.
- Effective to distributions made after the date of the enactment of the Act, and retroactively to the 3-year period beginning on the day after the date on which such distribution was received.

Penalty-Free Withdrawal from Retirement Plans for Individual Case of Domestic Abuse

- Retirement plans may permit participants to self-certify that they experienced domestic abuse within the past year, allowing the participant to withdraw a small amount of money (the lesser of \$10,000, indexed for inflation, or 50% of the participant's account).
- This distribution is not subject to the 10% tax on early distributions. Additionally, a participant has the opportunity to repay the withdrawn money from the retirement plan over 3 **YEARS AND** will be refunded for income taxes on money that is repaid.
- Effective for distributions made after December 31, 2023.

Tax Treatment of IRA Involved in a Prohibited Transaction

- When an individual engages in a prohibited transaction with respect to their IRA, the IRA is disqualified and treated as distributed to the individual, irrespective of the size of the prohibited transaction.
- This provision clarifies that if an individual has multiple IRAs, only the IRA with respect to which the prohibited transaction occurred will be disqualified.
- Effective for taxable years beginning after the date of enactment of the Act.

Clarification of Substantially Equal Periodic Payment Rule

- Clarification of what does not constitute a modification of the additional tax on early distributions for the Substantially Equal Periodic Payment (SEPP) rule.
- The exception continues to apply in the case of a rollover of the account, an exchange of an annuity providing the payments, or an annuity that satisfies the Required Minimum Distribution rules.
- This provision is effective for transfers, rollovers, and exchanges after December 31, 2023; and effective for annuity distributions on or after the date of enactment of the Act.

Exception to Penalty on Early Distributions from Qualified Plans and IRAs to Individuals with a Terminal Illness

- Provides an exception to the 10% additional tax on early distributions made to individuals with a terminal illness.
- A physician must certify that the illness is reasonably expected to result in death within 84 months.
- These withdrawals currently have no dollar **LIMITATION AND** can be repaid to the account in a manner that is similar to qualified birth or adoption distributions.
- The exception is effective for distributions made after the date of enactment of the Act.

Special Rules for Use of Retirement Funds in Connection with Qualified Federally Declared Disasters

- Issues permanent rules that aim to standardize access to retirement funds in the event of a federally declared disaster.
- To be eligible, an individual must have their primary residence in the federally declared disaster **AREA AND** sustain an economic loss as a result of the disaster event.
- If eligible, up to \$22,000 can be considered a Qualified Disaster Distribution (or Qualified Disaster Recovery Distribution), taken no later than 180 days after the federal disaster was declared.
- The funds are exempt from the 10% excise tax on early distributions.
- There is a **3-YEAR** window following the date of distribution to repay all or a portion of the payment back to an eligible retirement plan. Alternatively, taxes can be spread ratably over a 3-year period.
- A list of federally declared disasters can be found on the Federal Emergency Management Agency website, [fema.org](https://www.fema.org).
- Effective retroactively for disasters occurring on or after January 26, 2021.

Elimination of Additional Tax on Corrective Distributions of Excess Contributions

- Earnings attributable to timely correction of an excess contribution is not subject to the 10% additional tax on early distributions.
- Effective for any determination made on or after the date of enactment of the Act, even if the correction **OCCURRED BEFORE** date of enactment.

Modification of Required Minimum Distribution Rules for Special Needs Trust

- In the case of a special needs trust established for a beneficiary with a disability, the trust may provide for a charitable organization as the remainder beneficiary.
- Effective for calendar years beginning after the date of enactment of the Act.

**IRA & Roth IRA Contribution Limits - Cost of Living Adjustments (COLAs)**

	<b>2024</b>	<b>2025</b>
Traditional IRA regular contribution limit	\$7,000	\$7,000
Age 50 catch-up limit for traditional IRAs	\$1,000	\$1,000
<i>AGI phase-out ranges for determining traditional IRA deductions for active participants:</i>		
Unmarried taxpayers	\$77,000 - \$87,000	\$79,000 - \$89,000
Married taxpayers filing joint returns	\$123,000 - \$143,000	\$126,000 - \$146,000
Married taxpayers filing separate returns	\$0 - \$10,000	\$0 - \$10,000
Non-active participant spouse	\$230,000 - \$240,000	\$236,000 - \$246,000
Roth IRA regular contribution limit	\$7,000	\$7,000
Age 50 catch-up limit for traditional and Roth IRAs	\$1,000	\$1,000
<i>AGI phase-out ranges for determining Roth IRA regular contributions:</i>		
Unmarried taxpayers	\$146,000 - \$161,000	\$150,000 - \$165,000
Married taxpayers filing joint returns	\$230,000 - \$240,000	\$236,000 - \$246,000
Married taxpayers filing separate returns	\$0 - \$10,000	\$0 - \$10,000