



# NEXT GENERATION TRUST COMPANY

*CONTROL YOUR FUTURE, TODAY*

**New Account Starter Kit**

# Precious Metals IRA

**Address:**

Next Generation Trust Company  
401 E. 8th Street, Suite 200H  
Sioux Falls, SD 57103

Next Generation Services, LLC  
75 Livingston Ave, Suite 304  
Roseland, NJ 07068

**Toll Free:** (888) 857-8058  
**Phone:** (973) 533-1880  
**Fax:** (973) 533-1088

**Email:**

[Accounts@NextGenerationTrust.com](mailto:Accounts@NextGenerationTrust.com)



**Get Started Today!**

**Visit us on the web:**

[www.nextgenerationtrust.com](http://www.nextgenerationtrust.com)

# Application Checklist

## Step One:

Fill Out Pages 1-3 on the Application

- Complete Page 1: Don't forget to fill out your county, occupation, and please elect only one type of account to open. If you wish to open more than one account, please fill out a second application.
- Complete Page 2: Don't forget to include the Social Security Number and birthday for any and all beneficiaries.
- Complete Page 3: Please sign and date on the bottom line.

## Step Two:

Choose a Fee Option on the Fee Schedule

- Select a depository option.
- Elect an invoice option.
- Sign and date on the bottom line.

## Step Three:

Client Release Form

- Fill out your name and the date.
- Bring this form to a notary. Have them witness your signature on the line requesting client signature.
- Have a notary sign and stamp the bottom portion.

## Step Four:

Fund Your Account via Transfer/Rollover/Contribution

(Note: One or more may apply.)

- Transfer Form: This form is for transferring funds from an existing Traditional IRA to a Traditional IRA with Next Generation. Please note that your current custodian may request a medallion stamp guarantee to process the transfer form. Please check your current custodian requirements and include an account statement.
- Rollover Form: Please fill out our form for internal use only. Clients will be responsible for initiating rollovers from their current custodian. To avoid taxes, complete the rollover within 60 days of the distribution date.
- Contribution: If contributing to your account, please make sure you make the check payable to Next GenerationTC Client Name IRA #####. Note the contribution year in the memo section.

## Step Five:

Make a Copy of Your Photo ID

- Make a copy of your non-expired, government issued photo identification.
- Please make sure the copy is clear and legible.
- If you have a different address than the one on your ID, please attach a current Tax bill, banking statement, utility bill, or Rental Agreement signifying proof of address.

## Step Six:

Fill out the Additional Optional Forms

- Fill out, the *Interested Party Designation* form to allow another person, other than yourself, to obtain account information.
- Fill out the *Limited Power of Attorney* form to allow another person, other than yourself, to obtain account information and conduct transactions on behalf of the account.

## Final Step:

Pay Your Fees and Submit the Completed Packet

- Make a check out for the \$50 setup fee and the appropriate administration fee (based on your elected fee option) payable to: Next Generation Trust Company or
- Fill out a Credit Card Authorization Form (note: we do not accept American Express).
- Mail Original Documents to: Next Generation Services, LLC  
75 Livingston Avenue, Suite 304  
Roseland, NJ 07068

## Please Note:

Processing Times and Other Information

- Administrative review will be between two and five business days depending on the complexity if the transaction and our volume in the transaction queue.
- Transactions are scheduled in the order in which they are received. Please expect transactions to be completed in two business days after receipt of original, correct documents AND cleared funding.
- Clearing times: Wire (24 hours), ACH/Money Order/Certified Check (2 business days), Check (5 business days).
- For help filling out these documents, please call the office. For investment documents, please visit the Client Forms section of our website.

# APPLICATION



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

## PERSONAL INFORMATION

**For Office Use Only: Account #**  
\_\_\_\_\_

Legal Name (required) \_\_\_\_\_

Mr.  Mrs.  Ms.  Dr.

Residential Address (required) \_\_\_\_\_

Single

City, State, Zip \_\_\_\_\_

Married

Mailing Address (optional) \_\_\_\_\_

Widowed/Divorced

City, State, Zip \_\_\_\_\_

Preferred Method of Contact:

County (required) \_\_\_\_\_

Phone \_\_\_\_\_

Occupation (required) \_\_\_\_\_

Fax \_\_\_\_\_

Date of Birth (MM/DD/YYYY)

--	--	--	--	--	--	--	--	--	--

Cell \_\_\_\_\_

Email \_\_\_\_\_

Social Security Number (Required)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## PLEASE TELL US HOW YOU HEARD ABOUT US:

Web  Ad  Article  Event \_\_\_\_\_  Referred By \_\_\_\_\_

Promo Code \_\_\_\_\_  Other \_\_\_\_\_

## CHOOSE TYPE OF ACCOUNT: Please check only one box.

Traditional IRA  Roth IRA

SEP IRA (Please attach 5305 SEP Form.)

Name of Business: \_\_\_\_\_

Simple IRA (Please attach 5305 Simple Form.)

Name of Business: \_\_\_\_\_

Beneficiary IRA (Please mail or hand deliver original, certified copy of death certificate.)

Name of Deceased: \_\_\_\_\_

IRA Type:  Traditional  Roth  SEP  Simple

Health Savings Account

Type:  Self-only Coverage  Family Coverage

# APPLICATION



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**PLEASE INDICATE FUNDING METHOD:** (Check all that apply.)

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> <b>Annual Contribution</b><br>Tax year of Contribution: _____<br>Please attach deposit coupon. | <input type="checkbox"/> <b>Transfer</b><br>Transfer from existing IRA.<br>Please attach transfer form. | <input type="checkbox"/> <b>Indirect Rollover</b><br>Take receipt of the assets for up to 60 days before redepositing into a new retirement plan. Please attach rollover form. | <input type="checkbox"/> <b>Direct Rollover</b><br>Rollover from Employer Sponsored Plan. Please attach rollover form. |
|---|---|--|--|

**PLEASE INDICATE BENEFICIARIES:**

I, \_\_\_\_\_ (required to list name), designate the person(s) named below as the Primary and/or Contingent Beneficiaries of this account. A beneficiary shall be deemed to be a Primary Beneficiary if the Primary or Contingent box is not selected for said beneficiary. In the event of my demise, Primary Beneficiaries who survive me shall receive the assets of the account in equal shares (or in the specified shares, as designated). If all Primary Beneficiaries pre-decease me, Contingent Beneficiaries who survive me shall receive the assets of the account in equal shares (or in the specified shares, as designated). A Primary or Contingent beneficiary's interest and the interest of such beneficiary's heirs shall terminate completely, in the event that the aforementioned beneficiary does not survive me. In such cases, the share for any remaining Primary or Contingent Beneficiary shall be increased on a pro rata basis. In the event that there are no surviving Primary or Contingent Beneficiaries, remaining assets of the account shall be distributed to my estate in accordance with the plan provisions.

Primary     Contingent

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Address \_\_\_\_\_ Relationship \_\_\_\_\_  
City, State, Zip \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_ Share \_\_\_\_\_  
*If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.*

Primary     Contingent

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Address \_\_\_\_\_ Relationship \_\_\_\_\_  
City, State, Zip \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_ Share \_\_\_\_\_  
*If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.*

Primary     Contingent

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Address \_\_\_\_\_ Relationship \_\_\_\_\_  
City, State, Zip \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_ Share \_\_\_\_\_  
*If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.*

Primary     Contingent

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Address \_\_\_\_\_ Relationship \_\_\_\_\_  
City, State, Zip \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_ Share \_\_\_\_\_  
*If I named a Beneficiary which is a Trust, I understand I must supply a copy or abstract of the Trust.*

**ACCOUNT OWNER SIGNATURE:**

I understand that I may change or add beneficiaries at any time by completing the Change of Beneficiary form and submitting the original to the Administrator for Next Generation Trust Company. Next Generation Services is located at 75 Livingston Ave. Ste 304, Roseland, NJ 07068.  
Signature of Participant \_\_\_\_\_ Date \_\_\_\_\_

**SPOUSAL CONSENT:** (Only required if your spouse is not the primary beneficiary—see note below.)

This section is to be completed if your legal residence is in a Community Property State and your spouse has not been designated as your Primary Beneficiary with 100% share.

I, \_\_\_\_\_ (name of spouse) hereby approve the above beneficiary designation.  
Signature of Spouse \_\_\_\_\_ Date \_\_\_\_\_



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

## APPOINTMENT OF CUSTODIAN, INVESTMENT DIRECTION AND IMPORTANT DISCLOSURES:

**Your signature is required. Please read before signing.** The account holder shown on the front of this application must read this agreement carefully and sign and date this part. By signing this application, you acknowledge the following:

### Appointment

I appoint Next Generation Trust Company as the Custodian of my Account ("Custodian"), and understand and acknowledge that the Custodial Plan Agreement and my Application are my agreement with the Custodian. Next Generation Services, LLC ("Administrator") is the Administrator to the Custodian. The Administrator may change the custodian to any institution permitted by law or as instructed by the undersigned. Written direction is understood to also include a facsimile signature. The account is established for the exclusive benefit of the Account holder or his/her beneficiaries.

### Adequate Information

I acknowledge that I have received a copy of the Custodial/Plan Agreement, Disclosure Statement and the Fee Disclosure. I understand that the terms and conditions that apply to this Account are contained in these documents. I agree to be bound by those terms and conditions. If this is an IRA, within 7 days from the date the account application is signed, it may be revoked without penalty by mailing or delivering a written notice to the Custodian/Administrator.

### Responsibility for Tax Consequences

I assume all responsibility for any taxes and/or penalties that may result from making contributions to, transactions within and distributions from my Account. I attest that I am authorized and I am of legal age to establish this Account and make investments permitted under the Custodial/Plan Agreement offered by the Custodian/Administrator.

I assume complete responsibility for:

- 1) Determining that I am eligible for a transaction that I direct the Custodian/Administrator to make on behalf of my account;
- 2) Ensuring that all contributions made are within the limits set by current tax laws; and,
- 3) The taxes of any contribution (including rollover contributions and distributions).

I attest under penalties of perjury:

- 1) That I have provided you with my correct Social Security or Tax I.D. Number; and,
- 2) That I am not subject to backup withholding because I am exempt from backup withholding; or, I have not been notified by the IRS that I am subject to backup withholding; or, the IRS has notified me that I am no longer subject to backup withholding.

**You must cross out #2 if you have been notified by the IRS that you are now subject to backup withholding because of under reporting interest or dividends on your tax return.**

Except as stated above, we will not release information about you to others unless you or someone you have authorized, in writing, have consented and/or instructed us to do so, or we are required by law or other regulatory authority.

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

Until I change or revoke this designation, I hereby instruct the Custodian/Administrator to follow the investment directions that I will provide in investing and reinvesting the principal and interest, as confirmed by directions in writing to the Administrator from the undersigned for this account or other custodial account for which the Administrator serves as record keeper. The Custodian is authorized to accept written and/or verbal direction that is confirmed in writing by the undersigned, authorized party, or by the Administrator. Written direction is understood to also include facsimile signature.

This account is established for the exclusive benefit of the Account holder or his/her beneficiaries. In taking action based on this authorization the Custodian/Administrator may act solely on the written instruction or representation of the Account holder or authorized party.

I expressly certify that I take complete responsibility for the type of investments which I choose to purchase within this account. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any and all claims, including, but not limited to, actions, liabilities, losses, penalties, fines and/or third party claims, arising out of my account and/or in connection with any action taken on the reliance upon my written instructions and/or representations, or in the exercise of any right, power or duty of Custodian/Administrator, its agents and/or assigns. The Custodian/Administrator may deduct from the account any amounts they are entitled for reimbursement under the foregoing hold harmless provision. I acknowledge and understand that the Custodian/Administrator shall have no responsibility or fiduciary role whatsoever related to or in connection with this account in taking any action related to any purchase, sale or exchange instructed by the undersigned or the undersigned's authorized agents, including but not limited to suitability, compliance with any state or federal law or regulation, income or expense, or preservation of capital or income. For purposes of this paragraph, the terms Custodian and Administrator include Next Generation Trust Company/ Next Generation Services, LLC, its agents, assigns, joint venturers and/or business partners.

*I acknowledge receipt of a Fee Disclosure and receipt of the Custodial/Plan Agreement and Disclosure Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. I understand that failure to submit a signed Fee Disclosure will result in fees calculated "based on value of account" (See Fee Disclosure).*

*I declare that I have examined this document, including all accompanying information, and to the best of my knowledge and belief, it is true, correct and complete. I acknowledge I have read the Fee Disclosure, the Plan/Custodial Agreement and Account Disclosure Statement and agree to abide by their terms as currently in effect or as they may be amended from time to time. If you would like to give permission to another individual to access your account information (such as your spouse or other individual), you will need to complete the Limited Power of Attorney form or Interested Party Designation form.*

PLEASE PRINT, SIGN AND MAIL THIS FORM TO NEXT GENERATION SERVICES, 75 LIVINGSTON AVE. STE 304, ROSELAND, NJ 07068.

Signature of Account Owner \_\_\_\_\_ Date \_\_\_\_\_

In the event of claims made by others related to my account and/or investments where the Custodian/ Administrator is a named party, the Custodian/Administrator shall have the unequivocal right at their sole discretion to appoint and select their own attorneys to represent them in such actions and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorneys' fees, other costs and internal costs (collectively "Litigation Costs"), incurred by the Custodian/Administrator in the defense of such claims and/or litigation. If there are insufficient funds in my account to cover the Litigation Costs incurred by the Custodian/Administrator, on their demand, I will immediately reimburse the Custodian/Administrator any outstanding balance of the Litigation Costs. If I fail to immediately reimburse the Litigation Costs, the Custodian/Administrator shall have the unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian/Administrator will not be responsible to take any action should there be any default with regard to this investment.

I understand that no one at the Custodian/Administrator has authority to agree to anything different than the above listed understandings of the Custodian's/Administrator's policy. For purposes of this paragraph, the terms Custodian and Administrator include Next Generation Trust Company/ Next Generation Services, LLC, its agents, assigns, joint venturers and/or business partners.

In executing transfers, it is understood and agreed that I will not hold the Custodian/Administrator liable or responsible for anything done or omitted in the administration, custody or investments of the account prior to the date they shall complete their respective acceptance as successor custodian and administrator and shall be in possession of all of the assets, nor shall they have any duty or responsibility to inquire into or take any action with respect to any acts performed by the prior Custodian, or Administrator.

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

### Important Information for Opening a New Account

To comply with the USA PATRIOT ACT, we have adopted a Customer Identification Program. All new accounts must provide a copy of an unexpired, photo-bearing, government-issued identification (driver's license or passport). The copy must be readable so we can verify the client's name, driver's license number or state issued ID number.

### Our Privacy Policy

You have chosen to do business with the Custodian/Administrator named on the Account Application. As our client, the privacy of your personal non-public information is very important to us. We value our customer relationships and we want you to understand the protections we provide in regard to your account(s) with us.

### Information We May Collect

We collect non-public personal information about you from the following sources to conduct business with you:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, or others;

Non-public personal information is non-public information about you that we may obtain in connection with providing financial products or services to you. This could include information you give us from account applications, account balances, and account history.

### Information We May Share

We do not sell or disclose any non-public information about you to anyone, except as permitted by law or as specifically authorized by you. We do not share non-public personal information with our affiliates or other providers without prior approval by you. Federal law allows us to share information with providers that process and service your accounts. All providers of services in connection with the Custodian/Administrator have agreed to the Custodian's/Administrator's confidentiality and security policies. If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

### Confidentiality and Security

We restrict access to non-public personal information to those employees who need to know that information to provide products and services to you. We maintain physical, electronic, and procedural guidelines that comply with federal standards to guard your non-public personal information. The Custodian/Administrator reserves the right to revise this notice and will notify you of any changes in advance. If you have any questions regarding this policy, please contact us at the address or telephone number listed on the application.

# PRECIOUS METAL FEE SCHEDULE



**NEXT GENERATION SERVICES, LLC**, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

ACCOUNT SET UP FEE: \$50                      ANNUAL STORAGE FEE: VARIES BY DEPOSITORY  
ANNUAL ADMINISTRATION FEE: \$100              NONMETAL ASSET ANNUAL ADMINISTRATION FEE: \$325  
**SET UP FEE AND INITIAL ANNUAL FEE DUE AT ACCOUNT OPENING**

**Depository option:**

Please indicate depository name \_\_\_\_\_

## TRANSACTION FEES:

- Purchase, Sale, Exchange, or Re-registration of any domestic asset: \$100
- Purchase, Sale, Exchange, or Re-registration of any international asset: \$125
- Further Funding an existing asset: \$50
- Partial Redemption or Liquidation Request: \$50
- Transaction for a Real Estate Deposit: \$25
- Outgoing Checks: \$5 each
- Cashier's or other Official Bank Check: \$25
- Wire Transfers (Domestic): \$30
- Wire Transfers (International): \$50
- Outgoing ACH: \$30
- Rush fee for expedited transaction processing or review services within the same day or next day may apply. Discuss further with a representative.
- Partial Termination, transfers out to another custodian and/or non qualified distribution, \$100. Applicable transaction fees will apply for assets being transferred or distributed in-kind.
- Full Termination resulting in zero balance is \$250, but does not include normal distributions. This includes lump sum distributions and transfer outs, but does not include required minimum distributions. Applicable transaction fees will apply for assets being transferred or distributed in-kind. Annual recordkeeping fees are not prorated when an account closes.

Regardless of Fee Option, Solo 401k's are billed a plan document fee of \$300 annually.

**All accounts include at no additional charge:**

- Access to regular/education networking events
- Online Account Access
- Annual statements mailed
- Normal eligible distribution by check
- Annual tax reporting
- Quarterly statements emailed

## RELATED EXPENSES:

- Medallion Guarantee \$25, Notary \$15 For non-NGTC forms.
- Returned items of any kind and stop payments: \$30 per item.
- Reprocessing of incomplete documents are charged \$25 per reprocessing, plus applicable fees. Discuss further with a representative.
- Special Services, such as research of closed assets or accounts, research for legal issues, or special handling of transactions: \$150 per hour.
- Express Mail: \$30 minimum, dependent on destination and speed.
- Invoice Reprocessing for late payments: \$25.
- If you wish to receive quarterly mailed statements please remit \$40 and initial here \_\_\_\_\_. This charge is incurred annually.

## BILLING OPTIONS: *Please check only one box.*

Please check only one box. If no box is checked, fees will be automatically deducted from your undirected cash balance. All transactions fees are due at the time of transaction. Annual recordkeeping fees are billed as specified above. You may prepay fees at any time. If not paid by the due date, fees will be deducted from your uninvested balance. If there are insufficient funds in your account, we may liquidate other assets to pay for such fees in accordance with your Plan and Trust Disclosure.

- Please check if you would like to receive a printed invoice by mail for your administration fees.
- Please check if you would like to have fees charged to your credit card. Please attach credit card authorization form. No invoice will be mailed.

## SIGNATURE:

In accordance with your plan and trust disclosure which you received as part of your application, custodial fees are part of the plan and trust disclosure. We will make our best effort to notify you of all changes to your fee schedule within a 30 day notice by posting the information on our website at [www.nextgenerationtrust.com](http://www.nextgenerationtrust.com).

*In accordance with your Account Application, this Fee Disclosure is part of your agreement with the Custodian/Administrator and must accompany your application.*

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

# CLIENT RELEASE FORM



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**CLIENT RELEASE:** This form is required when establishing an account. Mail form to Next Generation Services.

This Release, dated \_\_\_\_\_, is given

By the Releaser \_\_\_\_\_, referred to as "You,"

TO NEXT GENERATION TRUST COMPANY, 401 E. 8th Street, Suite 200H, Sioux Falls, SD 57103, referred to as "NGTC" and NEXT GENERATION SERVICES, LLC 75 Livingston Ave., Ste. 304, Roseland, NJ 07068, referred to as "NGS".

If more than one person signs this release, "You" shall mean each person who signs this Release.

- Disclosure.** You understand and agree that NGTC/NGS does not approve investments for your Retirement Plan. NGTC/NGS is strictly a neutral holder of your Retirement Plan's Assets. In addition, you have read Internal Revenue Service Regulation Title 26, Section 4975 and are familiar with the prohibited transactions listed and the penalties which will be assessed by the Internal Revenue Service in the event that you engage in prohibited transaction(s).
- Release.** Because NGTC/NGS has no control over the investments you direct NGTC/NGS to make on behalf of your self-directed retirement plan, and could not know if there is information you have not provided to NGTC/NGS which would make NGTC/NGS inform you that you may be engaging in a prohibited transaction, YOU RELEASE AND GIVE UP ANY AND ALL CLAIMS AND RIGHTS WHICH YOU MAY HAVE AGAINST NGTC/NGS SHOULD YOU ENGAGE IN, APPEAR TO ENGAGE IN, OR BE ACCUSED OF ENGAGING IN, A PROHIBITED TRANSACTION UNDER THE IRS CODE. THIS RELEASES ALL CLAIMS, INCLUDING THOSE OF WHICH YOU ARE NOT AWARE AND THOSE NOT MENTIONED IN THIS RELEASE. NGTC/NGS HAS NO OBLIGATION TO PROVIDE A DEFENSE OR OTHERWISE INDEMNIFY YOU AGAINST ANY CLAIM, FINE, PENALTY, JUDGMENT OR SETTLEMENT RESULTING FROM A CLAIM RAISED UNDER THE IRS CODE AGAINST YOU.
  - You understand and agree that NGTC/NGS does not review and approve the subscription agreement, operating agreement, by-laws, limited or general partnership agreement, or any other similar agreement regarding the purchase or operation of any entity or investment you want to invest in. You are solely responsible for making sure that the entity was not formed or will not operate in a way that does or may lead to a prohibited transaction under Internal Revenue Code Section 4975.
  - You understand and agree that you are also solely responsible for making sure that the Retirement Plan has adequate funds for any future mandatory capital calls, and you indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with a loss or diminution in value of your Retirement Plan's investment in the entity because of a failure to meet a future mandatory capital call.
  - You understand and agree that NGTC/NGS has given you no tax advice regarding the possibility that your Retirement Plan may be subject to Unrelated Business Income Tax (UBIT) as a result of its investment in any entity or other investment. If your Retirement Plan owes UBIT on its investment in an entity, you agree to prepare or cause to be prepared IRS Form 990T for filing. You understand and agree that any UBIT owed must come from funds belonging to the Retirement Plan, and you indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with a failure to prepare IRS Form 990T and pay any resulting UBIT due from funds belonging to the Retirement Plan. If UBIT is owed the IRA must get it's own EIN#.
  - You represent that you have done your own due diligence on any company you want to invest in, or any other investment you want to make.
  - You understand and agree that NGTC/NGS makes no attempt to evaluate any company you want to invest in. For example, NGTC/NGS makes no attempt to check the financial strength of the company, nor do we check with the Secretary of State to see if the company is in good standing, nor do we check with the Securities and Exchange Commission, the Better Business Bureau or any other governmental or non-governmental agency to see if any complaints have been filed against the company. You, as the Retirement Plan holder, are 100% responsible for evaluating any company and any investment.
  - You understand and agree that neither NGTC/NGS nor any of its officers, directors, shareholders or employees are associated in any way with any company you may want to invest in. Neither NGTC/NGS nor any of its officers, directors, shareholders or employees have given you any investment, legal or tax advice pertaining to any investment.
  - You agree to indemnify and hold harmless NGTC/NGS, its officers, directors, shareholders and employees against any liability associated with your Retirement Plan investment in any company, entity, or other investment.
- Consideration.** You acknowledge that unless you sign this release, NGTC/NGS will not accept you as a client, and you are free to seek the services of other firms. In consideration of you signing this release, NGTC/NGS will provide the services of our company and we will rely upon the promises in this release.
- Who is Bound.** You are bound by this Release. Anyone who succeeds to your rights and responsibilities, such as your heirs or the executor of your estate, is also bound. This Release is made for the benefit of NGTC/NGS and all who succeed to our rights and responsibilities.
- Signatures.** You understand and agree to the terms of this Release. If this Release is made by a corporation its proper corporate officers sign and its corporate seal is affixed.

This Release is given by: \_\_\_\_\_  
*Signature of Client*

\_\_\_\_\_  
*Account Number*

**NOTARY CERTIFICATION REQUIRED**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I CERTIFY that on \_\_\_\_\_, 20\_\_\_\_\_,

personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one person):

a) is named in and personally signed this document; and b) signed, sealed and delivered this document as his or her act and deed.

\_\_\_\_\_  
*Signature of Notary*

(Seal Here)

**NEXT GENERATION TRUST COMPANY**  
401 E. 8TH STREET, SUITE 200H  
SIOUX FALLS, SOUTH DAKOTA 57103  
TOLL FREE: 888-857-8058

# CREDIT CARD AUTHORIZATION FORM



**NEXT GENERATION  
TRUST COMPANY**  
*CONTROL YOUR FUTURE, TODAY*

**NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088**

## PERSONAL INFORMATION:

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Cardholder Name *(if different)* \_\_\_\_\_

Cardholder Billing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ Email Address \_\_\_\_\_

## CREDIT CARD INFORMATION:

Card Type: *Please check ONLY ONE Option*

MasterCard     Discover     Visa    *Please Note: We cannot accept American Express. We apologize for any inconvenience this may cause.*

Credit Card Number: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Expiration Date: \_\_\_\_\_ / \_\_\_\_\_

CCV: \_\_\_\_\_  
*(Last three digits on back of card)*

Keep card on file for all fees (no invoice will be sent)

One time charge in the amount of \$ \_\_\_\_\_

## SIGNATURE: *Please securely email, fax, or mail this form to Next Generation Services.*

*I, the undersigned, authorize that these charges will appear on my credit card statement under the name Next Generation Trust Company and I accept full financial responsibility for payment of this order. I further agree that this authorization will remain in effect until I revoke it in writing.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**PERSONAL INFORMATION:**

Account Holder Name: \_\_\_\_\_ Next Generation Account #: \_\_\_\_\_

**INTERESTED PARTY DESIGNATION:**

Please complete the information in this section to authorize a third party (spouse, broker, financial planner, attorney, etc) to receive information about your account. Please note that this section only authorizes a third party to have unlimited access to your account information, however they will not be permitted to make changes to your account. Please complete this section in full and submit to Next Generation Services by fax, mail, or secure email.

Name of Interested Party \_\_\_\_\_

Interested Party Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Contact Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

**Please check ONE or BOTH Options:**  Please provide Interested Party online access  Please send duplicate statements

**SIGNATURE:**

*This Designation will remain in effect until Account Holder provides revocation in writing to Next Generation Trust Company (Custodian) or Next Generation Services (Administrator). I understand that neither the Custodian (Next Generation Trust Company) nor the Administrator (Next Generation Services) is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any claims, including, but not limited to actions, liabilities, losses, penalties, fines, attorney's fees and/or third party claims arising out of and/or in connection with their reliance on this Designation. This indemnity and hold harmless provision shall survive any Termination of this Designation. In the event of claims by others related to my account and/or investment wherein Custodian and/or Administrator are named as a party, Custodian and/or Administrator shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorney's fees and costs and internal costs (collectively "Litigation Costs") incurred by Custodian and/or Administrator. If there are insufficient funds in my account to cover the Litigation Costs incurred by Custodian and/or Administrator, on demand by Custodian and/or Administrator, I will promptly reimburse Custodian and/or Administrator the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Custodian and/or Administrator shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian and/or Administrator will not be responsible to take any action should there be any default with regard to this investment. If any provision of this Designation is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# LIMITED POWER OF ATTORNEY FORM



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

## PERSONAL INFORMATION:

Account Holder Name: \_\_\_\_\_ Next Generation Account #: \_\_\_\_\_

## LIMITED POWER OF ATTORNEY:

Please complete the information in this section to authorize a third party to conduct all transactions (with the exceptions noted) in your account. **This designation may not be used to direct transfer or distributions, or to make changes to beneficiary designations.** This section applies **ONLY** to Next Generation TC forms and documents. Please complete this section in full and submit the notarized original to Next Generation Services at 75 Livingston Avenue, Suite 304, Roseland, NJ 07068.

Name of Attorney-In-Fact \_\_\_\_\_

Attorney-In-Fact Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Contact Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

**Please check ONLY ONE Option:**  Please provide Attorney-In-Fact online access  Please send duplicate statements

Signature of Attorney-In-Fact: \_\_\_\_\_

## SIGNATURE: Please mail this form to Next Generation Services.

*This Designation will remain in effect until Account Holder provides revocation in writing to Next Generation Trust Company (Custodian) or Next Generation Services (Administrator). I understand that neither the Custodian (Next Generation Trust Company) nor the Administrator (Next Generation Services) is a "fiduciary" for my account and/or my investment as such terms are defined in the IRC, ERISA and/or any applicable federal, state or local laws. I agree to release, indemnify, defend and hold the Custodian/Administrator harmless from any claims, including, but not limited to actions, liabilities, losses, penalties, fines, attorney's fees and/or third party claims arising out of and/or in connection with their reliance on this Designation. This indemnity and hold harmless provision shall survive any Termination of this Designation. In the event of claims by others related to my account and/or investment wherein Custodian and/or Administrator are named as a party, Custodian and/or Administrator shall have the full and unequivocal right at their sole discretion to select their own attorneys to represent them in such litigation and deduct from my account any amounts to pay for any costs and expenses, including, but not limited to, all attorney's fees and costs and internal costs (collectively "Litigation Costs") incurred by Custodian and/or Administrator. If there are insufficient funds in my account to cover the Litigation Costs incurred by Custodian and/or Administrator, on demand by Custodian and/or Administrator, I will promptly reimburse Custodian and/or Administrator the outstanding balance of the Litigation Costs. If I fail to promptly reimburse the Litigation Costs, Custodian and/or Administrator shall have the full and unequivocal right to freeze my assets, liquidate my assets, and/or initiate legal action in order to obtain full reimbursement of the Litigation Costs. I also understand and agree that the Custodian and/or Administrator will not be responsible to take any action should there be any default with regard to this investment. If any provision of this Designation is found to be illegal, invalid, void or unenforceable, such provision shall be severed and such illegality or invalidity shall not affect the remaining provisions, which shall remain in full force and effect.*

Account Holder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## NOTARY CERTIFICATION REQUIRED

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I CERTIFY that on \_\_\_\_\_, 20\_\_\_\_\_,  
personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one person):  
a) is named in and personally signed this document; and b) signed, sealed and delivered this document as his or her act and deed.

\_\_\_\_\_  
Signature of Notary

(Seal Here)

# TRANSFER FORM

**NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088**

Use this form to:

- Move assets directly from one custodian to another custodian without personally initiating the movement.
- Do not use this form to make a direct rollover. Please use the Rollover Form.

If you wish to liquidate any assets as part of your transfer to NGTC ensure that the liquidation process is completed PRIOR to completing this form. Transfer of your funds may be delayed if this step is not taken. Please note: Fees may apply from resigning custodian.

Please return this form to Next Generation Services, the Administrator of your plan. This form instructs the Custodian or Trustee of your current/resigning plan to transfer your assets to Next Generation Trust Company. Next Generation Services will arrange this transfer on your behalf.

**PERSONAL INFORMATION:**

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Legal Address (required) \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ Social Security Number (Required) 

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**CURRENT CUSTODIAN/TRUSTEE:** Where your funds are currently. Express deliveries cannot be made to a PO Box.

Name of Custodian/Trustee \_\_\_\_\_ Account Number \_\_\_\_\_

Office Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ Contact Name \_\_\_\_\_

**TYPE OF ACCOUNT TO BE TRANSFERRED/ELIGIBILITY:** Must transfer to the same type of account at Next Generation Trust Company.

I am transferring **FROM** the following type of plan (select one):

- Traditional  Roth  SEP  Beneficiary IRA  
 SIMPLE  ESA  HSA

I am transferring **TO** the following type of plan (select one):

- Traditional  Roth  SEP  Beneficiary IRA  
 SIMPLE  ESA  HSA

I am an eligible person to perform this transaction (select one):

- Non-spouse Beneficiary of Account  Spouse Beneficiary of Account  Coverdell Responsible Individual  
 IRA Holder  HSA Account Owner  Ex-spouse

**TYPE OF ASSET TO BE TRANSFERRED:** Indicate whether this is A. COMPLETE Transfer OR B. PARTIAL Transfer.

If liquidation of assets is required, you must instruct your current Custodian to liquidate PRIOR to submitting this form. Next Generation Trust Company is not authorized to liquidate investments or assets on your behalf. All transfer forms **MUST** be accompanied by a current account statement from your current custodian.

**COMPLETE TRANSFER** to my IRA. Please check only one option below, indicating what assets you would like to transfer to your Next Generation Trust Company IRA.

**Cash.** Please submit \$ \_\_\_\_\_ (required) in cash to Next Generation Trust Company.

Please make checks payable to: **Next Generation TC FBO (Client Name) IRA**

**In Kind Asset Transfer & Cash.** For transfer of illiquid assets IN KIND (Real Estate, LLCs, Private Stock, Notes, etc.). Please note, re-registration fees may apply. Additional documentation **WILL** apply, though, so please contact a Next Generation representative.

All vestings to read: **Next Generation TC FBO (Client Name) IRA**

**PARTIAL TRANSFER** to my IRA. Please check all that apply below, indicating what assets you would like to transfer to your Next Generation Trust Company IRA.

**Cash.** Please submit \$ \_\_\_\_\_ (required) in cash to Next Generation Trust Company.

Please make checks payable to: **Next Generation TC FBO (Client Name) IRA**

**In Kind Asset Transfer.** For transfer of illiquid assets IN KIND (Real Estate, LLCs, Private Stock, Notes, etc.). Please note, re-registration fees may apply. Additional documentation **WILL** apply, though, so please contact a Next Generation representative.

All vestings to read: **Next Generation TC FBO (Client Name) IRA**

Please see page two of this form for asset description and delivery instructions.

# TRANSFER FORM



**NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088**

**DESCRIPTION OF ASSETS TO BE TRANSFERRED:** *Please attach additional delivery instructions if needed. Fees may apply from your resigning custodian.*

Asset Description	Amount (\$)

**DELIVERY INSTRUCTIONS:** *Next Generation Services will attach instructions for resigning custodian.*

- a. How would you like us to send this transfer request to your current resigning custodian? *(Please note, not all custodians accept faxed transfer forms.)*
- Mail       Express Delivery (\$30 fee)       Fax (please provide number) \_\_\_\_\_
- b. How would you like your cash sent from your current resigning custodian to Next Generation Trust Company?
- Mail/Check       Electronic/Wire (\$30 fee)
- c. If you have selected express services above, how would you like to pay for those services? *(Fees are due at the time services are rendered.)*
- Check       Credit Card       Deduct from Account *(You must have cash available prior to transfer.)*

**SIGNATURE AND ACKNOWLEDGEMENT:** *This does not constitute a direct rollover.*

I hereby agree to the to the terms and conditions set forth in this Account Asset Transfer Authorization and acknowledge having established an account through the execution of the \_\_\_\_\_ *(Type of IRA)* account application. I understand the rules and conditions applicable to an Account Transfer. I am authorized to request this transfer and instruct Next Generation Trust Company to execute such a transaction. I understand that employees/representatives of Next Generation Trust Company/Next Generation Services do not have authority to agree to anything other than what is contained in this Account Asset Transfer Authorization.



\_\_\_\_\_  
*Account Holder Signature*

\_\_\_\_\_  
*Date*

**FOR OFFICE USE ONLY:**

**Acceptance of Receiving Custodian**

Pursuant to a limited written delegation, Next Generation Trust Company as Custodian ("Custodian"), has authorized Next Generation Services to sign this form on the Custodian's behalf to verify the Custodian's acceptance of the transfer described above and apply proceeds, upon their receipt, to the Account established by Next Generation Trust Company on your behalf. CUSTODIAN ASSUMES NO FIDUCIARY OR TRUST OBLIGATIONS TO YOU AS IT ONLY ACTS AS CUSTODIAN OF YOUR FUNDS WITH NO INVESTMENT CONTROL. Next Generation Services, on behalf of Custodian, Next Generation Trust Company.

\_\_\_\_\_  
*Authorized Signatory*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Account Number*

Type of Account:     Traditional     Roth     SEP     SIMPLE     ESA     HSA     Beneficiary IRA

# ROLLOVER FORM



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

This form is required to document the rollover of your asset to Next Generation Trust Company. You must contact your former/resigning Custodian/Administrator to roll over your plan. Next Generation Trust Company will not initiate this rollover. Return this form to Next Generation Services.

## PERSONAL INFORMATION:

Account Holder Name \_\_\_\_\_ Next Generation Account # \_\_\_\_\_

Legal Address (required) \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone Number \_\_\_\_\_ Social Security Number (Required) 

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## YOUR FUNDS ARE CURRENTLY/FORMERLY HELD AT:

Name of Custodian/Trustee \_\_\_\_\_ Account Number \_\_\_\_\_

Contact Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

## INDICATE THE TYPE OF PLAN YOU ARE ROLLING OVER FROM:

- Traditional IRA       Roth IRA       SEP IRA       SIMPLE IRA  
 ESA       HSA       Beneficiary IRA       Other Qualified Plan \_\_\_\_\_

## VERIFY THAT YOU ARE ELIGIBLE TO PERFORM THIS TRANSACTION: *Please select ONLY one.*

I am an eligible person to perform this transaction (select one):

- Plan Participant     Spouse Beneficiary     Non-spouse Beneficiary     Responsible Individual (for Coverdell ESAs)     Ex-spouse

**Either Part 1 or 2 must be selected and not both**

## PART I. ROLLOVER FROM ANOTHER IRA (OR ANOTHER SIMPLE IRA)

I certify that the following statements are true and correct.

- This rollover contribution is being made within 60 days after my receipt of funds from another IRA, in which I was either the participant or surviving spouse beneficiary, or in the case of a distribution from an IRA due to a first time homebuyer which is being rolled into this IRA because of a delay in the acquisition of the first time home, this rollover contribution is being made within 120 days after my receipt of funds from the distributing IRA.
- During the 12-month period prior to my receipt of the distribution being rolled over, I have not received a rollover distribution from any IRA which was subsequently rolled over to another IRA. (This rule does not apply to a delay in the acquisition of a residence for a first time homebuyer as discussed above).
- I am not rolling over any required minimum distributions with respect to the distributing IRA plan.
- If this rollover contribution represents a distribution from a SIMPLE IRA and I have not participated in my Employer's SIMPLE Plan for 2 years, this rollover contribution is being made into another SIMPLE IRA. Date Employee First Participated in original SIMPLE IRA: \_\_\_\_\_

## PART II. ROLLOVER/DIRECT ROLLOVER FROM AN EMPLOYER PLAN

I certify that the following statements are true and correct.

- The undersigned certifies that my employer's qualified plan, qualified annuity, 403(b) plan, governmental 457(b) plan, or the Federal Employee's Thrift Savings Plan has made or will make an Eligible Rollover Distribution which is either being paid in a Direct Rollover to the Custodian or Trustee of my IRA, or, if I am the participant or the surviving spouse, paid directly to me which I am rolling over no later than the 60th day after receiving the Eligible Rollover Distribution.
- This Rollover/Direct Rollover is not part of a series of payments over my life expectancy(ies) or over a period of 10 years or more.
- This Rollover/Direct Rollover does not include any required minimum distributions with respect to the employer's plan.
- This Rollover/Direct Rollover does not include a hardship distribution, an unforeseeable emergency distribution, a corrective distribution, or a deemed distribution of a defaulted loan from any employer's plan.
- I certify that I am eligible to establish an IRA with this Rollover/Direct Rollover of an Eligible Rollover Distribution, and that I am one of the following: the plan participant; the surviving spouse of the deceased plan participant; the spouse or former spouse of the plan participant under a Qualified Domestic Relations Order, or a non-spouse beneficiary (in which case I understand I may only make a direct rollover to an inherited IRA).
- I certify that this Rollover/Direct Rollover does not contain a Designated Roth Contribution Account.

# ROLLOVER FORM



NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**PART III. ADDITIONAL INFORMATION FOR ROLLOVERS BEGINNING AT AGE 70 1/2**

I received the distribution from the other plan on \_\_\_\_\_. This distribution  is  is not an outstanding rollover as of the prior December 31st.  
 I certify that I have already satisfied my required minimum for the IRA being rolled over from another IRA.

**ROLLOVER INSTRUCTIONS TO RESIGNING CUSTODIAN:**

To roll over CASH, please follow the instructions below. Contact our office for wire instructions.

CASH: Please make check payable to: Next Generation TC FBO (my name) IRA

CASH: \$ \_\_\_\_\_

Asset Description	Amount (\$)

To roll over INVESTMENTS (Private Stock, Real Estate, LLCs, Notes, etc.), please attach a current statement of assets, further documentation will be required.

**SIGNATURE:** Please return this form to Next Generation Services by fax, secure email, or mail.

I agree to the terms and conditions set forth in this Rollover Certification form. I acknowledge having established an account through the execution of the \_\_\_\_\_ (type of account) plan documents. I understand that this Indirect or Direct Rollover is irrevocable and I have consulted my tax advisor regarding tax considerations that may apply. I assume full responsibility for this Indirect or Direct Rollover and will not hold the Custodian/Administrator or Issuer of either the receiving or distributing party liable for the consequences of the above rollover. I understand that employees/representatives of Custodian/Administrator do not have authority to agree to anything other than what is contained in this Rollover Certification Form. I irrevocably designate this contribution of assets with a value of \$ \_\_\_\_\_ (total value of rollover) as a rollover. The undersigned authorizes the Custodian/Administrator to commingle regular IRA contributions with Rollover/Direct Rollover contributions pursuant to PART II above. I understand that commingling regular IRA contributions with Rollover/Direct Rollover contributions from employer plans may preclude me from rolling over funds in my rollover "conduit" IRA into another employer's plan. With such knowledge, I authorize and direct the Custodian/Administrator to place regular IRA contributions in my rollover "conduit" IRA or vice versa.

The undersigned hereby irrevocably elects, pursuant to IRS Regulation 1.402(a)(5)-IT to treat this contribution as a rollover contribution. I understand that this will not be a valid IRA rollover unless PART I or PART II (and, if applicable, PART III) are correct statements. I acknowledge that, due to the complexities involved in the tax treatment of eligible rollover distributions from qualified plans, qualified annuities, 403(b) plans, governmental 457(b) plans, or the Federal Employee's Thrift Savings Plan and rollovers/direct rollovers to IRAs, the Custodian/Administrator has recommended that I consult with my tax advisor or the Internal Revenue Service before completing this transaction to make certain that this transaction qualifies as a rollover and is appropriate in my individual circumstances. I understand rollover contributions are reported to the IRS. I hereby release the Custodian/Administrator from any claim for damages on account of the failure of this transaction to qualify as a valid rollover.

Signature of Distributee: \_\_\_\_\_ Date: \_\_\_\_\_



## New Account Reminders

### Acceptable forms of Identification

#### Acceptable Forms of Photo Identification Include:

Driver's License  
Passport  
Permanent Resident Card

### Right of Recision Period

#### Right of Recision:

All clients have a seven day right of recision period from the date on their application. After this period is up and there are cleared funds in the account, a client is eligible to make a self-directed investment with their IRA at Next Generation.

### Disclaimer

#### Disclaimer:

Next Generation Trust Company/Next Generation Services (NGTC/NGS) does not review the merits or legitimacy of any investment. NGTC/NGS does not endorse or recommend any companies, products, services, or investments. NGTC/NGS does not provide any financial, legal or investment advice.

If the services of NGTC/NGS were recommended by any third party, such persons or entities are not in any way affiliated with NGTC/NGS. NGTC/NGS is not a "fiduciary" as defined in the IRC, ERISA, and/or any applicable federal, state or local laws. All information provided is for educational purposes only. All parties are encouraged to consult with their professional advisors prior to making any investments.

**Next Step:**  
Making A Self-Directed Investment

- After your account has been opened, the right of recision period is over, AND you have cleared funds in your account, you will be ready to make an investment.
- Clearing times:** Wire (24 hours), ACH/Money Order/Certified Check (2 business days), Check (5 business days).
- All applicable forms are located on our website under the tab, "Client Forms."
- Since accounts are purely self-directed, please contact our office to discuss your investment, to get tips on avoiding prohibited transactions (§4975), and to ensure you complete the appropriate investment documents.
- For help filling out your investment documents, please call the office.

**NEXT GENERATION TRUST COMPANY**  
401 E. 8TH STREET, SUITE 200H  
SIOUX FALLS, SOUTH DAKOTA 57103  
TOLL FREE: 888-857-8058

**TRADITIONAL INDIVIDUAL  
RETIREMENT ACCOUNT**  
Custodial Agreement and Disclosure Statement



**NEXT GENERATION**  
TRUST COMPANY  
*CONTROL YOUR FUTURE, TODAY*

NEXT GENERATION SERVICES, LLC, 75 LIVINGSTON AVE. STE. 304, ROSELAND, NJ 07068 | P: (973) 533-1880 \* F: (973) 533-1088

**TRADITIONAL INDIVIDUAL  
RETIREMENT ACCOUNT**

Custodial Agreement and Disclosure Statement



Form **5305-A**  
(Revised March 2002)  
Department of the Treasury  
Internal Revenue Service

**TRADITIONAL INDIVIDUAL  
RETIREMENT ACCOUNT**  
(Under Section 408(a) of the Internal Revenue Code)

**Article I**

- 1.01 Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a (simplified) employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408(a)(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007, and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

**Article II**

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

**Article III**

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

**Article IV**

- 4.01 Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
- 4.02 The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70-1/2. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
- (a) A single sum; or
- (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
- 4.03 If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
- (a) If the Depositor dies on or after the required beginning date and:
- (1) The designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph 4.03(a)(3) below, if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph 4.03(a)(3) below, over such period.
- (2) The designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph 4.03(a)(3) below if longer.
- (3) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
- (b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below:
- (1) The remaining interest will be distributed in accordance with paragraphs 4.03 (a)(i) and 4.03 (a)(ii) above (but not over the period in paragraph 4.03(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 paragraph 4.03(a)(ii) above (but not over the period in paragraph 4.03(a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with 4.03(b)(ii) below if there is no such designated beneficiary.
- (2) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
- 4.04 If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is other than the Depositor's surviving spouse, no additional contributions may be accepted in the account.
- 4.05 The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
- (a) The required minimum distribution under paragraph 4.02(b) for any year, beginning with the year the Depositor reaches age 70 1/2, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph 4.05 (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
- (b) The required minimum distribution under paragraphs 4.03(a) and 4.03(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70-1/2, if applicable under paragraph 4.03(b)(ii)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 4.03(a) and 4.03(b)(i).

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

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

#### Article V

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

#### Article VI

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

#### Article VII

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

#### Article VIII

- 8.01 **Applicable Law:** This Custodial Agreement shall be governed by the laws of the state where the Custodian resides. The term Depositor also includes the Depositor's Beneficiary, where appropriate throughout this Agreement.
- 8.02 **Annual Accounting:** The Custodian shall, at least annually, provide the Depositor or Beneficiary (in the case of death) with an accounting of such Depositor's account. Such accounting shall be deemed to be accepted by the Depositor or the Beneficiary, if the Depositor or Beneficiary does not object in writing within 60 days after the mailing of such accounting statement.
- 8.03 **Amendment:** The Depositor irrevocably delegates to the Custodian the right and power to amend this Custodial Agreement. Except as hereafter provided, the Custodian will give the Depositor 30 days prior written notice of any amendment. In case of a retroactive amendment required by law, the Custodian will provide written notice to the Depositor of the amendment within 30 days after the amendment is made, or if later, by the time that notice of the amendment is required to be given under regulations or other guidance provided by the IRS. The Depositor shall be deemed to have consented to any such amendment unless the Depositor notifies the Custodian to the contrary within 30 days after notice to the Depositor and requests a distribution or transfer of the balance in the account.
- 8.04 **Resignation and Removal of Custodian:**
- (a) The Custodian may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing agreement selected by the successor trustee or custodian by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor trustee or custodian and notify the Custodian of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.
- (b) The Depositor may at any time remove the Custodian and replace the Custodian with a successor trustee or custodian of the Depositor's choice by giving 30 days notice of such removal and replacement. The Custodian shall then deliver the assets of the account as directed by the Depositor. However, the Custodian may retain a portion of the assets of the IRA as a reserve for payment of any anticipated remaining fees and expenses, and shall pay over any remainder of this reserve to the successor trustee or custodian upon satisfaction of such fees and expenses.
- (c) The Custodian may resign and demand that the Depositor appoint a successor trustee or custodian of this IRA by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor trustee or custodian, notify the Custodian of the name and address of the successor trustee or custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian of an individual retirement account.
- (i) If the Depositor designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or custodian.
- (ii) If the Depositor does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution.

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

#### 8.05 Custodian's Fees and Expenses:

- (a) The Depositor agrees to pay the Custodian any and all fees specified in the Custodian's current published fee schedule for establishing and maintaining this IRA, including any fees for distributions from, transfers from, and terminations of this IRA. The Custodian may change its fee schedule at any time by giving the Depositor 30 days prior written notice.
- (b) The Depositor agrees to pay any expenses incurred by the Custodian in the performance of its duties in connection with the account. Such expenses include, but are not limited to, administrative expenses, such as legal and accounting fees, a valuation fee from a qualified independent third party appraiser pursuant to section 8.02, and any taxes of any kind whatsoever that may be levied or assessed with respect to such account.

- (c) All such fees, taxes, and other administrative expenses charged to the account shall be collected either from the assets in the account or from any contributions to or distributions from such account if not paid by the Depositor, but the Depositor shall be responsible for any deficiency.
- (d) In the event that for any reason the Custodian is not certain as to who is entitled to receive all or part of the Custodial Funds, the Custodian reserves the right to withhold any payment from the Custodial account, to request a court ruling to determine the disposition of the Custodial account assets, and to charge the Custodial account for any expenses incurred in obtaining such legal determination.
- 8.06 **Withdrawal Requests:** All requests for withdrawal shall be in writing on a form provided by the Custodian. Such written notice must also contain the reason for the withdrawal and the method of distribution being requested. The Custodian reserves the right to reject any withdrawal request it may deem appropriate and to apply to a court of competent jurisdiction to make a determination with respect to the proper party eligible to receive a distribution from the account.
- 8.07 **Age 70-1/2 Default Provisions:** If the Depositor does not choose any of the distribution methods under Article IV of this Custodial Agreement by the April 1st following the calendar year in which the Depositor reaches age 70-1/2, distribution shall be determined based upon the distribution period in the uniform lifetime distribution period table in Regulation section 1.401(a)(9)-9. However, no payment will be made until the Depositor provides the Custodian with a proper distribution request acceptable to the Custodian. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account. Upon receipt of such distribution request, the Depositor may switch to a joint life expectancy in determining the required minimum distribution if the Depositor's spouse was the sole beneficiary as of the January 1st of the distribution calendar year and such spouse is more than 10 years younger than the Depositor.
- 8.08 **Death Benefit Default Provisions:**
- (a) If the Depositor dies before his or her required beginning date and the beneficiary does not select a method of distribution described in Article IV, Section 4.03(b)(i) or (ii) by the December 31st following the year of the Depositor's death, then distributions will be made pursuant to the single life expectancy of the Designated Beneficiary determined in accordance with IRS regulations. However, no payment will be made until the beneficiary provides the Custodian with a proper distribution request acceptable to the Custodian and other documentation that may be required by the Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.
- (b) If the Depositor dies on or after his or her required beginning date, distribution shall be made in accordance with Article IV, Section 4.03(a). However, no payment will be made until the beneficiary provides the Custodian with a proper distribution request acceptable to the Custodian and other documentation that may be required by the Custodian. A beneficiary may at any time request a complete distribution of his or her remaining interest in the Custodial Account. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account.
- 8.09 **Transitional Rule for Determining Required Minimum Distributions for Calendar Year 2002:** Unless the Custodian provides otherwise, if a Depositor (or beneficiary) is subject to required minimum distributions for calendar year 2002, such individual may elect to apply the 1987 proposed regulations, the 2001 proposed regulations, or the 2002 final regulations in determining the amount of the 2002 required minimum. However, the Custodian, in its sole discretion, reserves the right to perform any required minimum distribution calculations through its data systems or otherwise based upon any of the three sets of regulations delineated in the previous sentence.
- 8.10 **Responsibilities:**  
Depositor agrees that all information and instructions given to the Custodian by the Depositor is complete and accurate and that the Custodian shall not be responsible for any incomplete or inaccurate information provided by the Depositor or Depositor's beneficiary(ies). Depositor and Depositor's beneficiary(ies) agree to be responsible for all tax consequences arising from contributions to and distributions from this Custodial Account and acknowledges that no tax advice has been provided by the Custodian.
- 8.11 **Designation of Beneficiary:**
- (a) Except as may be otherwise required by State law, in the event of the Depositor's death, the balance in the account shall be paid to the beneficiary or beneficiaries designated by the Depositor on a beneficiary designation form acceptable to and filed with the Custodian. The Depositor may change the Depositor's beneficiary or beneficiaries at any time by filing a new beneficiary designation with the Custodian. If no beneficiary designation is in effect, if none of the named beneficiaries survive the Depositor, or if the Custodian cannot locate any of the named beneficiaries after reasonable search, any balance in the account will be payable to the Depositor's estate.
- (b) If the Custodian permits, in the event of the Depositor's death, any beneficiary may name a subsequent beneficiary(ies) to receive the balance of the account to which such beneficiary is entitled upon the death of the original beneficiary by filing a Subsequent Beneficiary Designation Form acceptable to and filed with the Custodian. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. In no event can any subsequent beneficiary be treated as a designated beneficiary of the Depositor. The preceding sentence shall not apply with respect to the subsequent beneficiary(ies), if any, designated by the original spouse beneficiary where the Depositor dies before his or her required beginning date. In this case, the original spouse beneficiary is treated as the Depositor. If the balance of the account has not been completely distributed to the original beneficiary and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.

#### Article IX Self-Directed IRA Provisions

- 9.01 **Investment of Contributions:** At the direction of the Depositor (or the direction of the beneficiary upon the Depositor's death), the Custodian shall invest all contributions to the account and earnings thereon in investments acceptable to the Custodian, which may include marketable securities traded on a recognized exchange or "over the counter" (excluding any securities issued by the Custodian), covered call options, certificates of deposit, and other investments to which the Custodian consents, in such amounts as are specifically selected and specified by the Depositor in orders to the Custodian in such form as may be acceptable to the Custodian, without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction as a trust investment. The Custodian shall be responsible for the execution of such orders and for maintaining adequate records thereof. However, if any such orders are not received as required, or, if received, are unclear in the opinion of the Custodian, all or a portion of the contribution may be held uninvested without liability for loss of income or appreciation, and without liability for interest pending receipt of such orders or clarification, or the contribution may be returned. The Custodian may, but need not, establish programs under which cash deposits in excess of a minimum set by it will be periodically and automatically invested in interest-bearing investment funds. The Custodian shall have no duty other than to follow the written investment directions of the Depositor, and shall be under no duty to question said instructions and shall not be liable for any investment losses sustained by the Depositor.

- 9.02 **Registration:** All assets of the account shall be registered in the name of the Custodian or of a suitable nominee. The same nominee may be used with respect to assets of other investors whether or not held under agreements similar to this one or in any capacity whatsoever. However, each Depositor's account shall be separate and distinct; a separate account therefore shall be maintained by the Custodian, and the assets thereof shall be held by the Custodian in individual or bulk segregation either in the Custodian's vaults or in depositories approved by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
- 9.03 **Investment Advisor:** The Depositor may appoint an Investment Advisor, qualified under Section 3(38) of the Employee Retirement Income Security Act of 1974, to direct the investment of his IRA. The Depositor shall notify the Custodian in writing of any such appointment by providing the Custodian a copy of the instruments appointing the Investment Advisor and evidencing the Investment Advisor's acceptance of such appointment, an acknowledgment by the Investment Advisor that it is a fiduciary of the account, and a certificate evidencing the Investment Advisor's current registration under the Investment Advisor's Act of 1940. The Custodian shall comply with any investment directions furnished to it by the Investment Advisor, unless and until it receives written notification from the Depositor that the Investment Advisor's appointment has been terminated. The Custodian shall have no duty other than to follow the written investment directions of such Investment Advisor and shall be under no duty to question said instructions, and the Custodian shall not be liable for any investment losses sustained by the Depositor.
- 9.04 **No Investment Advice:** The Custodian does not assume any responsibility for rendering advice with respect to the investment and reinvestment of Depositor's account and shall not be liable for any loss which results from Depositor's exercise of control over his account. The Custodian and Depositor may specifically agree in writing that the Custodian shall render such advice, but the Depositor shall still have and exercise exclusive responsibility for control over the investment of the assets of his account, and the Custodian shall not have any duty to question his investment directives.
- 9.05 **Prohibited Transactions:** Notwithstanding anything contained herein to the contrary, the Custodian shall not lend any part of the corpus or income of the account to; pay any compensation for personal services rendered to the account to; make any part of its services available on a preferential basis to; acquire for the account any property, other than cash, from; or sell any property to, any Depositor, any member of a Depositor's family, or a corporation controlled by any Depositor through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote, or of 50 percent or more of the total value of shares of all classes of stock of such corporation.
- 9.06 **Unrelated Business Income Tax:** If the Depositor directs investment of the account in any investment which results in unrelated business taxable income, it shall be the responsibility of the Depositor to so advise the Custodian and to provide the Custodian with all information necessary to prepare and file any required returns or reports for the account. As the Custodian may deem necessary, and at the Depositor's expense, the Custodian may request a taxpayer identification number for the account, file any returns, reports, and applications for extension, and pay any taxes or estimated taxes owed with respect to the account. The Custodian may retain suitable accountants, attorneys, or other agents to assist it in performing such responsibilities.
- 9.07 **Disclosures and Voting:** The Custodian shall deliver, or cause to be executed and delivered, to Depositor all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to assets credited to the account. The Custodian shall not vote any shares of stock or take any other action, pursuant to such documents, with respect to such assets except upon receipt by the Custodian of adequate written instructions from Depositor.
- 9.08 **Miscellaneous Expenses:** In addition to those expenses set out in Article VIII, section 8.05 of this plan, the Depositor agrees to pay any and all expenses incurred by the Custodian in connection with the investment of the account, including expenses of preparation and filing any returns and reports with regard to unrelated business income, including taxes and estimated taxes, as well as any transfer taxes incurred in connection with the investment or reinvestment of the assets of the account.
- 9.09 **Nonbank Trustee Provision:** If the Custodian is a nonbank Trustee, the Depositor shall substitute another custodian or trustee in place of the Custodian upon receipt of notice from the Commissioner of the Internal Revenue Service or his delegate that such substitution is required because the Custodian has failed to comply with the requirements of Income Tax Regulations Section 1.408-2(e), or is not keeping such records, making such returns, or rendering such statements as are required by applicable law, regulations, or other rulings. The successor trustee or custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury pursuant to Section 408(a)(2) of the Code. Upon receipt by the Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the account (less amounts retained pursuant to Article VIII, Section 8.05 of the Custodial Agreement).

#### Article X-Undirected Cash Balances

- 10.01 In the event that cash is received in my account from any source, including without limitation, contributions, transfers, rollovers or cash income from any investment in my account, for which the Custodian or Administrator have not received a written investment direction letter ("Undirected Cash"), you authorize the Custodian or Administrator to invest all Undirected Cash in non-interest bearing or interest bearing government guaranteed or insured investments or accounts, including Treasury securities and other government-guaranteed debt instruments and deposit accounts at banks insured by the Federal Deposit Insurance Corporation, including negotiable and non-negotiable time deposits, savings deposits and demand deposits. I acknowledge that government securities and negotiable time deposits may need to be liquidated in markets maintained by banks or registered broker-dealers at then-current market prices that may be less than the face amount of the instrument.

**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) and has been pre-approved 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 and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Depositor or his or her beneficiaries. Do not file Form 5305-A with the IRS. Instead, keep it with your records. For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), and 590-B, Distributions from Individual Retirement Arrangements (IRAs).

**Definitions** -

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

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

**Identifying Number** - The Depositor's social security number will serve as the identifying number of his or her IRA. An employer identification number (EIN) is required

only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

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

**Specific Instructions –**

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

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

## TRADITIONAL IRA DISCLOSURE STATEMENT

### RIGHT TO REVOKE YOUR IRA ACCOUNT

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

### GENERAL REQUIREMENTS OF A TRADITIONAL IRA

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

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

You are permitted to make a regular contribution to your IRA for any taxable year prior to the taxable year you attain age 70 1/2, and if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employed. Members of the Armed Forces who serve in combat zones who receive compensation that is otherwise non-taxable, are considered to have taxable compensation for purposes of making regular IRA contributions. The amount of your regular, annual contribution that is deductible, depends upon whether or not you are an active participant in a retirement plan maintained by your employer; your modified adjusted gross income (Modified AGI); your marital status; and your tax filing status.

### ACTIVE PARTICIPANT

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

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

### CONTRIBUTIONS

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

**Applicable Annual Dollar Limitation**

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

The \$5,500 annual limit is subject to cost-of living increases in increments of \$500, rounded to the lower increment. This means that it may take several years beyond 2018 for the \$5,500 annual limit to increase to \$6,000.

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

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

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

**Special IRA Catch-up Contributions for Certain Section 401(k) Participants No Longer Available** - Special IRA catch-up contributions are permitted for each of years 2007, 2008 and 2009 equal to the applicable year's age-50 catch-up limit multiplied by 3. To be eligible for this special catch-up IRA contribution, the individual must have been a participant in an employer's §401(k) plan where employer-matching contributions were being made at the rate of at least 50% of the participant's deferrals with employer stock and such employer is in bankruptcy and is subject to an indictment or conviction. The individual is not required to be age 50 in order to take advantage of this rule. However, if the individual is age 50 or over, he or she may not contribute the age-50 catch-up amount in addition to this special catch-up.

The deadline for making such special catch-up contributions was the normal deadline for the applicable year. For example, an eligible individual took advantage of this rule for calendar year 2008. The normal regular IRA contribution limit for 2008 was \$5,000 and the normal age-50 catch-up contribution limit for 2008 was \$1,000. The eligible individual was able to contribute the \$5,000 normal limit plus a special catch-up contribution of \$3,000 for a total of \$8,000. The deadline for making this contribution was the 2008 tax filing deadline, no extensions.

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

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

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

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

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

	Married Participants Filing Jointly	Unmarried Participants	Married Participants Filing Separately*
1998	\$50,000 - \$ 60,000	\$30,000 - \$40,000	\$0 - \$10,000
1999	\$51,000 - \$ 61,000	\$31,000 - \$41,000	\$0 - \$10,000
2000	\$52,000 - \$ 62,000	\$32,000 - \$42,000	\$0 - \$10,000
2001	\$53,000 - \$ 63,000	\$33,000 - \$43,000	\$0 - \$10,000
2002	\$54,000 - \$ 64,000	\$34,000 - \$44,000	\$0 - \$10,000
2003	\$60,000 - \$ 70,000	\$40,000 - \$50,000	\$0 - \$10,000
2004	\$65,000 - \$ 75,000	\$45,000 - \$55,000	\$0 - \$10,000
2005	\$70,000 - \$ 80,000	\$50,000 - \$60,000	\$0 - \$10,000
2006	\$75,000 - \$ 85,000	\$50,000 - \$60,000	\$0 - \$10,000
2007	\$83,000 - \$103,000	\$52,000 - \$62,000	\$0 - \$10,000



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2008	\$85,000 - \$105,000	\$53,000 - \$63,000	\$0 - \$10,000
2009	\$89,000 - \$109,000	\$55,000 - \$65,000	\$0 - \$10,000
2010	\$89,000 - \$109,000	\$56,000 - \$66,000	\$0 - \$10,000
2011	\$90,000 - \$110,000	\$56,000 - \$66,000	\$0 - \$10,000
2012	\$92,000 - \$112,000	\$58,000 - \$68,000	\$0 - \$10,000
2013	\$95,000 - \$115,000	\$59,000 - \$69,000	\$0 - \$10,000
2014	\$96,000 - \$116,000	\$60,000 - \$70,000	\$0 - \$10,000
2015 - 2016	\$98,000 - \$118,000	\$61,000 - \$71,000	\$0 - \$10,000
2017	\$99,000 - \$119,000	\$62,000 - \$72,000	\$0 - \$10,000
2018	\$101,000 - \$121,000	\$63,000 - \$73,000	\$0 - \$10,000

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

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

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

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

If you are over the age of 70 1/2 and your spouse is under age 70 1/2, then a regular contribution may still be made for the year into the IRA established by your spouse. Such contribution, however, is limited to the lesser of 100% of your combined compensation or the applicable annual dollar limitation.

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

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

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

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

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

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

**Simplified Employee Pension Plan (SEP) Contributions** - Your employer may make a SEP contribution on your behalf into this IRA up to 25% of your compensation not to exceed a specified dollar limit. This limit is a per employer limit. Therefore if you work for more than one employer who maintains a SEP plan, you may receive up to 25% of your compensation from each employer not to exceed a specified dollar limit. Your employer may contribute to this IRA or any other IRA on your behalf under a SEP plan even if you are age 70 1/2 or older, and even if you are covered under a qualified plan for the year.

In calculating a SEP contribution, there is a maximum compensation limit that can be considered and this compensation limit is subject to cost-of-living adjustments. For 2013, the compensation limit was \$255,000; for 2014 it was \$260,000; for 2015 and 2016 it is \$265,000. Also, there is a maximum SEP contribution limit for each year that is subject to cost-of-living adjustments. For 2013, the maximum SEP contribution limit was \$51,000; for 2014 it was \$52,000; it was \$53,000 2015 and 2016; and for 2017 it is \$54,000.

## EXCESS CONTRIBUTIONS

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

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

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

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

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

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

## ROLLOVERS AND RECHARACTERIZATIONS

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

**The following special rules also apply to rollovers between IRAs:**

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



**Special Rollover Rules for Qualified Hurricane Distributions and the Kansas Disaster Area** – Qualified Hurricane and Kansas Disaster Area Distributions are eligible to be rolled over to an IRA within a 3-year period after the eligible individual received such distribution. More information on Qualified Hurricane Distributions and other tax relief provisions applicable to affected individuals of Hurricanes Katrina, Rita or Wilma is in IRS Publication 4492. Taxpayers using these tax relief provisions must file Form 8915 with his or her Federal income tax return. More information on the Kansas Disaster Area is in IRS Publication 4492-A, including instructions for modifying Form 8915.

**Special Rollover Rules for Midwestern Disaster Area Distributions referred to as “Qualified Disaster Recovery Assistance Distributions”** – Qualified Disaster Recovery Assistance Distributions are eligible to be rolled over to an IRA within a 3-year period after the eligible individual received such distribution. More information on the Midwestern Disaster Area is in IRS Publication 4492-B and Form 8930.

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

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

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

A qualified taxpayer means:

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

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

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

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

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

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

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

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

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

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

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

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

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

1. By recharacterizing a current year regular contribution plus earnings explained in this section; or
2. By recharacterizing a conversion made to a Roth IRA by transferring the amount plus earnings back to a traditional IRA discussed in the next section under the heading "Conversion from a Traditional IRA to a Roth IRA".

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

**Conversion from a Traditional IRA to a Roth IRA** - You are permitted to make a qualified rollover contribution from a traditional IRA to a Roth IRA if your Modified AGI for the year during which the distribution is made does not exceed \$100,000 and you are not a married person filing a separate tax return. This is called a "conversion" and may be done at any time without waiting the usual 12 months. Modified AGI for purposes of a conversion does not include any distributions from a traditional IRA that are converted to a Roth IRA and included in income. Modified AGI is determined before deductible traditional IRA contributions. Effective for distributions after December 31, 2004, modified AGI also does not include any amounts that are required minimum distributions pursuant to section 408(a)(6), but only for purposes of determining eligibility for conversion contributions. Effective in 2010, the restrictions for modified AGI limits and to a married person filing a separate tax return are repealed.

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

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

**Reconversions** - Once an amount has been properly converted, and is then recharacterized back to a traditional IRA, any subsequent conversion of that amount is called a "reconversion". In general, for reconversions beginning in 2000 and ending for 2017 conversions, you may reconvert an amount at any time after the later of (1) the tax year following the tax year during which the original conversion of that amount occurred; or (2) 30 days following the date that the original conversion of that amount was recharacterized back to a traditional IRA. Since adverse tax consequences could arise, it is recommended that you seek the advice of your own tax advisor. Since recharacterizations of IRA conversions are no longer permitted beginning with 2018 conversions, reconversions will no longer apply, unless it is a 2017 conversion that was recharacterized in 2018.

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

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

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

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

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

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

**Direct Rollover to Another Plan** - You can elect a direct rollover of all or any portion of your payment that is an "eligible rollover distribution", as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to a traditional IRA or another employer plan that accepts rollovers. If you elect a direct rollover, you are not taxed on the payment until you later take it out of the IRA or the employer plan, and you will not be subject to the 20% mandatory Federal income tax withholding otherwise applicable to Eligible Rollover Distributions that are paid directly to you. Your employer is required to provide you with a Notice regarding the effects of electing or not electing a direct rollover to an IRA or another employer plan. Although a direct rollover is accomplished similar to a transfer, the IRA Custodian must report the direct rollover on Form 5498 as a rollover contribution.

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

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

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

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

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

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

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

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



## DISTRIBUTIONS

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

**Premature Distributions** - If you are under age 59-1/2 and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; medical expenses in excess of 7.5% (applies for 2017 and 2018) of your adjusted gross income; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time homebuyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; due to an IRS levy; Qualified Hurricane Distributions; Qualified Wildfire Distributions and 2016 Disaster Distributions, or qualified reservist distributions.

If you request a distribution in the form of a series of substantially equal payments and you modify the payments before 5 years have elapsed and before attaining age 59-1/2, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification.

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

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

**Reporting the Required Minimum Distribution** - Beginning for minimum distributions that are required for calendar 2003, the Custodian must provide a statement to each IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian to perform the calculation if requested by the IRA owner. The statement must inform the IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the IRA owner that beginning in 2004, the Custodian must report to the IRS that the IRA owner is required to receive a minimum for the calendar year.

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

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



## PROHIBITED TRANSACTIONS

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

## PENALTIES

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

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

## INCOME TAX WITHHOLDING

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

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

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

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

## TRANSFERS

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

**Qualified Charitable Distributions** - If an IRA owner is exactly age 70-1/2 or over, the IRA owner may direct the IRA trustee or custodian to transfer up to \$100,000 per year from the IRA to a qualified charity. Such transfer will not be subject to Federal income taxes. Qualified Charitable Distributions may also be made by a beneficiary who is exactly age 70-1/2 or over. Qualified Charitable Distributions are not subject to Federal income tax withholding. SEP IRAs or SIMPLE IRAs are not permitted to be transferred under this rule.

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

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

This provision is effective with respect to distributions transferred directly to a qualified charity beginning in 2006, through the end of 2009. The Tax Relief, Unemployment Compensation Reauthorization, and Job Creation Act of 2010 extended Qualified Charitable Distributions for 2010 and 2011 under the same rules that originally applied. Eligible taxpayers who make a Qualified Charitable Distribution during January 2011 may elect to treat such Qualified Charitable Distribution as made on December 31, 2010. On January 2, 2013, the President signed the American Taxpayer Relief Act of 2012 ("ATRA") which extended QCDs through the end of 2013, and on December 16, 2014, the President signed the Tax Increase Prevention Act of 2014 to extend QCDs through the end of 2014 only. On December 18, 2015, the Protecting Americans from Tax Hikes Act of 2015 ("PATH") was signed into law and extended QCDs permanently retroactively for the 2015 year.

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



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

Prior to 2007, if an IRA owner wanted to use the money in an IRA to make an annual HSA contribution, the distribution from the IRA was taxable and subject to the 10% additional tax if the individual was under the age of 59-1/2. Prior law did not provide for a tax-free transfer from an IRA to an HSA.

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

#### FEDERAL ESTATE AND GIFT TAXES

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

#### IRS APPROVAL AS TO FORM

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

#### ADDITIONAL INFORMATION

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

#### FINANCIAL DISCLOSURE

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

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

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

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