

# Traditional IRA Application

## ACCOUNT HOLDER INFORMATION

First Name	MI	Last Name	Date of Birth	Social Security Number
Farm Bureau Number	State of Membership	Mother's Maiden Name	E-mail Address	
Physical Address	City		State	Zip
Mailing Address (If different from above)	City		State	Zip
Home Phone Number	Work or Alternate Phone Number	Driver's License Number	State	
Present Employer or Business				

## IRA INFORMATION

Select Type:	Select Contribution Type:	Instructions:
Traditional IRA	New Contribution for:    Prior Year    Current Year →	(Requires Application ONLY)
Roth IRA	Transfer From Qualified Plan or Existing IRA →	(Requires Application & Form #1)
Coverdell Educational Savings Account	Rollover From Qualified Plan or Existing IRA →	(Requires Application & Form #2)

## REQUIRED MINIMUM DISTRIBUTION INFORMATION

Will you be 70 1/2 or older during this current year?	Are you a US citizen?	Y	N
No, proceed to Account Information section	Permanent Resident?	Y	N
Yes			
If <b>yes</b> , have you taken your full RMD for the current tax year?			
Yes, proceed to Account Information section			
No, complete RMD Questionnaire on page 3 before proceeding			

## ACCOUNT INFORMATION

### MONEY MARKET ACCOUNT IRA

Select your account:

 Performance Money Market  
 (\$250 minimum to open)

 Performance Monet Market E-Option  
 (\$250 minimum to open. E-Option requires internet access. I understand I will receive my monthly statement electronically.)

 Plus Money Market  
 (\$25,000 minimum to open. Monthly Service Fee may apply and eStatements required. Internet access required. I understand I will receive my monthly statement electronically.)

Initial Deposit Amount : \$ \_\_\_\_\_

### CERTIFICATE OF DEPOSIT IRA

\$1,000 Minimum to open a Certificate of Deposit (CD) IRA

Initial Deposit Amount: \$ \_\_\_\_\_

Term	Preferred Maturity Date
_____	_____
Month(s)    Year(s)	

## DEPOSIT ACCOUNT BENEFICIARY

Beneficiary/POD Name	Social Security Number	Date of Birth	Relationship
_____	_____	_____	_____
Beneficiary/POD Name	Social Security Number	Date of Birth	Relationship
_____	_____	_____	_____

## SPOUSAL CONSENT

Community or marital property state laws may require spousal consent for a nonspouse beneficiary designation. The laws of the state in which the financial organization is domiciled, the IRA owner resides, the trust is located, the spouse resides, or this transaction is consummated should be reviewed to determine if such a requirement exists. Spousal consent for the beneficiary designation may also be required by financial organization policy.

**I Am Married.** I understand that if I designate a primary beneficiary other than my spouse, my spouse must consent by signing below.

**I Am Not Married.** I understand that if I marry in the future, I must complete a new Designation of Beneficiary form, which includes the spousal consent documentation.

I am the spouse of the IRA owner. Because of the significant consequences associated with giving up my interest in the IRA, the custodian has not provided me with legal or tax advice, but has advised me to seek tax or legal advice. I acknowledge that I have received a fair and reasonable disclosure of the IRA owner's assets or property and any financial obligations for a community property state. In the event I have a legal interest in the IRA assets, I hereby give to the IRA owner such interest in the assets held in this IRA and consent to the beneficiary designation set forth in this Application.

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness (if required)

(Witness cannot be a beneficiary of this IRA)

\_\_\_\_\_  
Date

Agent Name: \_\_\_\_\_

Referral Source Code: \_\_\_\_\_

ITC: \_\_\_\_\_

Internal Use Only

Agent Support Name: \_\_\_\_\_

Associate Referral Source Code: \_\_\_\_\_

By entering this information, I understand that this Farm Bureau Agent has requested that Farm Bureau Bank, establish an account for me. Information pertaining to your application may be shared with your agent in order to assist in the application process. To inquire about the status of your application, you may contact your Farm Bureau Agent or you may contact Farm Bureau Bank directly at 800.492.3276.

## SIGNATURES

I certify that the information provided by me on this Application is accurate, and that I have received a copy of IRS Form 5305-A, Traditional Individual Retirement Custodial Account, a Disclosure Statement, and a Financial Disclosure. I agree to be bound by the terms and conditions found in the Agreement, Disclosure Agreement, Financial Disclosure, and amendments thereto. I assume sole responsibility for all consequences relating to my actions concerning this IRA. I understand that I may revoke this IRA on or before seven (7) days after the date of establishment. My designation of the tax year for my contribution, and any election to treat a contribution as a rollover or recharacterization, is irrevocable. I indemnify and agree to hold the custodian harmless against any liabilities. I understand that the custodian cannot provide, and has not provided, me with tax or legal advice. I have been advised to seek the guidance of a tax or legal professional.

Under penalty of perjury, I/we certify that: (1) The number shown on this form is my correct Social Security number and (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest and dividends or the IRS has notified me that I am no longer subject to backup withholding. Cross out and initial statement #2 if you have been notified that you are subject to backup withholding. (3) I/we understand that my/our account is bound by the terms and conditions specified in the Deposit Account Agreement and disclosures that will be sent to me upon opening of my account. My signature authorizes Farm Bureau Bank to open the account(s) I have indicated above.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:** To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify and record information that identifies each person who opens the account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Please note that Farm Bureau Bank may monitor and/or record phone conversations made or received by our employees or our agents.

\_\_\_\_\_  
Signature of IRA Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Custodian/Trustee

\_\_\_\_\_  
Date



REQUIRED MINIMUM DISTRIBUTION QUESTIONNAIRE

Complete this worksheet if you have not yet taken this year's Required Minimum Distribution in full and plan on taking the RMD from your Farm Bureau Bank IRA. This information is needed so your RMD amount can be calculated correctly. RMD's are only required if the account is a Traditional IRA, 401(k), 403(b), or 457(b) plan.

The deadline for receiving your RMD is as follows:

- The year you turn age 70 1/2 - by April of the following year
- All subsequent years – by December 31 of each year

1. IRA Balance as of December 31st of the previous year: \$ \_\_\_\_\_

*This information is typically located on your IRA Year-End Statement.  
If you have multiple IRA's and would like to take your entire RMD from your Farm Bureau Bank IRA, you will need to list your entire IRA Balance.*

2. Amount of RMD already taken this year (if applicable): \$ \_\_\_\_\_

3. Date you would like RMD sent to you: \_\_\_\_\_

*Farm Bureau Bank will send a Cashier's Check to you for your RMD amount.  
An IRA Distribution Form is required if you prefer a different method of payment or would like any income taxes withheld.*

\_\_\_\_\_  
Signature of IRA owner

\_\_\_\_\_  
Date

# TRADITIONAL INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT

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

Form **5305-A** (Rev. April 2017) Department of the Treasury Internal Revenue Service  
The depositor and the custodian make the following agreement:

**DO NOT File with  
Internal Revenue Service**

Amendment

**Article I.** 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 years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

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

**Article III.**

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

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

**Article IV.**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the 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.

2. 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.

3. 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:

(i) 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 (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

(ii) the designated beneficiary is not the 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 (a)(iii) below if longer.

(iii) 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 (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below.

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the

calendar year following the year of the 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 (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.

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

4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.

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

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the 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 (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 3(a) and 3(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 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the 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.

6. 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.**

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The custodian agrees to submit to the Internal Revenue Service (IRS) and depositor the reports prescribed by the IRS.

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

**Article VII.** This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear on the Application that accompanies this agreement.

## Article VIII.

**8.01 Your IRA Documents.** This Internal Revenue Service (IRS) Forms 5305 series agreement for traditional IRAs, amendments, application, beneficiary designation, disclosure statement, and other documentation, if any, set forth the terms and conditions governing your individual retirement account (IRA) and your or, after your death, your beneficiary's relationship with us. Articles I through VII of the IRS 5305 agreement have been reviewed and approved by the IRS. The disclosure statement sets forth various IRA rules in simpler language. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**8.02 Definitions.** This agreement refers to you as the depositor, and us as the custodian. References to "you," "your," and "IRA owner" will mean the depositor, and "we," "us," and "our" will mean the custodian. The terms "you" and "your" will apply to you. In the event you appoint a third party, or have a third party appointed on your behalf, to handle certain transactions affecting your IRA, such agent will be considered "you" for purposes of this agreement. Additionally, references to "IRA" will mean the custodial account.

**8.03 Additional Provisions.** Additional provisions may be attached to, and made a part of, this agreement by either party. The provisions must be in writing, agreed to by us, and in a format acceptable to us.

**8.04 Our Fees and Expenses.** We may charge reasonable fees and are entitled to reimbursement for any expenses we incur in establishing and maintaining your IRA. We may change the fees at any time by providing you with notice of such changes. We will provide you with fee disclosures and policies. We may deduct fees directly from your IRA assets or bill you separately. Fees billed separately to you and paid by you may be claimed on your federal income tax return as miscellaneous itemized deductions. The payment of fees has no effect on your contributions. Additionally, we have the right to liquidate your IRA assets to pay such fees and expenses. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

**8.05 Amendments.** We may amend your IRA in any respect and at any time, including retroactively, to comply with applicable laws governing retirement plans and the corresponding regulations. Any other amendments shall require your consent, by action or no action, and will be preceded by written notice to you. Unless otherwise required, you are deemed to automatically consent to an amendment, which means that your written approval is not required for the amendment to apply to the IRA. In certain instances the governing law or our policies may require us to secure your written consent before an amendment can be applied to the IRA. If you want to withhold your consent to an amendment, you must provide us with a written objection within 30 days of the receipt date of the amendment.

**8.06 Notice and Delivery.** Any notice mailed to you will be deemed delivered and received by you, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed to the last address we have in our records. You are responsible for ensuring that we have your proper mailing address. Upon your consent, we may provide you with notice in a delivery format other than by mail. Such formats may include various electronic deliveries. Any notice, including terminations, change in personal information, or contributions mailed to us will be deemed delivered when actually received by us based on our ordinary business practices. All notices must be in writing unless our policies and procedures provide for oral notices.

**8.07 Applicable Laws.** This agreement will be construed and interpreted in accordance with the laws of, and venue in, our state of domicile.

**8.08 Disqualifying Provisions.** Any provision of this agreement that would disqualify the IRA will be disregarded to the extent necessary to maintain the account as an IRA.

**8.09 Interpretation.** If any question arises as to the meaning of any provision of this agreement, then we shall be authorized to interpret any such provision, and our interpretation will be binding upon all parties.

**8.10 Representations and Indemnity.** You represent that any information you and/or your agents provide to us is accurate and complete, and that your actions comply with this agreement and applicable laws governing retirement plans. You understand that we will rely on the information provided by you, and that we have no duty to inquire about or investigate such information. We are not responsible for any losses or expenses that may result from your information, direction, or actions, including your failure to act. You agree to hold us harmless, to indemnify, and to defend us against any and all actions or claims arising from, and liabilities and losses incurred by reason of your information, direction, or actions. Additionally, you represent that it is your responsibility to seek the guidance of a tax or legal professional for your IRA issues.

We are not responsible for determining whether any contributions or distributions comply with this agreement and/or the federal laws governing retirement plans. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with your IRA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and we have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions, including separate accounting, court orders, penalty exception determinations, or other similar situations.

## 8.11 Investment of IRA Assets.

(a) **Deposit Investments Only.** The deposit investments we offer are limited to savings, share and money market accounts, and certificates of deposit (CDs), and will earn a reasonable rate. This IRA is not, and cannot be, a self-directed IRA. It does not permit you to invest your contributions or IRA assets in nondeposit investments such as property, annuities, stocks, bonds, and government, municipal or United States Treasury securities.

(b) **Investment of Contributions.** You may invest IRA contributions in any IRA investments we offer. If you fail to provide us with investment direction for a contribution, we will return or hold all or part of such contribution based on our policies and procedures. We will not be responsible for any loss of IRA income associated with your failure to provide appropriate investment direction.

(c) **Directing Investments.** All investment directions must be in a format or manner acceptable to us. You may invest in any IRA investments that you are qualified to purchase, and that we are authorized to offer and do offer at the time of the investment selection, and that are acceptable under the applicable laws governing retirement plans. Your IRA investments will be registered in our name for the benefit of your IRA. Specific investment information may be provided at the time of the investment.

Based on our policies, we may allow you to delegate the investment responsibility of your IRA to an agent by providing us with written notice of delegation in a format acceptable to us. We will not review or guide your agent's decisions, and you are responsible for the agent's actions or failure to act. We are not responsible for directing your investments, or providing investment advice, including guidance on the suitability or potential market value of various investments.

(d) **Investment Fees and Asset Liquidation.** We have the right to liquidate your IRA assets to pay fees and expenses, federal tax levies, or other assessments on your IRA. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

**8.12 Distributions.** Withdrawal requests must be in a format acceptable to us, and/or on forms provided by us. We may require you, or your beneficiary after your death, to elect a distribution reason, provide documentation, and provide a proper tax identification number before we process a distribution. These withdrawals may be subject to taxes, withholding, and penalties. Distributions will generally be in cash.

Required minimum distributions will be based on Treasury Regulations 1.401(a)(9) and 1.408-8 in addition to our then current policies and procedures. The required minimum distribution regulations are described within the Disclosure Statement. In the event you, or your beneficiary after your death, fail to take a required minimum distribution we may do nothing, distribute your entire IRA balance, or distribute the amount of your required minimum distribution based on our own calculation.

**8.13 Cash Contributions.** We may accept transfers, rollovers, recharacterizations, and other similar contributions in cash from other IRAs, eligible retirement plans, and as allowed by law. Prior to completing such transactions we may require that you provide certain information in a format acceptable to us.

**8.14 Reports and Records.** We will maintain the records necessary for IRS reporting on this IRA. Required reports will be provided to you, or your beneficiary after your death, and the IRS. If you believe that your report is inaccurate or incomplete you must notify us in writing within 30 days following the receipt date. Your investments may require additional state and federal reporting.

**8.15 Termination.** You may terminate this agreement without our consent by providing us with a written notice of termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible

following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

**8.16 Our Resignation.** We can resign at any time by providing you with 30 days written notice prior to the resignation date, or within five days of our receipt of your written objection to an amendment. In the event you materially breach this agreement, we can terminate this agreement by providing you with five days prior written notice. Upon our resignation, you must appoint a qualified successor custodian or trustee. Your IRA assets will be transferred to the successor custodian or trustee once we have received appropriate direction. Transfers will be completed within a reasonable time following our resignation notice and the payment of your remaining IRA fees or expenses. At the time of resignation we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties. If you fail to provide us with acceptable transfer direction within 30 days from the date of the notice, we can transfer the assets to a successor custodian or trustee of our choice or distribute them to you in cash.

**8.17 Successor Organization.** If we merge with, purchase, or are acquired by, another organization, such organization, if qualified, may automatically become the successor custodian or trustee of your IRA.

## IRS FORM 5305-A INSTRUCTIONS (Rev. 4-2017)

### 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 and 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 **Pub. 590-B**, Distributions from Individual Retirement Arrangements (IRAs).

#### Definitions

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

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

#### 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 IRA.** With some exceptions, you have the right to revoke this individual retirement account (IRA) within seven days of receiving this Disclosure Statement. If you revoke your IRA, we will return your entire IRA contribution without any adjustment for items such as sales commissions, administrative expenses, or fluctuation in market value. Exceptions to your right of revocation include that you may not revoke an IRA established with a recharacterized contribution, nor do you have the right to revoke upon amendment of this agreement.

You may revoke your IRA by providing us with written notice. The revocation notice may be mailed by first-class mail, or hand delivered to us. If your notice is mailed by first-class, postage pre-paid mail, the revocation will be deemed mailed on the date of the postmark.

If you have any questions or concerns regarding the revocation of your IRA, please call or write to us. Our telephone number, address, and contact name, to be used for communications, can be found on the application that accompanies this Disclosure Statement and Internal Revenue Service (IRS) Forms 5305 series agreement.

**This Disclosure Statement.** This Disclosure Statement provides you, and your beneficiaries after your death, with a summary of the rules and regulations governing this IRA.

**Definitions.** The IRS Forms 5305 series agreement for traditional IRAs contains a definitions section. The definitions found in such section apply to this agreement. The IRS refers to you as the depositor, and us as the custodian. References to "you," "your," and "IRA owner" will mean the depositor, and "we," "us," and "our" will mean the custodian. The terms "you" and "your" will apply to you. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your IRA, such third party will be considered your agent and, therefore, "you" for purposes of this agreement. Additionally, references to "IRA" and "traditional IRA" will mean the custodial account and include an IRA indicated to be a SEP IRA.

**For Additional Guidance.** It is in your best interest to seek the guidance of a tax or legal professional before completing any IRA establishment documents. For more information, you can also refer to IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, instructions to your federal income tax return, your local IRS office, or the IRS's web site at [www.irs.gov](http://www.irs.gov).

## IRA Restrictions and Approval.

- 1. IRS Form 5305 or 5305-A Agreement.** This Disclosure Statement and the IRS Forms 5305 series agreement, amendments, application, and additional provisions set forth the terms and conditions governing your traditional IRA. Such documents are the agreement.
- 2. Individual/Beneficiary Benefit.** This IRA must be for the exclusive benefit of you, and upon your death, your beneficiaries. The IRA must be established in your name and not in the name of your beneficiary, living trust, or another party or entity.
- 3. Beneficiary Designation.** By completing the appropriate section on the corresponding IRA application you may designate any person(s) as your beneficiary to receive your IRA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as we prescribe for this purpose. If there is no beneficiary designation on file at the time of your death, or if none of the beneficiaries on file are alive at the time of your death, your IRA assets will be paid to your estate. We may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the IRA assets under a subsequently filed designation or for any other reason.
- 4. Cash Contributions.** Regular or annual IRA contributions must be in cash, which may include a check, money order, or wire transfer.
- 5. IRA Custodian.** An IRA custodian must be a bank, federally insured credit union, savings and loan association, trust company, or other entity, which is approved by the Secretary of the Treasury to act as an IRA custodian.
- 6. Prohibition Against Life Insurance and Commingling.** None of your IRA assets may be invested in life insurance contracts, or commingled with other property, except in a common trust fund or common investment fund.
- 7. Nonforfeitable.** The assets in your IRA are not forfeitable.

- 8. Collectibles.** Generally, none of your IRA assets may be invested in collectibles, including any work of art, rug, or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property. If we allow, you may invest your IRA assets in the following coins and bullion: certain gold, silver, and platinum coins minted by the United States; a coin issued under the laws of any state; and any gold, silver, platinum, and palladium bullion of a certain fineness, and only if such coins and bullion are held by us. For additional guidance on collectibles, see Section 408(m) of the Internal Revenue Code (IRC).
- 9. Cash Rollovers.** You may be eligible to make a rollover contribution to an IRA or certain employer-sponsored eligible retirement plans. Rollovers to and from IRAs and eligible retirement plans are described in greater detail elsewhere in this Disclosure Statement.
- 10. Required Minimum Distribution (RMD) Rules.** Your IRA is subject to the RMD rules summarized in this agreement.
- 11. No Prohibited Transactions.** If you engage in a prohibited transaction, the IRA loses its tax exempt status as of the first day of the year. You must include the fair market value of your IRA as of that first day in your gross income for the year during which the prohibited transaction occurred, and pay all applicable taxes and penalties.
- 12. No Pledging.** If you pledge all or a portion of your IRA as security for a loan, the portion pledged will be treated as a distribution to you, and the taxable portion will be included in gross income, and may be subject to the 10 percent early-distribution penalty tax.
- 13. IRS Approval of Form.** This agreement includes an IRS Forms 5305 series agreement. Articles I through VII of this IRS agreement have been reviewed and approved by the IRS. This approval is not a determination of its merits, and not an endorsement of the investments provided by us, or the operation of the IRA. Article VIII of this IRS agreement contains additional contract provisions that have not been reviewed or approved by the IRS.
- 14. State Laws.** State laws may affect your IRA in certain situations, including deductions, beneficiary designations, agency relationships, consent, taxes, tax withholding, and reporting.

## IRA Eligibility and Contributions.

- 1. Regular or Annual IRA Contribution.** An annual contribution, commonly referred to as a regular contribution, is your contribution for the tax year, and is based on your and/or your spouse's compensation. Your designation of the tax year for your contribution is irrevocable. You may direct all or a portion of any tax refund directly to an IRA.  
If you are married, file a joint federal income tax return, and are younger than age 70 1/2 during the entire tax year, you and/or your spouse may make a contribution on your behalf for that tax year if you and/or your spouse have compensation. This contribution must be made into your IRA, and it cannot exceed the contribution limits applicable to regular IRA contributions.
- 2. Compensation for Eligibility.** You are eligible to contribute to your IRA if you are younger than age 70 1/2 during the entire tax year for which your contribution applies, and you have compensation (also referred to as earned income).  
Common examples of compensation include wages, salary, tips, bonuses, and other amounts received for providing personal services, and earned income from self-employment. Compensation does not include earnings and profits from property such as dividends, interest, or capital gains, or pension, annuity, or deferred compensation plan amounts. Your compensation includes any taxable alimony or separate maintenance payments you may receive under a divorce decree or separate maintenance agreement.
- 3. Catch-Up Contributions.** Catch-up contributions are regular IRA contributions made in addition to any other regular IRA contributions. You are eligible to make catch-up contributions if you meet the eligibility requirements for regular contributions and you attain age 50 by the end of the taxable year for which a catch-up contribution is being made.
- 4. SEP and SIMPLE IRA Contributions.** Your employer may make simplified employee pension (SEP) plan contributions to this IRA in addition to your own regular IRA contributions. Your employer is responsible for verifying the SEP eligibility requirements and

determining the SEP contribution amount. This IRA cannot accept Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA contributions from your employer.

5. **Maximum Contribution Limits.** Your regular (including catch-up) IRA contributions are limited to the lesser of 100 percent of your and/or your spouse's compensation or the dollar amounts set forth on the following chart.

Contribution Tax Year	Regular Contribution Limit	Catch-Up Contribution Limit	Total Contribution Limit
2017	\$5,500	\$1,000	\$6,500
2018	\$5,500	\$1,000	\$6,500
2019 and later years	\$5,500+COLA*	\$1,000	\$6,500+COLA*

\* The regular IRA contribution limits are subject to annual cost-of-living adjustments (COLAs), if any.

6. **Contribution Deadline.** You may make regular (including catch-up) IRA contributions any time for a taxable year up to and including your federal income tax return due date, excluding extensions, for that taxable year. The due date for most taxpayers is April 15. The deadline may be extended in some situations. Examples include a federally declared disaster, a terroristic or military action, or service in a combat zone.
7. **Roth IRA and Traditional IRA Contribution Limit.** Your combined regular (including catch-up) traditional IRA and Roth IRA contributions may not exceed the maximum contribution limit set forth in the previous chart.

**Tax Deductions.** Tax deductions apply only to your regular (including catch-up) IRA contribution amount, and the deduction may never exceed your maximum regular (including catch-up) contribution amount for the contribution year. Your deduction depends on whether you and your spouse (if applicable) are active participants, and your modified adjusted gross income (MAGI). Your MAGI is your adjusted gross income from your federal income tax return for the contribution year with certain subtractions and additions. For more information on MAGI, see the instructions to your federal income tax return or IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

1. **Active Participant.** You could be an active participant in one of the following employer-sponsored retirement plans:
- a qualified pension, profit sharing, 401(k), money purchase pension, employee stock ownership plan, or stock bonus plan;
  - a SEP plan;
  - a SIMPLE IRA or SIMPLE 401(k) plan;
  - a qualified annuity plan of an employer;
  - a tax-sheltered annuity plan for employees of certain tax-exempt organizations or public schools;
  - a Section 501(c)(18) trust;
  - an H.R. 10 or Keogh plan (for self-employed individuals); or
  - a plan for federal, state, or local government employees or by an agency or instrumentality thereof (other than a section 457(b) plan).

For assistance in determining whether you (or your spouse) are an active participant, see your employer or a tax or legal professional. IRS Form W-2, *Wage and Tax Statement*, as provided by your employer, should indicate whether you are an active participant.

2. **Deduction Limits.** If you are not an active participant, your entire regular contribution to your IRA is generally deductible. Your marital status may affect your deduction amount. If you are an active participant, the amount you can deduct depends on your MAGI for the tax year for which the contribution applies. The following chart shows how your active participant status and tax-filing status and MAGI affect your deduction. If you are an active participant, the greater your MAGI, the lesser the amount you may deduct.

Tax Year	MAGI THRESHOLDS							
	Filing Status							
	Single, Active Participant		Married, Filing Jointly, Active Participant		Married, Filing Separately, Active Participant		Married, Filing Jointly, Not an Active Participant, but Spouse is	
Low End	High End	Low End	High End	Low End	High End	Low End	High End	
2017	\$62,000	\$72,000	\$99,000	\$119,000	\$0	\$10,000	\$186,000	\$196,000
2018	\$63,000	\$73,000	\$101,000	\$121,000	\$0	\$10,000	\$189,000	\$199,000
2019 and later years	\$63,000*	\$73,000*	\$101,000*	\$121,000*	\$0	\$10,000	\$189,000*	\$199,000*

\* The MAGI thresholds are subject to annual cost-of-living adjustments, if any.

3. **Deduction Calculation.** If your MAGI is equal to or is less than the applicable Low End number in the chart based on your tax-filing status, then you may deduct your entire regular (including catch-up) IRA contribution. If your MAGI meets or exceeds the High End number, you may not deduct any portion of your contribution. If your MAGI is between the Low End and High End numbers, which is the phaseout range, see your tax or legal professional for assistance in determining your deduction amount. IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and the instructions to your federal income tax return also contain helpful calculation information.

4. **Nondeductible Contributions.** You may make nondeductible contributions to your IRA if you are not able to, or choose not to, deduct your contributions. You report nondeductible contributions to the IRS on IRS Form 8606, *Nondeductible IRAs*, which is attached to your federal income tax return for the year of the contribution. Failure to report nondeductible contributions, or the overstatement of nondeductible contributions, may result in IRS penalties.

**Nonrefundable Tax Credit.** You may be eligible to take a tax credit for your regular IRA contributions. The credit is equal to a percentage of your qualified contributions up to \$2,000. The credit cannot exceed \$1,000 for any tax year, and is in addition to any deduction that may apply. To be eligible for the tax credit, you must be age 18 or older by the end of the applicable tax year, not a dependent of another taxpayer, not a full-time student, and satisfy certain restrictions on distributions.

**Moving Assets To and From IRAs.** There are a variety of transactions that allow you to move your retirement assets to and from your IRAs and certain other eligible retirement plans. We have sole discretion on whether we will accept, and how we will process, movements of assets to and from IRAs. We or any other financial organizations involved in the transaction may require documentation for such activities.

- IRA-to-IRA Transfers.** You may transfer all or a portion of your traditional IRA assets from one traditional IRA to another traditional IRA. An IRA transfer means that the IRA assets move from one IRA to another IRA in a manner that prevents you from cashing the IRA assets, or even depositing the assets anywhere except in the receiving IRA. Transfers are not taxable or reportable, and the IRS does not impose timing or frequency restrictions on transfers. You may be required to complete a transfer authorization form prior to transferring your IRA assets.
- IRA-to-IRA Rollovers.** An IRA rollover is another way to move assets tax-free between IRAs. You may roll over all or a portion of your IRA assets by taking a distribution from an IRA and recontributing it as a rollover contribution into the same or another IRA. A rollover contribution is irrevocable. You must report your IRA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a rollover if the IRA distribution is deposited within 60 calendar days following the date you receive the distributed assets. The 60-day period may be extended to 120 days for a first-time homebuyer distribution where there is a delay or cancellation in the purchase or construction of the home. You are limited to one rollover per 1-year (12-month) period. You may only roll over one IRA distribution per 1-year period aggregated between all of your IRAs. For this purpose IRA includes rollovers among traditional (including SEP), SIMPLE, and Roth IRAs. For example, if you have IRA 1, IRA 2, and IRA 3, and take a distribution from IRA 1 and roll it over into a new IRA 4, you will



have to wait 1 year from the date of that distribution to take another distribution from any of your IRAs and subsequently roll it over into an IRA. The 1-year limitation does not apply to rollovers related to first-time homebuyer distributions, distributions converted to a Roth IRA, and rollovers to or from an employer-sponsored eligible retirement plan.

3. **Rollovers and Transfers from SIMPLE IRAs.** You may not roll over or transfer assets from a SIMPLE IRA to a traditional IRA or other eligible retirement plan until two years have passed since the date on which you first participated in an employer's SIMPLE, which is the initial contribution date. If you participated in SIMPLEs of different employers, the initial contribution date and two-year period are determined separately for SIMPLE IRA assets from each employer.
4. **Rollovers to SIMPLE IRAs.** You may not roll over assets to a SIMPLE IRA from a traditional IRA or other eligible retirement plan until two years have passed since you first participated in an employer's SIMPLE, which is the initial contribution date. If you participated in SIMPLEs of different employers, the initial contribution date and two-year period are determined separately for SIMPLE IRA assets from each employer.
5. **Rollovers from Employer-Sponsored Eligible Retirement Plans.** You may directly or indirectly roll over assets from an eligible retirement plan, sponsored by your employer, into your IRA. Your plan administrator or employer is responsible for determining the amount of your assets in its eligible retirement plan that are eligible for rollover to an IRA or other eligible retirement plan.
  - a. **Eligible Retirement Plan.** Eligible retirement plans include qualified trusts under IRC Section 401(a), annuity plans under IRC Section 403(a), annuity contracts under IRC Section 403(b), and certain governmental IRC Section 457(b) plans. Common names for these plans include 401(k), profit sharing, pension, money purchase, federal thrift savings, and tax-sheltered annuity plans.
  - b. **Eligible Distribution.** Not all distributions from an employer-sponsored eligible retirement plan are eligible for rollover to an IRA. The most common distributions, which are not eligible for rollover, include RMDs, defaulted loans, substantially equal periodic payments as defined in IRC Section 402(c)(4)(A), distributions paid to nonspouse beneficiaries, and hardship distributions. Your employer determines which assets may not be rolled over, and must provide you with an IRC Section 402(f) notice of taxation, which explains the tax issues concerning distributions.
  - c. **Direct Rollover.** A direct rollover moves eligible retirement plan assets from your employer-sponsored eligible retirement plan to your IRA in a manner that prevents you from cashing the plan assets, or even depositing the assets anywhere except in the receiving IRA. A direct rollover is reported to the IRS but, if properly completed, the transaction is not subject to tax or penalty. There are no IRS limitations, such as the 60-day period or one per 1-year limitation, on direct rollovers. This agreement should not be used for a direct rollover from an eligible retirement plan to an inherited traditional IRA.
  - d. **Indirect Rollover and Withholding.** An indirect rollover begins with a plan distribution made payable to you. If you receive distributions during the tax year totaling more than \$200, your employer is required to withhold 20 percent on the taxable portion of your eligible rollover distribution as a prepayment of federal income taxes on distributions. You may make up the 20 percent withholding from your own funds at the time you deposit the distribution into an IRA. If the 20 percent is not made up at the time you deposit your distribution into an IRA, that portion is generally treated as taxable income. If you are younger than age 59 1/2, you are subject to a 10 percent early-distribution penalty tax on the taxable amount of the distribution that is not rolled over, unless a penalty tax exception applies. Your distribution is only eligible to be contributed to an IRA during the 60 days

following your receipt of a plan distribution. Your decision to contribute the assets to the IRA as a rollover contribution is irrevocable. The one per 1-year limitation does not apply to rollovers from employer-sponsored eligible retirement plans. State withholding may apply to eligible rollover distributions.

- e. **Separate or Conduit IRA.** In certain cases, it may be to your benefit to make the rollover contribution into a separate or conduit IRA. Conduit IRAs can provide individuals with a means of tracking IRA assets from different sources, which may be subject to certain restrictions or favorable tax treatment.
6. **Waiver of the 60-Day Period.** The Secretary of the Treasury may waive the 60-day period for completing rollovers in certain situations such as casualty, disaster, or other events beyond the reasonable control of the individual who is subject to the 60-day period.
7. **Traditional IRA to Employer-Sponsored Eligible Retirement Plans.** You may directly or indirectly roll over a taxable distribution from your IRA to an employer-sponsored eligible retirement plan which accepts rollover contributions. Nontaxable or nondeductible IRA assets may not be rolled over into employer-sponsored eligible retirement plans. You can generally roll over, to employer-sponsored eligible retirement plans, only the aggregate taxable balance in all of your traditional IRAs and SIMPLE IRAs. The one per 1-year limitation does not apply to these rollovers.
8. **Transfers Due to Divorce.** Your former spouse, pursuant to a divorce decree or legal separation order, may transfer assets from your traditional IRA to his/her traditional IRA.
9. **Qualified Reservist Contributions.** If you are a qualified reservist ordered or called to active duty after September 11, 2001 for more than 179 days (or for an indefinite period), and take an IRA distribution or take certain elective deferrals from an eligible retirement plan after September 11, 2001, and before the end of your active duty, you may make one or more contributions of these assets to your IRA within two years of the end of your active duty.
10. **Qualified Settlement Income.** You may roll over certain qualified settlement income (e.g. an amount received in connection with the Exxon Valdez litigation) to your IRA under limits provided by law. Generally, the one per 1-year limitation does not apply to such rollovers. It is in your best interest to seek the guidance of a tax or legal professional before taking advantage of such rollover and/or taking such assets from the IRA.
11. **Rollovers Due to Airline Carrier Bankruptcy.** If you are a qualified airline employee and receive an airline payment amount as defined by law, up to 90 percent of the amount may be rolled over to a traditional IRA. You must roll over the airline payment amount within 180 days of its receipt.

#### **Movement of Assets Between Traditional and Roth IRAs.**

1. **Traditional IRA to Roth IRA Conversions.** You may convert all or a portion of your traditional IRA assets to a Roth IRA. Your conversion assets (excluding prorated nondeductible contributions) are subject to federal income tax. Your conversion must be reported to the IRS. The 10 percent early-distribution penalty tax does not apply to conversions. If you elect to convert your assets using a rollover transaction, the 60-day rule applies. The one per 1-year limitation does not apply to conversions.
2. **Traditional IRA and Roth IRA Recharacterizations.** You may recharacterize, or choose to treat all or a portion of your regular (including catch-up) traditional IRA contribution as a regular Roth IRA contribution. Similarly, you may recharacterize your regular (including catch-up) Roth IRA contribution as a regular traditional IRA contribution. You may cancel a conversion through a recharacterization of all or a portion of the amount converted from a traditional IRA to a Roth IRA. You may also recharacterize the amount rolled or directly rolled over to a Roth IRA from an eligible retirement plan, or other recharacterization, as provided by law. A recharacterization election is irrevocable. You must complete a recharacterization no later than your federal income tax-filing due date, including extensions, for the year you make the initial

contribution. If you timely file your federal income tax return, you may still recharacterize as late as October 15 for calendar year filers. Recharacterizations must occur by transfer, which means that the assets, adjusted for gains and losses on the recharacterized amount, must be transferred into another IRA. The recharacterized contribution is treated as though you deposited it into the second IRA on the same day you actually deposited it in the first IRA. Recharacterization transactions are reported to the IRS. The election to recharacterize may be completed on your behalf after your death. A written notice of recharacterization, as defined by Treasury Regulation 1.408A-5, Q&A 6(a), is required for recharacterization transactions.

- 3. Traditional IRA to Roth IRA Reconversions.** A reversion occurs when all or a portion of traditional IRA assets previously converted to a Roth IRA are recharacterized back to a traditional IRA and then converted again. After recharacterizing a conversion, you cannot reconvert until the later of: (1) the beginning of the year following the year the amount was converted, or (2) the end of the 30-day period following the day of the recharacterization. In other words, you cannot reconvert in the same year as the first conversion. Reversion transactions are reported to the IRS.

**IRA Distributions.** You, or after your death your beneficiary, may take an IRA distribution at any time. However, depending on the timing and amount of your distribution you may be subject to income taxes and/or penalty taxes.

- 1. Removal of Excess Contributions.** You may withdraw all or a portion of your excess contribution and attributable earnings by your federal income tax return due date, including extensions, for the taxable year for which you made the contribution. The excess contribution amount distributed will not be taxable, but the attributable earnings on the contribution will be taxable in the year in which you made the contribution and may be subject to the 10 percent early-distribution penalty tax. In certain situations, you may treat your excess as a regular (including catch-up) IRA contribution for the next year. If you timely file your federal income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.
- 2. Distributions of Unwanted IRA Contributions by Tax-Filing Date.** You may withdraw all or a portion of your regular (including catch-up) IRA contribution and attributable earnings in the same manner as an excess contribution. However, you cannot apply your unwanted contribution as a regular IRA contribution for a future year. The unwanted contribution amount distributed will not be taxable, but the attributable earnings on the contribution will be taxable in the year in which you made the contribution, and may be subject to the 10 percent early-distribution penalty tax. If you timely file your federal income tax return, you may still remove your unwanted contribution, plus attributable earnings, as late as October 15 for calendar year filers.
- 3. Distribution of Nondeductible and Nontaxable Contributions.** If any of your traditional IRAs or SIMPLE IRAs contain nondeductible contributions, rollovers of nontaxable distributions from employer-sponsored eligible retirement plans, or other nontaxable basis amounts, any distributions you take from any of your traditional IRAs or SIMPLE IRAs, that are not rolled over, will return to you a proportionate share of the taxable and nontaxable balances in all of your traditional IRAs and SIMPLE IRAs at the end of the tax year of your distributions. IRS Form 8606, *Nondeductible IRAs*, has been specifically designed to calculate this proportionate return. You must complete IRS Form 8606 each year you take distributions under these circumstances, and attach it to your tax return for that year to validate the nontaxable portion of your IRA distributions reported for that year.
- 4. Qualified Health Savings Account (HSA) Funding Distribution.** If you are an HSA eligible individual, you may elect to take a qualified HSA funding distribution from your IRA (not including ongoing SEP and SIMPLE IRAs) to the extent such distribution is contributed to your HSA in a trustee-to-trustee transfer. This amount is aggregated with all other annual HSA contributions and is subject

to your annual HSA contribution limit. A qualified HSA funding distribution election is irrevocable and is generally available once in your lifetime. A testing period applies. The testing period for this provision begins with the month of the contribution to your HSA and ends on the last day of the 12th month following such month. If you are not an eligible individual for the entire testing period, unless you die or become disabled, the amount of the distribution made under this provision will be includable in gross income for the tax year of the month you are not an eligible individual, and is subject to a 10 percent penalty tax.

- 5. Qualified Charitable Distributions.** If you have attained age 70 1/2, you may be able to make tax-free distributions directly from your IRA to a qualified charitable organization. Tax-free distributions are limited to \$100,000. Qualified charitable distributions are not permitted from an on-going SEP or SIMPLE IRA. Consult with your tax or legal professional regarding tax-free charitable distributions.

#### **RMDs For You.**

- 1. After Age 70 1/2.** Your first RMD must be taken by April 1 following the year you attain age 70 1/2, which is your required beginning date (RBD). Second year and subsequent distributions must be taken by December 31 of each such year. An RMD is taxable in the calendar year you receive it.
- 2. Distribution Calculations.** Your RMD will generally be calculated by dividing your previous year-end adjusted balance in your IRA by a factor from the uniform lifetime table provided by the IRS. This table is indexed to your age attained during a distribution year. This table is used whether you have named a beneficiary and regardless of the age or type of beneficiary you may have named. However, if for any distribution year, you have as your only named beneficiary for the entire year, your spouse, who is more than ten years younger than you, the uniform lifetime table will not be used. To calculate your RMD for that year you will use the ages of you and your spouse at the end of that year to determine a joint life expectancy factor from the IRS's joint and last survivor table. This will be the case even if your spouse dies, or you become divorced and do not change your beneficiary, during that year.
- 3. Failure to Withdraw an RMD.** If you do not withdraw your RMD by its required distribution date, you will owe a 50 percent excess accumulation penalty tax on the amount not withdrawn. You can always take more than your RMD in any year but no additional amounts can be credited to a subsequent year's RMD.
- 4. Multiple IRAs.** If you have more than one traditional IRA or SIMPLE IRA you must calculate a separate RMD for each one. You may, however, take the aggregate total of your RMDs from any one or more of your personal traditional IRAs (including SEP IRAs) or SIMPLE IRAs.
- 5. No Rollovers of RMDs.** An RMD must be satisfied before you can roll over any portion of your IRA account balance. The first distributions made during a year will be considered RMDs and can be satisfied by earlier distributions from your other traditional IRAs or SIMPLE IRAs that are aggregated. Any RMD that is rolled over will be subject to taxation and considered an excess contribution until corrected.
- 6. Transfers of RMDs.** Transfers are not considered distributions. You can transfer any portion of your traditional IRA or SIMPLE IRA at any time during the year provided you satisfy your aggregate RMDs before the end of the distribution year.

**RMDs For Your Beneficiaries.** Your beneficiaries will generally have until December 31 of the year following your death year to begin RMDs. Exceptions exist for your surviving spouse and for any beneficiary who must distribute or chooses to distribute his/her share of your traditional IRA within a five-year period. If your death occurs on or after your RBD, your beneficiaries must withdraw any of your RMD that you had not received during the year of your death.

- 1. Distribution Calculations In General.** Most beneficiaries will use a single life expectancy method to satisfy these RMDs unless they elect the five-year rule. The five-year rule requires your beneficiary to completely withdraw your IRA assets by the end of the fifth year

following your death year. The single life expectancy factor, using the IRS's single life table, will be determined by using the age on December 31 in the year following death of the oldest designated beneficiary unless multiple beneficiaries exist and separate accounting applies. This initially determined factor is reduced by one for each subsequent year's calculation.

This general rule for determining life expectancy applies if your IRA has at least one designated beneficiary, whether your death occurs before or on or after your RBD. However, if you die on or after your RBD, your remaining life expectancy, determined in your death year and reduced by one in each subsequent year, may be used to determine the distribution each year. This is true if your remaining life expectancy is longer than the beneficiary's life expectancy that same year, determined in the year after your death and reduced by one in each subsequent year, or if your IRA is treated as having no designated beneficiary.

- 2. Designated Beneficiary.** A designated beneficiary is any named beneficiary who has an interest in your IRA on the determination date, which is September 30 of the year following your death year. Named beneficiaries who completely distribute their interests in your IRA, or completely disclaim their interests in your IRA under IRC Section 2518, will not be considered when designated beneficiaries are determined. Named beneficiaries who die after your death but before the determination date will still be considered for the sake of determining the distribution period. If any named beneficiary that is not an individual, such as an estate or charity, has an interest in your IRA on the determination date, and separate accounting does not apply, your IRA will be treated as having no designated beneficiary.

If you name a qualified trust, which is defined in Treasury Regulation 1.401(a)(9)-4, Q&A 5, as your IRA beneficiary, the beneficiaries of the qualified trust are treated as the beneficiaries of your IRA for purposes of determining designated beneficiaries and the appropriate life expectancy period after your death. A qualified trust provides documentation of its beneficiaries to the custodian.

- 3. Death Before Your RBD With No Designated Beneficiary.** If you die before your RBD and your IRA is treated as having no designated beneficiary, your named beneficiaries will be required to completely withdraw your IRA assets by the end of the fifth year following your death year.
- 4. Death On or After Your RBD With No Designated Beneficiary.** If you die on or after your RBD and your IRA is treated as having no designated beneficiary, RMDs will continue to your named beneficiaries over your remaining single expectancy as determined in your death year. Once determined, this life expectancy factor will be reduced by one for each subsequent year of the distribution period.
- 5. Spouse Beneficiary.** If your spouse is your only designated beneficiary on the determination date, or if there are multiple designated beneficiaries and separate accounting applies, he/she will use his/her age each year to determine the life expectancy factor for calculating that year's RMD. If your spouse is the only designated beneficiary, or if there are multiple designated beneficiaries and separate accounting applies, and you die before your RBD, your surviving spouse can postpone commencement of his/her RMDs until the end of the year in which you would have attained age 70 1/2. If you die on or after your RBD, your surviving spouse will use the longer of his/her single life expectancy, determined each year after the death year using his/her attained age, or your remaining single life expectancy determined in your death year and reduced by one each subsequent year.

If your spouse is the only designated beneficiary, or if there are multiple designated beneficiaries and separate accounting applies, he/she can treat your IRA as his/her own IRA after your death. This generally happens after any of your remaining RMD amount for the year of your death has been distributed.

Your spouse beneficiary could take a distribution of his/her share of your IRA and roll it over to an IRA of his/her own.

- 6. Beneficiaries Naming Successor Beneficiaries.** Our policy may allow your beneficiaries to name their own successor beneficiaries to your IRA. A successor beneficiary would receive any of your IRA assets that remain after your death and the subsequent death of your beneficiaries. This distribution would be in accordance with Article IV.3 of the agreement, and generally would not allow a successor beneficiary to calculate RMDs based on his/her own life expectancy.
- 7. Separate Accounting.** Our policies may permit separate accounting to be applied to your IRA for the benefit of your beneficiaries. If permitted, separate accounting must be applied in accordance with Treasury Regulation 1.401(a)(9)-8, Q&A 2 and 3. A beneficiary is considered the only designated beneficiary of his/her share of the IRA assets if separate accounting applies.

#### **Federal Income Tax Status of Distributions.**

- 1. Taxation.** IRA distributions which are not rolled over will be taxed as income in the year distributed except for the portion of your aggregate SIMPLE IRA and traditional IRA distributions that represents your nondeductible contributions, nontaxable rollover amounts, or other nontaxable basis amounts. You may also be subject to state or local taxes and withholding on your IRA distributions.
- 2. Earnings.** Earnings, including gains and losses, on your IRA will not be subject to federal income taxes until they are considered distributed.
- 3. Ordinary Income Taxation.** Your taxable IRA distribution is usually included in gross income in the distribution year. IRA distributions are not eligible for special tax treatments, such as ten year averaging, that may apply to other employer-sponsored retirement plan distributions.

**Estate and Gift Tax.** The designation of a beneficiary to receive IRA distributions upon your death will not be considered a transfer of property for federal gift tax purposes. Upon your death, the value of all assets remaining in your IRA will usually be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. There is no specific estate tax exclusion for assets held within an IRA. After your death, beneficiaries should pay careful attention to the rules for the disclaiming any portion of your IRA under IRC Section 2518.

**Federal Income Tax Withholding.** IRA distributions are subject to federal income tax withholding unless you or, upon your death, your beneficiary affirmatively elect not to have withholding apply. The required federal income tax withholding rate is 10 percent of the distribution. Upon your request for a distribution, by providing IRS Form W-4P or an appropriate substitute, we will notify you of your right to waive withholding or elect to have greater than 10 percent withheld.

**Annual Statements.** Each year we will furnish you and the IRS with statements reflecting the activity in your IRA. You and the IRS will receive IRS Forms 5498, *IRA Contribution Information*, and 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.* IRS Form 5498 or an appropriate substitute indicates the fair market value of the account, including IRA contributions, for the year. IRS Form 1099-R reflects your IRA distributions for the year.

By January 31 of each year, you will receive a report of your fair market value as of the previous calendar year end. If applicable, you will also receive a report concerning your annual RMD.

**Federal Tax Penalties and IRS Form 5329.** Several tax penalties may apply to your various IRA transactions, and are in addition to any federal, state, or local taxes. Federal penalties and excise taxes are generally reported and remitted to the IRS by completing IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other*

*Tax-Favored Accounts*, and attaching the form to your federal income tax return. The penalties may include any of the following taxes:

1. **Early-Distribution Penalty Tax.** If you take a distribution from your IRA before reaching age 59 1/2, you are subject to a 10 percent early-distribution penalty tax on the taxable portion of the distribution. However, certain exceptions apply. Exceptions to the 10 percent penalty tax are distributions due to death, disability, first-time home purchase, eligible higher education expenses, medical expenses exceeding a certain percentage of adjusted gross income, health insurance premiums due to your extended unemployment, a series of substantially equal periodic payments, IRS levy, traditional IRA conversions, qualified reservist distributions, and qualified HSA funding distributions. Properly completed rollovers, transfers, recharacterizations, and conversions are not subject to the 10 percent penalty tax.
2. **Excess Contribution Penalty Tax.** If you contribute more to your IRA than you are eligible to contribute, you have created an excess contribution, which is subject to a 6 percent excise tax. The excise tax applies each year that the excess contribution remains in your IRA. If you timely file your federal income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.

3. **Excess Accumulation Penalty Tax.** Any portion of a RMD that is not distributed by its deadline is subject to a 50 percent excess accumulation penalty tax. The IRS may waive this penalty upon your proof of reasonable error and that reasonable steps were taken to correct the error, including remedying the shortfall. See IRS Form 5329 instructions when requesting a waiver.

**Disaster Tax Relief.** Subject to IRC Section 1400Q or any other applicable law, individuals in certain federally declared disaster areas may be given the opportunity to take qualified distributions without an early distribution penalty (e.g., for a qualified hurricane distribution). When these qualified distributions are allowed, they are subject to any time periods as defined by law and, if multiple distributions are made for the same event, are aggregated with distributions from other IRAs and eligible retirement plans up to prescribed limits (e.g., \$100,000). Disaster relief for certain qualified distributions may be subject to a lifetime aggregate limit (e.g., for qualified hurricane distributions). Typically, the qualified distributions are included in gross income over a three tax year period or all in the year of distribution. In addition, an individual may be allowed three years after the date of receipt to roll over or repay all or part of the qualified distribution without being subject to the one rollover per 1-year limitation or the 60-day requirement. Certain first-time homebuyer or hardship distributions may be eligible for rollover within a prescribed time period. For additional disaster area information and IRS guidance on associated tax relief, refer to IRS notices and publications, or visit the IRS's web site at [www.irs.gov](http://www.irs.gov).

# FINANCIAL DISCLOSURE

The purpose of this Financial Disclosure is to provide you with an IRS required growth projection of the value of your IRA available for withdrawal at the end of each of the first five years of its existence and at the end of the years in which you attain the ages of 60, 65, and 70. Certain assumptions are applied that may vary from your actual investment provisions.

Three projection methods are provided for the situations where the nature of your initial investment allows for a reasonable projection.

The growth projection must be made assuming either a \$1,000 contribution made on January 1 of each year or a \$1,000 one-time contribution made on January 1 of your first year. The annual contribution represents an initial contribution that is a regular, SEP, or recharacterized regular Roth IRA contribution. One-time contributions include a rollover, transfer, recharacterized conversion, or recharacterized Roth IRA rollover contribution. These projected amounts are not guaranteed.

## IRA FEES AND EARLY WITHDRAWAL PENALTIES

### This Section Applies To The Projection Method Selected.

The fees and penalties listed below may affect the projected value of your IRA. The disclosed fees and penalties will be included in that projection method applicable to your Financial Disclosure. With the exception of distribution transaction or termination fees, Projection Method One cannot be used if any other IRA Fee and/or certain Other boxes are checked below, including the Other box under Early Withdrawal Penalty.

#### Fees:

- None
- IRA Establishment Fee \$ \_\_\_\_\_
- Annual Service/Administration Fee of \$ \_\_\_\_\_ or \_\_\_\_\_ % of assets will be charged at  end  beginning of each year for purposes of this projection.
- Transfer/Direct Rollover Fee \$ \_\_\_\_\_
- IRA Termination Fee \$ \_\_\_\_\_
- Other: \_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_ % of Assets
- Other: \_\_\_\_\_ \$ \_\_\_\_\_ or \_\_\_\_\_ % of Assets

#### Early Withdrawal Penalty (Check one):

- None  3-Month  6-Month  12-Month
- Other: \_\_\_\_\_

## PROJECTION METHODS (Check one):

### Projection Method One—Use Preprinted Tables.

The preprinted financial disclosure tables on the following page provide you with the IRA's projected values. The assumptions used to calculate each table's projected IRA values are:

- ◆ **Earnings rate** - One-tenth (.1) percent compounded annually on a 365-day year.
- ◆ **Projected values** - Calculated using numbers rounded down to the nearest whole dollar (\$1.00).
- ◆ **Early withdrawal penalties** - The 3-, 6-, and 12-month penalties are calculated on a 30-day month and a 360-day year.
- ◆ **Calculated early withdrawal penalty** - The 3-, 6-, and 12-month penalties are not rounded prior to subtraction from the No Penalty column's projected value.

If a fee is disclosed for a distribution (e.g., transfer or direct rollover) transaction or an IRA termination, we will complete the After Fees Values section below the tables taking the fee(s) into account for each applicable projected value.

**How to use the tables.** These financial disclosure tables do not accommodate certain fees that may be charged to this IRA such as annual administration or establishment fees. Your projection will come from the *Annual Contributions Table* if your initial IRA contribution is a regular, SEP, or recharacterized regular Roth IRA contribution. The *Other Contributions Table* will be used if your initial contribution is a rollover, transfer, recharacterized conversion, or recharacterized Roth IRA rollover contribution. The top section of each table provides the projected values at the end of the first five years of the IRA. Find your age as of January 1 of this year of establishment on the appropriate table. If your birthday is January 1 of this year, find your age as of December 31 of the previous year. The amounts to the right of your age are the projected values of your IRA at the end of the year you attain age 60, 65, and 70. See IRA FEES AND EARLY WITHDRAWAL PENALTIES to determine the applicable early withdrawal penalty column to use for your projection.

### Projection Method Two—Custom Projection.

Your IRA's values projected below are based on the following assumptions:

(Check one):

- Annual Contributions.
- Rollover/Transfer (one-time) Contribution.

Your age on January 1 of this initial contribution year: \_\_\_\_\_

Earnings Rate: \_\_\_\_\_ %

Compounding Method: \_\_\_\_\_

Early Withdrawal Penalty Calculation Method: \_\_\_\_\_

End of Year	Projected Value	Age	Projected Value
1	\$ _____	60	\$ _____
2	\$ _____	65	\$ _____
3	\$ _____	70	\$ _____
4	\$ _____		
5	\$ _____		

### Projection Method Three—See Separate Financial Disclosure and Assumptions Provided by Your IRA's Custodian.

# FINANCIAL DISCLOSURE - PROJECTION METHOD ONE

ANNUAL CONTRIBUTIONS TABLE												
End of Year	No Penalty			3-Month Penalty			6-Month Penalty			12-Month Penalty		
1	1,001			1,000			1,000			1,000		
2	2,003			2,002			2,001			2,001		
3	3,006			3,005			3,004			3,003		
4	4,010			4,009			4,008			4,006		
5	5,015			5,013			5,012			5,010		
Age	No Penalty			3-Month Penalty			6-Month Penalty			12-Month Penalty		
60	65	70	60	65	70	60	65	70	60	65	70	
1	60,804	66,124	71,470	60,789	66,107	71,452	60,774	66,091	71,434	60,743	66,058	71,399
2	59,743	65,058	70,399	59,729	65,042	70,381	59,714	65,025	70,364	59,684	64,993	70,328
3	58,684	63,993	69,328	58,669	63,977	69,311	58,654	63,961	69,294	58,625	63,929	69,259
4	57,625	62,929	68,259	57,611	62,913	68,242	57,596	62,897	68,225	57,568	62,866	68,191
5	56,568	61,866	67,191	56,553	61,851	67,174	56,539	61,835	67,157	56,511	61,804	67,124
6	55,511	60,804	66,124	55,497	60,789	66,107	55,483	60,774	66,091	55,456	60,743	66,058
7	54,456	59,743	65,058	54,442	59,729	65,042	54,428	59,714	65,025	54,401	59,684	64,993
8	53,401	58,684	63,993	53,388	58,669	63,977	53,375	58,654	63,961	53,348	58,625	63,929
9	52,344	57,625	62,929	52,330	57,611	62,913	52,322	57,596	62,897	52,296	57,568	62,866
10	51,296	56,568	61,866	51,283	56,553	61,851	51,270	56,539	61,835	51,244	56,511	61,804
11	50,244	55,511	60,804	50,232	55,497	60,789	50,219	55,483	60,774	50,194	55,456	60,743
12	49,194	54,456	59,743	49,182	54,442	59,729	49,170	54,428	59,714	49,145	54,401	59,684
13	48,145	53,401	58,684	48,133	53,388	58,669	48,121	53,375	58,654	48,097	53,348	58,625
14	47,097	52,344	57,625	47,085	52,335	57,611	47,073	52,322	57,596	47,050	52,296	57,568
15	46,050	51,296	56,568	46,038	51,283	56,553	46,027	51,270	56,539	46,004	51,244	56,511
16	45,004	50,244	55,511	44,993	50,232	55,497	44,981	50,219	55,483	44,959	50,194	55,456
17	43,959	49,194	54,456	43,948	49,182	54,442	43,937	49,170	54,428	43,915	49,145	54,401
18	42,915	48,145	53,401	42,904	48,133	53,388	42,894	48,121	53,375	42,872	48,097	53,348
19	41,872	47,097	52,344	41,862	47,085	52,335	41,851	47,073	52,322	41,830	47,050	52,296
20	40,830	46,050	51,296	40,820	46,038	51,283	40,810	46,027	51,270	40,789	46,004	51,244
21	39,789	45,004	50,244	39,780	44,993	50,232	39,770	44,981	50,219	39,750	44,959	50,194
22	38,750	43,959	49,194	38,740	43,948	49,182	38,730	43,937	49,170	38,711	43,915	49,145
23	37,711	42,915	48,145	37,702	42,904	48,133	37,692	42,894	48,121	37,673	42,872	48,097
24	36,673	41,872	47,097	36,664	41,862	47,085	36,655	41,851	47,073	36,637	41,830	47,050
25	35,637	40,830	46,050	35,628	40,820	46,038	35,619	40,810	46,027	35,601	40,789	46,004
26	34,601	39,789	45,004	34,592	39,780	44,993	34,584	39,770	44,981	34,567	39,750	44,959
27	33,567	38,750	43,959	33,558	38,740	43,948	33,550	38,730	43,937	33,533	38,711	43,915
28	32,533	37,711	42,915	32,525	37,702	42,904	32,517	37,692	42,894	32,501	37,673	42,872
29	31,501	36,673	41,872	31,493	36,664	41,862	31,485	36,655	41,851	31,469	36,637	41,830
30	30,469	35,637	40,830	30,461	35,628	40,820	30,454	35,619	40,810	30,439	35,601	40,789
31	29,439	34,601	39,789	29,431	34,592	39,780	29,424	34,584	39,770	29,409	34,567	39,750
32	28,409	33,567	38,750	28,402	33,558	38,740	28,395	33,550	38,730	28,381	33,533	38,711
33	27,381	32,533	37,711	27,374	32,525	37,702	27,367	32,517	37,692	27,353	32,501	37,673
34	26,353	31,501	36,673	26,347	31,493	36,664	26,340	31,485	36,655	26,327	31,469	36,637
35	25,327	30,469	35,637	25,321	30,461	35,628	25,314	30,454	35,619	25,302	30,439	35,601
36	24,302	29,439	34,601	24,296	29,431	34,592	24,290	29,424	34,584	24,278	29,409	34,567
37	23,278	28,409	33,567	23,272	28,402	33,558	23,266	28,395	33,550	23,254	28,381	33,533
38	22,254	27,381	32,533	22,249	27,374	32,525	22,243	27,367	32,517	22,232	27,353	32,501
39	21,232	26,353	31,501	21,227	26,347	31,493	21,221	26,340	31,485	21,211	26,327	31,469
40	20,211	25,327	30,469	20,206	25,321	30,461	20,201	25,314	30,454	20,191	25,302	30,439
41	19,191	24,302	29,439	19,186	24,296	29,431	19,181	24,290	29,424	19,172	24,278	29,409
42	18,172	23,278	28,409	18,167	23,272	28,402	18,162	23,266	28,395	18,153	23,254	28,381
43	17,153	22,254	27,381	17,149	22,249	27,374	17,145	22,243	27,367	17,136	22,232	27,353
44	16,136	21,232	26,353	16,132	21,227	26,347	16,128	21,221	26,340	16,120	21,211	26,327
45	15,120	20,211	25,327	15,116	20,206	25,321	15,113	20,201	25,314	15,105	20,191	25,302
46	14,105	19,191	24,302	14,101	19,186	24,296	14,098	19,181	24,290	14,091	19,172	24,278
47	13,091	18,172	23,278	13,088	18,167	23,272	13,084	18,162	23,266	13,078	18,153	23,254
48	12,078	17,153	22,254	12,075	17,149	22,249	12,072	17,145	22,243	12,066	17,136	22,232
49	11,066	16,136	21,232	11,063	16,132	21,227	11,060	16,128	21,221	11,055	16,120	21,211
50	10,055	15,120	20,211	10,052	15,116	20,206	10,050	15,113	20,201	10,045	15,105	20,191
51	9,045	14,105	19,191	9,042	14,101	19,186	9,040	14,098	19,181	9,036	14,091	19,172
52	8,036	13,091	18,172	8,034	13,088	18,167	8,032	13,084	18,162	8,028	13,078	18,153
53	7,028	12,078	17,153	7,026	12,075	17,149	7,024	12,072	17,145	7,021	12,066	17,136
54	6,021	11,066	16,136	6,019	11,063	16,132	6,018	11,060	16,128	6,015	11,055	16,120
55	5,015	10,055	15,120	5,013	10,052	15,116	5,012	10,050	15,113	5,010	10,045	15,105
56	4,010	9,045	14,105	4,009	9,042	14,101	4,008	9,040	14,098	4,006	9,036	14,091
57	3,006	8,036	13,091	3,005	8,034	13,088	3,004	8,032	13,084	3,003	8,028	13,078
58	2,003	7,028	12,078	2,002	7,026	12,075	2,002	7,024	12,072	2,001	7,021	12,066
59	1,001	6,021	11,066	1,000	6,019	11,063	1,000	6,018	11,060	1,000	6,015	11,055
60	N/A	5,015	10,055	N/A	5,013	10,052	N/A	5,012	10,050	N/A	5,010	10,045
61	N/A	4,010	9,045	N/A	4,009	9,042	N/A	4,008	9,040	N/A	4,006	9,036
62	N/A	3,006	8,036	N/A	3,005	8,034	N/A	3,004	8,032	N/A	3,003	8,028
63	N/A	2,003	7,028	N/A	2,002	7,026	N/A	2,002	7,024	N/A	2,001	7,021
64	N/A	1,001	6,021	N/A	1,000	6,019	N/A	1,000	6,018	N/A	1,000	6,015
65	N/A	N/A	5,015	N/A	N/A	5,013	N/A	N/A	5,012	N/A	N/A	5,010
66	N/A	N/A	4,010	N/A	N/A	4,009	N/A	N/A	4,008	N/A	N/A	4,006
67	N/A	N/A	3,006	N/A	N/A	3,005	N/A	N/A	3,004	N/A	N/A	3,003
68	N/A	N/A	2,003	N/A	N/A	2,002	N/A	N/A	2,002	N/A	N/A	2,001
69	N/A	N/A	1,001	N/A	N/A	1,000	N/A	N/A	1,000	N/A	N/A	1,000

OTHER CONTRIBUTIONS TABLE												
End of Year	No Penalty			3-Month Penalty			6-Month Penalty			12-Month Penalty		
1	1,001			1,000			1,000			1,000		
2	2,002			2,001			2,001			2,001		
3	3,003			3,002			3,002			3,002		
4	4,004			4,003			4,003			4,003		
5	5,005			5,004			5,004			5,004		
Age	No Penalty			3-Month Penalty			6-Month Penalty			12-Month Penalty		
60	65	70	60	65	70	60	65	70	60	65	70	
1	1,060	1,066	1,071	1,060	1,065	1,071	1,060	1,065	1,071	1,060	1,065	1,070
2	1,059	1,064	1,070	1,059	1,064	1,070	1,059	1,064	1,070	1,059	1,064	1,069
3	1,058	1,063	1,069	1,058	1,063	1,068	1,058	1,063	1,068	1,058	1,063	1,068
4	1,057	1,062	1,068	1,057	1,062	1,067	1,057	1,062	1,067	1,057	1,062	1,067
5	1,056	1,061	1,067	1,056	1,061	1,066	1,056	1,061	1,066	1,056	1,061	1,066
6	1,055	1,060	1,066	1,055	1,060	1,065	1,055	1,060	1,065	1,055	1,060	1,065
7	1,054	1,059	1,064	1,054	1,059	1,064	1,054	1,059	1,064	1,054	1,059	1,064
8	1,053	1,058	1,063	1,053	1,058	1,063	1,053	1,058	1,063	1,053	1,058	1,063
9	1,052	1,057	1,062	1,052	1,057	1,062	1,052	1,057	1,062	1,052	1,057	1,062
10	1,051	1,056	1,061	1,051	1,056	1,061	1,051	1,056	1,061	1,051	1,056	1,061
11	1,050	1,055	1,060	1,050	1,055							

# FORM #1

Complete this form if you have selected “Transfer From Qualified Plan or Existing IRA” on the application.

Transfer is defined as a direct movement of money between like IRAs. A transfer generally occurs from one financial organization to another financial organization, but may occur between like IRAs at the same financial organization. Although the IRA holder directs the funds transfer, the IRA holder does not have actual receipt of the funds. An IRA holder may make an unlimited number of transfers a year. Transfers are non-reportable transactions.

# Request for Transfer or Conversion to an IRA for Traditional, Roth, and SIMPLE IRAs

FARM BUREAU BANK  
P.O. Box 33427  
San Antonio, TX 78265  
Fax: 866.913.5087

## 1 IRA OWNER INFORMATION

NAME, ADDRESS, CITY, STATE AND ZIP		SOCIAL SECURITY NUMBER
		DATE OF BIRTH
DAYTIME PHONE NUMBER		E-MAIL (OPTIONAL)

## 2 TYPE OF TRANSACTION (See Additional Information included with this form.) Complete A or B.

<b>A. Transfer:</b>	<input type="checkbox"/> Traditional IRA to a Traditional IRA	<input type="checkbox"/> Roth IRA to a Roth IRA	<input type="checkbox"/> SIMPLE IRA to a SIMPLE IRA	<input type="checkbox"/> SIMPLE IRA to a Traditional IRA
<b>B. Conversion:</b>	<input type="checkbox"/> Traditional IRA to a Roth IRA	<input type="checkbox"/> SIMPLE IRA to a Roth IRA		

◆ Required minimum distributions cannot be converted to a Roth IRA.  
 ◆ If applicable, the required minimum distribution  has or  has not been satisfied for this distribution year prior to this transfer. If not, the transferee custodian/trustee may require additional documentation.  
 ◆ SIMPLE IRA funds cannot be transferred to a traditional IRA or converted to a Roth IRA for two years following the date of the initial SIMPLE contribution.

## 3 TRANSFEROR CUSTODIAN/TRUSTEE REQUEST

My IRA custodian/trustee (transferor), \_\_\_\_\_, should transfer/convert the assets identified in the Transfer/Conversion Instructions section.

TRANSFEROR ADDRESS, CITY, STATE AND ZIP	TRANSFEROR PHONE NUMBER
	TRANSFEROR IRA ACCOUNT NUMBER

## 4 TRANSFER/CONVERSION INSTRUCTIONS (See Additional Information included with this form.) Complete my transfer/conversion as directed. Note: Penalties and market fluctuation may affect the distribution amount.

<b>A. Payment Amount</b> (select one): <input type="checkbox"/> My entire IRA balance. <input type="checkbox"/> A portion of my IRA balance. \$ _____	<b>B. Payment Schedule and Investments</b> (select one): <input type="checkbox"/> Immediately liquidate investments and send cash proceeds. <input type="checkbox"/> Send all investments in kind. <input type="checkbox"/> Send the assets at maturity for each of the investments. <input type="checkbox"/> Liquidate the investments as identified below:		
Account Number or Investment	Dollar Amount or Number of Shares	Transaction Date	Send:
_____	\$ _____ or _____ shares	_____	<input type="checkbox"/> Cash Proceeds <input type="checkbox"/> In Kind
_____	\$ _____ or _____ shares	_____	<input type="checkbox"/> Cash Proceeds <input type="checkbox"/> In Kind
_____	\$ _____ or _____ shares	_____	<input type="checkbox"/> Cash Proceeds <input type="checkbox"/> In Kind
_____	\$ _____ or _____ shares	_____	<input type="checkbox"/> Cash Proceeds <input type="checkbox"/> In Kind
_____	\$ _____ or _____ shares	_____	<input type="checkbox"/> Cash Proceeds <input type="checkbox"/> In Kind
<input type="checkbox"/> Other _____			
<b>C. Delivery Instructions</b>			
(1) Transferee IRA Account Number _____			
(2) Make check payable to or certificate registration in the name of _____ as <input type="checkbox"/> custodian / <input type="checkbox"/> trustee for the <input type="checkbox"/> traditional / <input type="checkbox"/> Roth / <input type="checkbox"/> SIMPLE IRA of _____.			

## 5 WITHHOLDING ELECTION (For Conversions Only. See IRS Form W-8BEN if you are a foreign person.)

The instructions to Form W-4P (Withholding Certificate) are included in the Additional Information section of this form.

I elect **not** to have Federal income tax withheld from my IRA distribution.  
 I elect to have 10 percent Federal income tax withheld from my IRA distribution.  
 I want the following **additional** dollar amount (\$ \_\_\_\_\_), or **additional** percentage ( \_\_\_\_\_ %) withheld from each IRA distribution.

Form **W-4P**  
Department of the Treasury  
Internal Revenue Service  
OMB No. 1545-0074

## 6 SIGNATURES

I certify that the information contained on this form is true and correct. I direct the transferor custodian/trustee to transfer or convert my IRA assets as set forth in this form. I understand I should seek the guidance of a tax or legal professional with regard to this decision. I understand that if I establish a separate conduit account, it is my responsibility to keep my conduit account separate from my other accounts. I understand that my custodian/trustee cannot provide legal advice. I indemnify and agree to hold the custodian/trustee harmless against any liabilities. I assume full responsibility for the consequences of this transfer or conversion decision. The custodian/trustee agrees to accept these funds as a transfer or conversion.

\_\_\_\_\_ Date \_\_\_\_\_  
 Signature of IRA Owner Date

\_\_\_\_\_ Date \_\_\_\_\_  
 Signature of Transferee Custodian/Trustee Date



## ADDITIONAL INFORMATION

**Purpose.** The Request for Transfer or Conversion to an IRA for Traditional, Roth, and SIMPLE IRAs form is designed to assist you in transferring or converting assets from one individual retirement account (IRA) to another IRA. This form does not allow for cost- and penalty-free SIMPLE IRA transfers from a designated financial institution (DFI). Your DFI will require additional documentation, such as an election form.

**Additional Documents.** A transfer can avoid income and penalty taxes. A conversion by transfer is a taxable event that avoids penalty taxes. For your transfer or conversion to be successful, additional contribution and distribution documents may be required by your IRA's custodian/trustee.

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

**Terms.** A general understanding of the following terms may be helpful in completing your transactions.

**Conversion.** A conversion is a reportable movement of assets from a traditional IRA or SIMPLE IRA to a Roth IRA.

**In Kind.** If an IRA contains stocks, bonds, mutual fund shares, or other types of property, it may be possible to move such property to an IRA without liquidation. This type of "in kind" transfer or conversion would require that the property be reregistered in the name of the transferee custodian/trustee for the benefit of your IRA. The transferee's policies, charters, or applicable law may prevent the transfer of property. Time deposits and savings accounts are not transferable.

**Required Minimum Distribution (RMD).** IRA owners who are age 70½ or older must satisfy an annual RMD. The penalty for failing to take the annual RMD for any distribution year is a 50 percent excise tax on the amount not distributed. RMDs cannot be converted to a Roth IRA. Although the rules permit you to transfer your RMD, it must still be satisfied by the required distribution date.

**Two-Year Rule.** SIMPLE IRA funds cannot be transferred to a traditional IRA or converted to a Roth IRA within a two-year period that begins on the date of the initial contribution to your SIMPLE IRA. SIMPLE IRA funds transferred or converted during the two-year period are subject to an additional 25 percent excise tax. You may, however, roll over or transfer a SIMPLE IRA to a SIMPLE IRA within the two-year period.

**Conduit IRA.** Retirement funds originally rolled over from certain employer-sponsored eligible retirement plans may have been maintained in a separate "conduit IRA" not commingled with any other types of IRA contributions. Check with your tax or legal professional to determine if you need to continue to maintain these funds in a separate conduit IRA when they are transferred to a different custodian/trustee.

**Withholding of Federal Income Tax.** Generally, federal income tax withholding applies to your IRA distributions. The method and rate of withholding depends on (a) the type of distribution you receive, (b) whether the distribution is delivered outside the United States or its possessions, and (c) whether you (or your beneficiary after your death) are a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. Because your tax situation may change from year to year, you may want to change your withholding election each year. You can change the amount to be withheld by using IRS Form W-4P or an appropriate substitute form.

**Nonperiodic Payments—10% Withholding.** Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Your IRA custodian/trustee must withhold at a flat 10% rate from your IRA distributions unless you choose not to have federal income tax withheld. You can choose not to have income tax withheld from a nonperiodic payment by using IRS Form W-4P or an appropriate substitute form and providing your correct tax identification number (TIN). Generally, your choice to have income tax withheld or not will apply to any later distribution from your IRA. You may also specify an additional amount that you want withheld.

**Caution.** *If you do not provide your correct TIN, your IRA custodian/trustee cannot honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.*

**Choosing Not to Have Income Tax Withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have income tax withheld from your payments by using Form W-4P or an appropriate substitute form. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. The executor/representative must provide the estate's TIN/employer identification number (EIN).

**Caution.** *There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see IRS Publication 505, Tax Withholding and Estimated Tax. It explains the estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using Form W-4P or an appropriate substitute form.*

**Changing Your "No Withholding" Choice.** If you previously chose not to have income tax withheld and you now want 10% withholding, write "Revoked" next to the checkbox on line 1 of IRS Form W-4P and provide a copy to your IRA custodian/trustee. To the extent you want a greater amount withheld, complete a new Form W-4P or an appropriate substitute form for your IRA custodian/trustee.

**Payments to Foreign Persons and Payments Outside the United States.** Unless you are a nonresident alien, withholding (in the manner described above) is required on any nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have income tax withheld on Form W-4P. See IRS Publication 505, *Tax Withholding and Estimated Tax* for additional details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% withholding tax under IRC Section 1441 on the taxable portion of a nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and IRS Publication 519, *U.S. Tax Guide for Aliens*, for details. A foreign person should submit IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, to the IRA custodian/trustee before receiving any payments. The Form W-8BEN must contain the foreign person's TIN.

If you are a foreign person who has provided an IRA custodian/trustee with IRS W-8BEN, the IRA custodian/trustee will furnish a statement to you on IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, by March 15 of next year.

**State Withholding.** Your state may allow or require state income tax withholding on any taxable distribution.

**Local Withholding.** Your local governing authority may allow or require local income tax withholding on any taxable distribution.

## **FORM #2**

Complete this form if you have selected “Rollover From Qualified Plan or Existing IRA” on the application.

Rollover is defined as a method of moving money from one IRA to another IRA of the same type, or moving money between an eligible employer- sponsored retirement plan and a Traditional IRA. Recipients of eligible distributions have 60 days following the day they actually receive the funds to deposit the funds in an IRA. This is a reportable transaction.

# IRA Rollover or Conversion Review for Traditional, Roth, and SIMPLE IRAs

Farm Bureau Bank  
P.O. Box 33427  
San Antonio, TX 78265  
Fax: 866.913.5087

## 1 IRA OWNER INFORMATION

NAME, ADDRESS, CITY, STATE, AND ZIP			
IRA PLAN NUMBER	SOCIAL SECURITY NUMBER (SSN)	DATE OF BIRTH	DAYTIME PHONE NUMBER

## 2 ROLLOVER OR CONVERSION ELIGIBILITY REVIEW

Complete A, B, C, D, or E. (For further explanation see Additional Information included with this form.)

◆ If "No" is checked, a rollover generally cannot occur.

<b>A. Rollover from a (check one):</b>		<input type="checkbox"/> Traditional IRA to a Traditional IRA	<input type="checkbox"/> SIMPLE IRA to a Traditional IRA
		<input type="checkbox"/> Roth IRA to a Roth IRA	<input type="checkbox"/> SIMPLE IRA to a SIMPLE IRA
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>	I am completing this rollover within 60 days of receiving my distribution.	
<input type="checkbox"/>	<input type="checkbox"/>	I am making this rollover without violating the one rollover per 1-year (12-month) limitation.	
<input type="checkbox"/>	<input type="checkbox"/>	I am eligible to make this rollover contribution. Assets ineligible for rollover include any required minimum distribution, distributions to a nonspouse beneficiary, or any part of a series of substantially equal periodic payments.	
<input type="checkbox"/>	<input type="checkbox"/>	(For SIMPLE IRAs only) At least two years have passed since the date of the initial contribution to my SIMPLE IRA.	
<b>B. Indirect Rollover or Direct Rollover from an Eligible Retirement Plan to a Traditional IRA.</b>			
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>	I have received an eligible rollover distribution from an Internal Revenue Code Section 401(a), 403(a), 403(b), or governmental 457(b) plan.	
<input type="checkbox"/>	<input type="checkbox"/>	(For indirect rollovers only) I am completing this rollover within 60 days of receiving my distribution.	
<input type="checkbox"/>	<input type="checkbox"/>	I am eligible to make this rollover contribution. Assets ineligible for rollover include any required minimum distribution, any part of a series of substantially equal periodic payments, a plan loan in default, certain dividends on employer securities, P.S. 58 costs of life insurance, a corrective distribution of certain excess contributions, or any hardship distribution.	
<b>C. Indirect Rollover or Direct Rollover from a Designated Roth Account to a Roth IRA.</b>			
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>	I have received an eligible rollover distribution from an Internal Revenue Code Section 401(a), 403(b), or governmental 457(b) plan.	
<input type="checkbox"/>	<input type="checkbox"/>	(For indirect rollovers only) I am completing this rollover within 60 days of receiving my distribution.	
<input type="checkbox"/>	<input type="checkbox"/>	I am eligible to make this rollover contribution. Assets ineligible for rollover include any required minimum distribution, any part of a series of substantially equal periodic payments, a plan loan in default, P.S. 58 costs of life insurance, a corrective distribution of certain excess contributions, or any hardship distribution.	
<b>D. Indirect Rollover or Direct Rollover from an Eligible Retirement Plan to a Roth IRA.</b>			
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>	I have received an eligible rollover distribution from an Internal Revenue Code Section 401(a), 403(a), 403(b), or governmental 457(b) plan.	
<input type="checkbox"/>	<input type="checkbox"/>	(For indirect rollovers only) I am completing this rollover within 60 days of receiving my distribution.	
<input type="checkbox"/>	<input type="checkbox"/>	I am eligible to make this rollover contribution. Assets ineligible for rollover include any required minimum distribution, any part of a series of substantially equal periodic payments, a plan loan in default, certain dividends on employer securities, P.S. 58 costs of life insurance, a corrective distribution of certain excess contributions, or any hardship distribution.	
<b>E. Conversion to a Roth IRA from a (check one):</b>		<input type="checkbox"/> Traditional IRA	<input type="checkbox"/> SIMPLE IRA
Yes	No		
<input type="checkbox"/>	<input type="checkbox"/>	(For conversions by rollover only) I am completing this conversion within 60 days of receiving my distribution.	
<input type="checkbox"/>	<input type="checkbox"/>	I am eligible to make this conversion contribution. Assets ineligible for conversion include any required minimum distribution, any part of a series of substantially equal periodic payments, or any corrective distribution of certain SEP or SIMPLE IRA plan excess contributions.	
<input type="checkbox"/>	<input type="checkbox"/>	(For SIMPLE IRAs only) At least two years have passed since the date of the initial contribution to my SIMPLE IRA.	

### 3 SIGNATURES

I certify that I am the IRA owner or individual legally authorized to complete this form. I certify the accuracy of the information set forth in this form. I understand that my rollover or direct rollover election is irrevocable. I assume full responsibility for the consequences of this rollover or conversion decision. I acknowledge that the custodian/trustee cannot provide, and has not provided, me with tax or legal advice. I have been advised to seek the guidance of a tax or legal professional.

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Signature of IRA Owner

Date

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Signature of Custodian/Trustee

Date

## ADDITIONAL INFORMATION

**Purpose.** The IRA Rollover or Conversion Review for Traditional, Roth, and SIMPLE IRAs is designed to assist you in meeting your responsibility to only roll over or convert eligible assets.

**Additional Documents.** Applicable law or policies of the Roth IRA custodian/trustee may require additional documentation.

**For Additional Guidance.** It is in your best interest to seek the guidance of your tax or legal professional before completing this document. You should also reference the IRA agreement and disclosure statement and/or amendments provided by the custodian/trustee. For more information refer to Internal Revenue Service (IRS) Publication 590, *Individual Retirement Arrangements (IRAs)*, IRS Publication 505, *Tax Withholding and Estimated Tax*, instructions to your federal income tax return, your local IRS office, or the IRS's web site at [www.irs.gov](http://www.irs.gov).

**Terms.** A general understanding of the following terms may be helpful in completing your transactions.

**Conversion.** A conversion occurs when you move your traditional IRA or SIMPLE IRA assets to a Roth IRA. Conversions may be accomplished via a transfer method where funds are moved directly to a Roth IRA with the same custodian/trustee or with a different custodian/trustee. Conversions may also be accomplished using a rollover method.

**Designated Roth Account.** A designated Roth account is an account that is part of an Internal Revenue Code (IRC) Section 401(a), 403(b), or governmental 457(b) plan that accepts salary deferrals designated as Roth contributions. Common names for these plans include Roth 401(k) and Roth 403(b) plans.

**Direct Rollover.** A direct rollover is the movement of assets directly from an eligible retirement plan to an IRA without the IRA owner's use or control. This transaction generally occurs by means of a check payable to the IRA custodian/trustee or electronically to the IRA custodian/trustee for the benefit of the IRA owner.

**Eligible Recipient.** Only the following individuals may be eligible to receive eligible rollover distributions.

- ◆ A plan participant or IRA owner.
- ◆ A spouse who is the beneficiary of a deceased eligible retirement plan participant or IRA owner.
- ◆ A nonspouse beneficiary of a deceased eligible retirement plan participant.
- ◆ An alternate payee. An alternate payee is a spouse or former spouse under a qualified domestic relations order (QDRO).

**Eligible Retirement Plan.** Eligible retirement plans include qualified trusts under IRC Section 401(a), annuity plans under IRC Section 403(a), annuity contracts under IRC Section 403(b), and certain governmental IRC Section 457(b) plans. Common names for these plans include 401(k), profit sharing, pension, money purchase, federal thrift savings, and tax-sheltered annuity plans.

**Indirect Rollover or Direct Rollover from a Designated Roth Account to a Roth IRA.** Salary deferrals designated as Roth contributions and earnings attributable held in a designated Roth account are eligible for rollover to a Roth IRA. An indirect rollover may also be referred to as a 60-day rollover, or just as a rollover. You can also directly roll over any eligible assets from a designated Roth account to a Roth IRA.

**Indirect Rollover or Direct Rollover from an Eligible Retirement Plan to a Roth IRA.** If you are a qualified employer plan participant you can take an eligible distribution and, within 60 days of receipt, roll it over to a Roth IRA. An indirect rollover may also be referred to as a 60-day rollover, or just as a rollover. You can also directly roll over any eligible assets from an employer plan to a Roth IRA.

**Indirect Rollover or Direct Rollover from an Eligible Retirement Plan to a Traditional IRA.** If you are a qualified employer plan participant you can take an eligible distribution and, within 60 days of

receipt, roll it over to a traditional IRA. An indirect rollover may also be referred to as a 60-day rollover, or just as a rollover. You can also directly roll over any eligible assets from an employer plan to a traditional IRA.

**One Rollover Per 1-Year (12-Month) Limitation.** You are limited to one rollover per 1-year (12-month) period. You may only roll over one IRA distribution per 1-year period aggregated between all of your IRAs. For this purpose IRA includes rollovers among traditional (including SEP), SIMPLE, and Roth IRAs. For example, if you have IRA 1, IRA 2, and IRA 3, and take a distribution from IRA 1 and roll it over into a new IRA 4, you will have to wait 1 year from the date of that distribution to take another distribution from any of your IRAs and subsequently roll it over into an IRA. The 1-year limitation does not apply to rollovers related to first-time homebuyer distributions, distributions converted to a Roth IRA, and rollovers to or from an employer-sponsored eligible retirement plan.

**Rollover.** A rollover occurs when eligible assets paid directly to you are redeposited within 60 days of receiving the distribution. If the assets are distributed to you from an eligible retirement plan, the plan administrator withholds 20 percent of the taxable portion for federal income tax purposes. The employer/plan administrator provides assistance in determining eligibility for rollover.

**Distributions of Property.** If you received a distribution of property from an IRA, the rules require that the same property be rolled over. If you received a distribution of property from an eligible retirement plan, the rules require that the same property, or the proceeds of the sale of such property, be rolled over.

**Nonspouse Beneficiary.** A nonspouse beneficiary may directly roll over eligible retirement plan assets to a Roth beneficiary IRA.

**Nontaxable Distributions.** A traditional IRA can accept rollovers of nontaxable distributions from any eligible retirement plan or a traditional IRA. Nontaxable assets maintained in a traditional IRA can only be rolled over to another traditional IRA and not to any employer-sponsored eligible retirement plan.

**Separate or Conduit IRA.** In certain cases, it may be to your benefit to make the rollover contribution from an eligible retirement plan into a separate or conduit traditional IRA. Conduit IRAs can provide individuals with a means of tracking IRA assets from different sources, which may be subject to certain restrictions or favorable tax treatment.

**Spouse Beneficiary.** A spouse beneficiary may roll or directly roll over inherited eligible retirement plan assets, or roll over IRA assets, to his/her own IRA.

**Tax Consequences.** Converted assets and assets rolled over or directly rolled over from an eligible retirement plan (other than designated Roth account assets) are generally subject to income tax in the year of the distribution but are not subject to the additional 10 percent early-distribution penalty tax.

**The 60-Day Rule.** You are allowed 60 calendar days from the date you receive your distribution to complete a rollover or conversion by rollover. The Secretary of the Treasury may waive the 60-day period in certain situations such as casualty, disaster, or other events that are beyond your reasonable control. For a rollover from an IRA to an IRA, the 60-day period is extended to 120 days in the case of a first-time homebuyer distribution where a delay or cancellation of the home purchase or construction occurs. Conversions by transfer, and direct rollovers, are not affected by the 60-day rule.

**Two-Year Rule.** A rollover or transfer from a SIMPLE IRA to a traditional IRA is not allowed within a two-year period that begins on the date of the initial contribution to your SIMPLE IRA. You may, however, roll over or transfer a SIMPLE IRA to a SIMPLE IRA within the two-year period. A conversion from a SIMPLE IRA to a Roth IRA is not allowed within a two-year period that begins on the date of the initial contribution to your SIMPLE IRA.