

# Traditional IRA

SIMPLIFIER®

A Retirement  
Plan for  
Individuals



For use by Individual Investors

# Instructions for Opening Your Cavanal Hill Funds IRA

## I. INCLUDED IN THIS INDIVIDUAL RETIREMENT ACCOUNT (IRA) BOOKLET:

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## II. TO OPEN YOUR CAVANAL HILL FUNDS IRA

### Step 1 Complete, sign and date the enclosed IRA Application

### Step 2 Complete the Automatic Investment Plan Form (if applicable)

If you would like to make regular investments (monthly, quarterly or annually) in this IRA, please consider the Automatic Investment Plan. To take advantage of this convenient way to invest, simply fill out the Automatic Investment Plan Form along WITH the IRA Application. Please remember to attach a voided check for this option.

### Step 3 Complete the IRA Transfer or Direct Rollover Request Form (if applicable)

If you are requesting a transfer or direct rollover of assets from an existing retirement plan, please complete the IRA Transfer or Direct Rollover Request Form along WITH the IRA Application.

### Step 4 Send the IRA Application to the Cavanal Hill Funds

Detach and send a copy of the IRA Application, the IRA Transfer or Direct Rollover Request Form (if applicable), and the Automatic Investment Plan form (if applicable), along with your contribution check(s) made payable to the Cavanal Hill Funds FBO (Investor's Name) IRA, to the address below.

### Step 5 Retain documents for your records

Keep the original Application with the 5305-A Plan Agreement, Disclosure Statement, and the Fund's prospectus (provided separately) for your records.

## III. DESIGNATION OF BENEFICIARY

You may designate a beneficiary to receive the IRA funds upon your death. The space provided is to name primary and contingent beneficiaries. If more space is needed, you may attach a supplementary sheet. If you wish a more complicated type of designation of beneficiary, you should consult an attorney. Some state's laws require married individuals to name their spouse as beneficiary. Married individuals should consult with their tax advisor prior to designating someone other than their spouse. You may change your beneficiary at any time by writing to the Custodian. If any of your beneficiaries die before you, the deceased beneficiary's share will be reallocated among the surviving beneficiaries on a pro rata basis. If none of your beneficiaries survive you, or if the Custodian cannot locate your beneficiary after a reasonable search, any balance in the IRA will be paid to your estate.

## IV. FEE INFORMATION

There is an annual account maintenance fee of \$15.00.

## V. REVOCATION INFORMATION

You have the right to revoke this Individual Retirement Account (IRA) within seven days of receiving your disclosure statement. To revoke your IRA simply notify the Cavanal Hill Funds in person, in writing, or by telephone. Written notice must be sent by first-class mail and will be accepted as of the date your notice is postmarked.

## VI. SPECIAL INFORMATION REGARDING TRANSFERS AND ROLLOVERS:

When you move assets in your IRA from one financial organization to another **without** taking control of those assets, the movement is called a **TRANSFER**. There is no federal income tax withheld from transfer assets and there is no limit on the number of transfers you can do each year.

If you are eligible for a distribution from a qualified plan, you may choose to have all or a portion of the distribution sent directly to your IRA. Profit sharing, 401(k), stock bonus and employee stock ownership plans, as well as tax-sheltered annuities are examples of common qualified plans. If you choose to **DIRECTLY ROLLOVER** these assets to your IRA you will avoid federal income tax withholding for the portion of the distribution you directly rollover.

To facilitate a transfer or direct rollover, simply complete the IRA Application along with the IRA Transfer or Direct Rollover Request Form and send to the Cavanal Hill Funds address below.

The Custodian or its agents will deliver the IRA Transfer or Direct Rollover Request Form to your current financial organization or Employer, which will in turn send your transfer/direct rollover asset to fund this IRA. The IRA Transfer or Direct Rollover Request Form requires a **SIGNATURE GUARANTEE**.

Cavanal Hill Funds  
P.O. Box 182730 • Columbus, OH 43218-2730 • 800-762-7085

## 1. OWNER REGISTRATION *(The information contained in this section is required to establish your IRA.)*

Name \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

State of Residence \_\_\_\_\_

Date of Birth \_\_\_\_\_

Daytime Phone \_\_\_\_\_

Evening Phone \_\_\_\_\_

Identification Number *(please check and complete one):*

Social Security Number \_\_\_\_\_

Taxpayer Identification Number \_\_\_\_\_

### Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you as well.

Citizenship:  U.S. Citizen  Non-resident Alien (attach IRS form W-8. Dividends are subject to tax withholding.)  Resident Alien

### Texas Residents

Texas account holders may appoint a "Designated Representative" for the purpose of receiving the notice required in Texas Property Code, Section 74.1011. Instructions to add a "Designated Representative" to your Cavanal Hill account may be obtained by calling the telephone number provided at the top of this application form.

**NOTE:** For non-resident aliens, in addition to submitting an IRS Form W-8, the following is required: a taxpayer identification number, passport number, and country of issuance, alien identification card number and country of issuance of any other government-issued document evidencing nationality of residence.

Alien ID Card \_\_\_\_\_  Passport \_\_\_\_\_  Other \_\_\_\_\_

Alternate Identification Number \_\_\_\_\_ Issuing Body \_\_\_\_\_ Country of Origin \_\_\_\_\_

Are you or an immediate family member affiliated with or working for a member firm of a stock exchange or the National Association of Securities Dealers, Inc.?

No  Yes Name of Institution \_\_\_\_\_

## 2. CONTRIBUTION INFORMATION

Account Type:	Initial Contribution Type:	Amount	Tax Year (if applicable)
<input type="checkbox"/> Regular IRA	<input type="checkbox"/> Regular/Spousal IRA	\$ _____	_____
<input type="checkbox"/> Spousal IRA	<input type="checkbox"/> SEP IRA	\$ _____	_____
<input type="checkbox"/> SEP IRA	<input type="checkbox"/> Rollover from IRA	\$ _____	_____
<input type="checkbox"/> Conduit IRA**	<input type="checkbox"/> Transfer from IRA	\$ _____	_____
	<input type="checkbox"/> Rollover from SIMPLE IRA*	\$ _____	_____
	<input type="checkbox"/> Transfer from SIMPLE IRA*	\$ _____	_____
	<input type="checkbox"/> Rollover from QP or TSA	\$ _____	_____
	<input type="checkbox"/> Direct Rollover from QP or TSA	\$ _____	_____
	<input type="checkbox"/> Recharacterization		

\*Simple IRA funds cannot be combined with regular IRA funds during the first two years of the initial participation in the SIMPLE IRA.

\*\*This account type prohibits the investment of regular IRA contributions, and therefore should be used to segregate funds coming from a qualified retirement plan for a future rollover.

## 3. PAYMENT INSTRUCTIONS

### By Wire or ACH:

Bank of Oklahoma  
 ABA#103900036  
 Cavanal Hill Operating Account  
 Account #8095693424  
 Reference Fund and Account # \_\_\_\_\_

**Special Note:** If same day trade date is required, notification of trade must be received by phone prior to fund cut-off time.

### By Check:

Enclosed is a check for \$ \_\_\_\_\_

The check for my IRA is being mailed from another financial institution. I am enclosing a completed IRA Transfer or Direct Rollover Form.

Make check payable to: **Cavanal Hill Funds FBO (Investor's Name) IRA**

Mail to: **P.O. Box 182730, Columbus, OH 43218-2730**

**4. INVESTMENT INFORMATION**

If you wish to invest in more than one fund, be sure to indicate the amount you wish to invest in each fund. Please refer to the prospectus for minimum investment amounts.

	A Shares	Administrative Shares	Service Shares	Select Shares	Institutional Shares	Reserve	No-Load Investor Shares	C Shares	
<b>Caval Hill Money Market Funds</b>									
U.S. Treasury Fund . . . . .		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				\$ _____
Government Securities Money Market Fund . . .		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				\$ _____
<b>Caval Hill Fixed Income Funds</b>									
Limited Duration Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
Moderate Duration Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
Bond Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
Ultra Short Tax Free Income Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
Strategic Enhanced Yield Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
<b>Caval Hill Equity Funds</b>									
World Energy Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Opportunistic Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Mid Cap Diverse Leadership Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Hedged Income Fund . . . . .	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>		\$ _____
Other _____ . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
<b>TOTAL INVESTMENT:</b> . . . . .									<b>\$ _____</b>

(1) Pursuant to the Caval Hill Funds prospectus, beneficial owners of the Tax-Free Money Market Fund must be natural persons. By investing in the Tax-Free Money Market Fund you are certifying that you qualify as a natural person.

**A Shares and C Shares**

There is no minimum initial investment or minimum subsequent investment for this share class. Please consult the prospectus for more details.

**Administrative Shares**

The minimum initial investment is \$1,000 per Fund. If you wish to invest in more than one Fund, be sure to indicate the amount you wish to invest in each Fund. The aggregate per Fund amount must be equal to or greater than the \$1,000 initial account minimum. There is no minimum subsequent investment amount. Please consult the prospectus for more details.

**Service Shares**

The minimum initial investment is \$10,000 per Fund. There is no minimum subsequent investment amount. Please consult the prospectus for more details.

**Select Shares**

The minimum initial investment is \$1,000,000 per Fund. There is no minimum subsequent investment amount. Please consult the prospectus for more details.

**Institutional Shares**

The minimum initial investment is \$1,000 per Fund. There is no minimum subsequent investment amount. Please consult the prospectus for more details.

**Reserve Shares**

The minimum initial investment is \$100,000 per Fund. The minimum subsequent investment is \$100 per Fund. For the Money Market Funds only, there is no minimum subsequent investment amount. Please consult the prospectus for more details.

**No-Load Investor Shares**

The minimum initial investment is \$100 per Fund. There is no minimum subsequent investment amount. Please consult the prospectus for more details.

**5. TELEPHONE AUTHORIZATION**

**This option will automatically be added unless indicated by checking the box below.** By accepting the TELEPHONE AUTHORIZATION privilege, I agree that neither the Fund(s), the Custodian, nor any of their agents will be liable for any loss, injury, damage or expense as a result of acting upon, and will not be responsible for the authenticity of any telephone instructions. I agree to hold the Fund, Custodian and their agents harmless from any loss, claims or liability arising from its or their compliance with these instructions. I understand that this option is subject to the terms and conditions set forth in the prospectus, and that all telephone calls may be tape recorded.

No. I do not want telephone authorization privileges.

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**6. DESIGNATION OF BENEFICIARY**

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- I am NOT Married – I understand that if I become married in the future, I must complete a new IRA Designation of Beneficiary Form.  
 I am Married – I understand that if I choose to designate a primary beneficiary other than my spouse, my spouse must sign below.

This designation revokes all prior beneficiary designations made by me with respect to my interest in this Cavanal Hill Funds IRA. This designation shall be effective only if received by Cavanal Hill Funds prior to my death. Neither Cavanal Hill Funds, the Custodian nor any of its agents will be liable for any claims, loss, damage or expense arising out of, or in any manner connected with, a distribution pursuant to this completed Beneficiary Designation. If naming contingent beneficiaries, please attach a separate sheet. In the event of my death, please pay my IRA balance to my primary beneficiary(ies). If no percentages are indicated, each primary beneficiary will receive equal shares of the IRA.

Name	SSN or TIN	Relationship	Address	Percentage
_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____ %
_____	_____	_____	_____	_____ %

**Spousal Consent:** If you are married and the trust or your residence is located in a community property or marital property state and you have designated a primary beneficiary other than your spouse, your spouse must consent to the beneficiary designation as follows:

I am the spouse of the above-named IRA holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I understand that the beneficiary designation(s) indicated above impact my interest in this IRA and I have been advised to see a tax professional regarding this decision. I hereby relinquish any interest that I may have in this IRA and consent to the beneficiary designation(s) indicated above. I assume full responsibility for any adverse consequences that may result. No tax or legal advice was given to me by the Custodian or Depository.

\_\_\_\_\_  
*Spouse's Signature*

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

\_\_\_\_\_  
*Witness' Signature*

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

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**7. DUPLICATE STATEMENTS AND CONFIRMATIONS** *(Optional, at your discretion)*

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Please send duplicate  statements and/or  confirmations to:

Name \_\_\_\_\_ Company \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

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**8. TRUSTED CONTACT** *(If you are a senior investor and would like to designate a trusted contact, fill out the following section.)*

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Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
Mailing Address *(If different from above)* \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
Daytime Telephone Number \_\_\_\_\_ Evening Telephone Number \_\_\_\_\_

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**9. SIGNATURES**

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I understand the eligibility requirements for the type of IRA contribution I am making and I state that I do qualify to make the contribution. I have received a copy of this Application, 5305-A Plan Agreement, and Disclosure Statement. I understand that the terms and conditions which apply to this Individual Retirement Arrangement are contained in this Application and the 5305-A Plan Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this IRA I may revoke it without penalty by mailing or delivering a written notice to the Depository, as agent for the Custodian.

I assume complete responsibility for determining that I am eligible for an IRA each year that I make a contribution, insuring that all contributions I make are within limits set forth by the tax laws, and any tax consequences of any contribution (including rollover contributions) and distributions.

I certify that I have received and read the current prospectus and Privacy Notice for the Cavanal Hill Funds in which I am investing and understand its terms are incorporated in this application by reference. I certify that I have authority and legal capacity to make this purchase and that I am of legal age in my state of residence.

I understand that my account(s) will automatically have exchange privileges with other Cavanal Hill Funds. I agree to read the prospectus for each fund into which exchanges are made. The terms, representations and conditions in this application will apply to any account established at a later date.

Neither Cavanal Hill Funds nor any of its agents will be liable for any loss or expense for acting upon written or telephone instructions reasonably believed to be genuine and in accordance with the procedures described in the prospectus.

Any change to the information or authorizations set forth in this application will be made by me to Cavanal Hill Funds in writing. Any such change will be effective at such time as Cavanal Hill Funds has had a reasonable amount of time to act upon it.

I understand that neither Cavanal Hill Funds nor any of its agents has provided any investment, tax or legal advice, and I have relied on my independent judgement or the judgement of the advisor I have selected with respect to the suitability or potential value of any security or order.

There is an annual account maintenance fee of \$15.00.

I certify under penalty of perjury that my Social Security number shown in this application is correct and my election to treat a contribution as a rollover (if applicable) is irrevocable. By signing this application, I authorize and appoint BOKF, NA to act as Custodian of my account. I indemnify BOKF, NA when making distributions in accordance with my beneficiary designation on file or the Custodial Account Agreement absent any such designation. I acknowledge that I have received a copy of the Application, 5305-A Plan Agreement and Disclosure Statement. I have read all statements, which are incorporated in this application form by reference, and I agree to be bound by its Terms and Conditions.

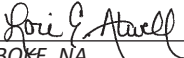
I UNDERSTAND THAT MUTUAL FUND SHARES ARE NOT DEPOSITS OF ANY BANK, ARE NOT INSURED BY THE FDIC, ARE NOT OBLIGATIONS OF ANY BANK OR THE U.S. GOVERNMENT AND ARE NOT ENDORSED OR GUARANTEED IN ANY WAY BY ANY BANK.

THE FUNDS WILL COMPLY WITH ALL STATE AND FEDERAL MANDATED ENFORCEMENT PROGRAMS, WHICH MAY RESULT IN THE RELEASE OF YOUR ACCOUNT INFORMATION TO REGULATORY AGENCIES. A SHAREHOLDER'S PROPERTY MAY BE TRANSFERRED TO THE APPROPRIATE STATE IF NO ACTIVITY OCCURS IN THE ACCOUNT WITHIN THE TIME PERIOD SPECIFIED BY STATE LAW.

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IRA Owner's Signature

Date



BOKF, NA  
6242 East 41st Street  
BTC 2 West  
Tulsa, OK 74135

Date

BOKF, NA accepts this application and agrees to act as custodian of the account.

**A confirmation will be sent to you regarding the above transaction(s) and will serve as notification of the Custodian's acceptance.**

Distributor: Cavanal Hill Distributors, Inc., a subsidiary of BOK Financial Corp. Cavanal Hill Distributors, Inc. is an SEC registered investment adviser, a registered broker/dealer, and a member of FINRA/SIPC. SEC registration does not imply a certain level of skill or training.

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**10. BROKER DEALER USE ONLY**

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Broker: Before filing out this section, please check with your Branch Manager to ensure a Cavanal Hill Funds Dealer Agreement has been executed.

Dealer # \_\_\_\_\_ Dealer Name \_\_\_\_\_

Branch # \_\_\_\_\_ Branch Name \_\_\_\_\_

Rep # \_\_\_\_\_ Rep Name \_\_\_\_\_

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Rep Signature

Rep Phone Number

## 11. LEGAL ENTITY BENEFICIAL OWNERSHIP CERTIFICATION

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. In some cases, Federal law also requires us to verify and record information that identifies the natural persons who control and beneficially own a legal entity that opens an account.

**What this means to you:** When you open an account, we will ask for names, addresses, dates of birth and other information that will allow us to identify you and certain other natural persons associated with the account. This information will be verified to ensure the identity of all such natural persons.

### Purpose

This form must be completed by the person opening a new account on behalf of a legal entity. For the purposes of this form, a legal entity includes a corporation, limited liability company, partnership or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. Legal entity does not include sole proprietorships, unincorporated associations, or natural persons opening account on their own behalf.

### Important Notes

This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of Non-U.S. Persons) for the following individuals:

- (i) Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent or more of the shares of a corporation); and
- (ii) An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

**A. Account Information.** Persons opening an account on behalf of a legal entity must provide the following information:

a. Name and Title of Natural Person Opening Account:

\_\_\_\_\_

b. Name and Address of Legal Entity for Which the Account is Being Opened:

\_\_\_\_\_

**B. Beneficial Owner(s).** The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

Name/Title	Date of Birth (mm/dd/yyyy)	Address (residential or business street address)	Social Security Number*

\* In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

**C. Control Person.** The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or Any other individual who regularly performs similar functions. (If appropriate, an individual listed under section (b) above may also be listed in this section (c)).

Name/Title	Date of Birth (mm/dd/yyyy)	Address (residential or business street address)	Social Security Number*

### D. Certification

I, \_\_\_\_\_ (name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

## 1. INSTRUCTIONS

The Caval Hill Funds Automatic Investment Program (“the Program”) allows you to automatically invest in an Caval Hill Funds IRA on a regular basis. The Program is available to no-load investor shareholders only and is provided at no additional cost to you. The minimum automatic investment amount is \$100 per transaction.

To participate in this convenient service, complete the following information, attach a voided check from the bank account from which you wish to debit and return the IRA Application, Automatic Investment Form and voided check to the address referenced above. You may discontinue this service at any time upon written notice to Caval Hill Funds. Please see prospectus for more details.

When the Program is implemented, all contributions will be coded as **current year**. It is important that you review the amounts invested to avoid the possibility of making excess contributions.

If you exchange shares from the fund(s) referenced below to another Caval Hill Fund, the Automatic Investment Program will NOT automatically transfer to the new account. Please notify us at the time of exchange if this Program is to be transferred.

If a draft is returned by your bank for insufficient funds, account closed, check stopped, etc., the Automatic Investment Program will be discontinued. Any loss to the fund(s) as a result of this will be redeemed from your account with Caval Hill Funds.

For any questions you may have, please call the Caval Hill Funds at 800-762-7085.

## 2. OWNER INFORMATION

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Account Number (if available) \_\_\_\_\_

## 3. AUTOMATIC INVESTMENT INFORMATION

Please have the amount(s) indicated below withdrawn from my bank account noted below and invested in the fund(s) listed below.

I would like the Program to begin \_\_\_\_\_

	Month	Day	Year
Fund _____	Fund _____	Fund _____	
Amount _____	Amount _____	Amount _____	
<input type="checkbox"/> Each month on the 5th	<input type="checkbox"/> Each month on the 5th	<input type="checkbox"/> Each month on the 5th	
<input type="checkbox"/> Each month on the 20th	<input type="checkbox"/> Each month on the 20th	<input type="checkbox"/> Each month on the 20th	
<input type="checkbox"/> Each month on the 5th and 20th	<input type="checkbox"/> Each month on the 5th and 20th	<input type="checkbox"/> Each month on the 5th and 20th	
<input type="checkbox"/> Quarterly on the 5th	<input type="checkbox"/> Quarterly on the 5th	<input type="checkbox"/> Quarterly on the 5th	
<input type="checkbox"/> Annually on the 5th*	<input type="checkbox"/> Annually on the 5th*	<input type="checkbox"/> Annually on the 5th*	
(*Specify month _____)	(*Specify month _____)	(*Specify month _____)	

## 4. BANK AUTHORIZATION

I/we authorize you to pay and charge my/our account checks drawn on my/our account payable to the order of Caval Hill Funds FBO (Investor’s Name) IRA. I/we agree that your rights in respect to each check shall be the same as if it were a check drawn on you and personally signed by me/us. I/we agree that you will be fully protected in honoring any such checks. If any such checks are dishonored, you shall be under no liability whatsoever.

Caval Hill Funds agrees to indemnify you from any loss that may arise from the execution, issuance and payment of any checks drawn for Caval Hill Funds Automatic Investment Program. Caval Hill Funds will not indemnify you against any loss resulting from your payment of a check drawn against insufficient funds.

Checking     Savings    ABA Routing Number \_\_\_\_\_

Bank Name \_\_\_\_\_ Account Number \_\_\_\_\_

Bank Address \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_ Signature (if joint account) \_\_\_\_\_ Date \_\_\_\_\_

**IMPORTANT – ATTACH A VOIDED CHECK HERE**



# IRA TRANSFER OR DIRECT ROLLOVER REQUEST FORM

Cavanal Hill Funds, P.O. Box 182730, Columbus, OH 43218-2730, 800-762-7085

## 1. GENERAL INFORMATION

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ SSN \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 Daytime Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_

## 2. TRANSFER/DIRECT ROLLOVER REQUEST

Name of present Custodian, Trustee or Plan Administrator \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 Account Number \_\_\_\_\_ Contact Name \_\_\_\_\_ Contact Phone Number \_\_\_\_\_

I request that my retirement funds be: *(check one)*

- Transferred from another IRA
- Directly rolled over from my employer-sponsored retirement plan
- Transferred from a SIMPLE IRA\*

\*SIMPLE IRA funds cannot be combined with regular IRA funds within two years of initial participation in the SIMPLE IRA.

## 3. ASSET LIQUIDATION INSTRUCTIONS

If this is a direct rollover, I authorize the Employer to distribute to me any Required Minimum Distribution before the direct rollover is made. Complete Section C below. If this is a transfer, please check A or B. Section C must be completed.

- A.  I am under age 70½ and will not turn 70½ at any time during this calendar year.
- B.  I am age 70½ or older. I authorize the Custodian or Trustee named above to (check one):
- Distribute my Required Minimum Distribution to me prior to transferring my IRA assets.
  - Segregate and retain my Required Minimum Distribution amount.
  - Include the Required Minimum Distribution in the transfer.
  - Required Minimum Distribution taken from IRA held elsewhere.

C.	Asset Description	Quantity to be Transferred/ Rolled Over	Liquidate Immediately	Liquidate at Maturity	Transfer/Direct Rollover in Kind
	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please make check payable to:** Cavanal Hill Funds FBO (Investor's Name) IRA.  
**Mail to:** Cavanal Hill Funds, P.O. Box 182730, Columbus, OH 43218-2730.

## 4. INVESTMENT INSTRUCTIONS

- This is a new IRA. My IRA Application (including my investment selections) is attached.
- I have an existing IRA. Please invest the proceeds of the transfer/direct rollover as follows:

Fund Name	Account Number	Percent
_____	_____	_____
_____	_____	_____
_____	_____	_____

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**5. SIGNATURE AND CERTIFICATION**

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I certify that I have established an IRA with Cavanal Hill Funds, of which BOKF, NA is Custodian.

I authorize the transfer or direct rollover of the assets in the manner described above and certify that all of the information provided by me is correct and may be relied upon by the Custodian, Trustee or Plan Administrator. I understand that I am responsible for determining my eligibility to transfer within the limits set forth by tax laws, related regulations and plan agreements. I understand that special rules apply for SIMPLE IRA to Traditional IRA transfers. I assume responsibility for any tax consequences or penalties that may apply to the transfer of my assets.

If this is a direct rollover, I have read and understand the IRC Sec. 402(f) Notice provided to me by the Plan Administrator. Due to the important tax consequences of rolling funds over to an IRA, I have been advised to see a tax advisor. I assume full responsibility for this direct rollover transaction and will not hold the Plan Administrator, Custodian or Trustee of either the distributing or receiving plans liable for any adverse consequences that may result. I hereby irrevocably designate this contribution of the funds and/or property indicated above as a direct rollover contribution.

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*Signature of Individual*

*Date*

*Signature Guarantee*

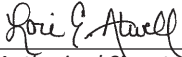
*Date*

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**6. ACCEPTANCE**

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BOKF, NA agrees to accept Custodianship and the transfer/direct rollover described above for the Cavanal Hill Funds IRA established on behalf of the above-named individual. BOKF, NA accepts its appointment as successor Custodian of the above IRA and agrees to accept the assets being transferred/directly rolled over.



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*Authorized Signature – BOKF, NA*

6242 East 41st Street

BTC 2 West

Tulsa, OK 74135

# INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-A under section 408(a) of the Internal Revenue Code.

FORM (Rev. April 2017)

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

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

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

The depositor and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the depositor's required beginning date, April 1 following the calendar year in which the depositor reaches age 70½. By that date, the depositor may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in: (a) A single sum or (b) Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.
3. If the depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the depositor dies on or after the required beginning date and:
    - (i) the designated beneficiary is the depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as

determined in the year of the spouse's death and reduced by one for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

- (ii) the designated beneficiary is not the 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 one for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
  - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the depositor as determined in the year of the depositor's death and reduced by one 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.
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the depositor's death. If, however, the designated beneficiary is the depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the depositor would have reached age 70½. 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 (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
  4. If the depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the depositor's surviving spouse, no additional contributions may be accepted in the account.
  5. The minimum amount that must be distributed each year, beginning with the year containing the depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
    - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the depositor reaches age 70½, is the depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the depositor's (or, if applicable, the depositor and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 3(a) and 3(b) (i) for a year, beginning with the year following the year of the depositor's death (or the year the depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

#### ARTICLE V

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

#### ARTICLE VI

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

#### ARTICLE VII

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

#### ARTICLE VIII

- 8.01 **Definitions** – In this part of this agreement (Article VIII), the words “you” and “your” mean the depositor. The words “we,” “us,” and “our” mean the custodian. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.
- 8.02 **Notices and Change of Address** – Any required notice regarding this IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 8.03 **Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection

with your IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

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

- 8.04 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your IRA. We may release nonpublic personal information regarding your IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.
  - 8.05 **Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this IRA.
- Any brokerage commissions attributable to the assets in your IRA will be charged to your IRA. You cannot reimburse your IRA for those commissions.
- 8.06 **Investment of Amounts in the IRA** – You have exclusive responsibility for and control over the investment of the assets of your IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. After

your death, your beneficiaries will have the right to direct the investment of your IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 8.03 of this article). We will have no discretion to direct any investment in your IRA. We assume no responsibility for rendering investment advice with respect to your IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your IRA unless you provide timely written directions acceptable to us.

You will select the investment for your IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.) We may in our sole discretion make available to you additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

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

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

A spouse beneficiary will have all rights as granted under the Code or applicable regulations to treat your IRA as his or her own.

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

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

**8.08 Required Minimum Distributions** – Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following.

- Make no distribution until you give us a proper withdrawal request
- Distribute your entire IRA to you in a single sum payment
- Determine your required minimum distribution from your IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution.

**8.09 Termination of Agreement, Resignation, or Removal of Custodian** – Either party may terminate this agreement at any time by giving written notice to the other. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your IRA to another financial organization. If you do not complete a transfer of your IRA within 30 days from the date we send the notice to you, we have the right to transfer your IRA assets to a successor IRA trustee or custodian that we choose in our sole discretion, or we may pay your IRA to you in a single sum. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

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

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

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your IRA to you in cash or property if the balance of your IRA drops below the minimum balance required under the applicable investment or policy established.

**8.10 Successor Custodian** – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your IRA, but only if it is the type of organization authorized to serve as an IRA trustee or custodian.



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

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

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

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

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

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

8.16 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

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## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a). However, only Articles I through VII have been reviewed by the IRS. A Traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. To make a regular contribution to a Traditional IRA for a year, the IRA must be established no later than the due date of the individual's income tax return for the tax year (excluding extensions). This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

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

For more information on IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Pub. 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

### DEFINITIONS

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

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

### TRADITIONAL IRA FOR NONWORKING SPOUSE

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse.

Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

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## SPECIFIC INSTRUCTIONS

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**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 70½ to ensure that the requirements of section 408(a)(6) have been met.

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

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# DISCLOSURE STATEMENT

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## RIGHT TO REVOKE YOUR IRA

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

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your IRA, please call the custodian at the telephone number listed on the application.

## REQUIREMENTS OF AN IRA

- A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution.
- B. **Maximum Contribution** – The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$6,000 for 2019 and 2020, with possible cost-of-living adjustments each year thereafter. If you also maintain a Roth IRA (i.e., an IRA subject to the limits of Internal Revenue Code Section (IRC Sec.) 408A), the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRAs. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.
- C. **Contribution Eligibility** – For tax years beginning before 2020, you are eligible to make a regular contribution to your IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made. For 2020 and later tax years, you may make a regular contribution to your IRA at any age if you have compensation.
- D. **Catch-Up Contributions** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is \$1,000 per year.
- E. **Nonforfeitability** – Your interest in your IRA is nonforfeitable.
- F. **Eligible Custodians** – The custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **Commingling Assets** – The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **Life Insurance** – No portion of your IRA may be invested in life insurance contracts.
- I. **Collectibles** – You may not invest the assets of your IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as IRA investments.
- J. **Required Minimum Distributions** – You are required to take minimum distributions from your IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the IRA distribution rules.

- 1. If you were born before July 1, 1949, you are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. If you were born on or after July 1, 1949, you are required to take a minimum distribution from your IRA for the year in which you reach age 72 and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 72. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.
- 2. The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the required minimum distribution is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

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

- (a) Make no distribution until you give us a proper withdrawal request
- (b) Distribute your entire IRA to you in a single sum payment
- (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

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

- K. **Beneficiary Distributions** – Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.
  - 1. **Death of IRA Owner Before January 1, 2020** – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

If you die on or after your required beginning date, distributions must be made to your beneficiaries over the longer of the single life expectancy of your designated beneficiaries, or your remaining life expectancy. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

If you die before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiaries, either

    - (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or
    - (b) be distributed over the remaining life expectancy of your designated beneficiaries.

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

2. **Death of IRA Owner On or After January 1, 2020** – The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary or you have no designated beneficiary for purposes of determining a distribution period. This requirement applies to beneficiaries regardless of whether you die before, on, or after your required beginning date.

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

An eligible designated beneficiary is any designated beneficiary who is

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

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

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

If a beneficiary other than a person (e.g., your estate, a charity, or a certain type of trust) is named, you will be treated as having no designated beneficiary of your IRA for purposes of determining the distribution period. If you die before your required beginning date and there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death. If you die on or after your required beginning date and there is no designated beneficiary of your IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

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

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

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

- L. **Qualifying Longevity Annuity Contracts and RMDs** – A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85. The total premiums paid to QLACs in your IRAs must not exceed 25 percent (up to \$125,000) of the combined value of your IRAs (excluding Roth IRAs). The \$125,000 limit is subject to cost-of-living adjustments each year.

When calculating your RMD, you may reduce the prior year end account value by the value of QLACs that your IRA holds as investments.

For more information on QLACs, you may wish to refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- M. **Waiver of 2020 RMD** – In spite of the general rules described above, if you are an IRA owner age 70½ or older, you are not required to remove an RMD for calendar year 2020. This RMD waiver also applies to IRA owners who attained age 70½ in 2019 but did not take their first RMD before January 1, 2020. In addition, no beneficiary life expectancy payments are required for calendar year 2020. If the five-year rule applies to an IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020. For example, if an IRA owner died in 2017, the beneficiary's five-year period ends in 2023 instead of 2022.

## INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

- A. **IRA Deductibility** – If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-sponsored retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your IRA contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution and certain other deductions and exclusions.



**Definition of Active Participant.** Generally, you will be an active participant if you are covered by one or more of the following employer-sponsored retirement plans.

1. Qualified pension, profit sharing, 401(k), or stock bonus plan
2. Qualified annuity plan of an employer
3. Simplified employee pension (SEP) plan
4. Retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under IRC Sec. 457)
5. Tax-sheltered annuity for employees of certain tax-exempt organizations or public schools
6. Plan meeting the requirements of IRC Sec. 501(c)(18)
7. Savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan

If you do not know whether your employer maintains one of these plans or whether you are an active participant in a plan, check with your employer or your tax advisor. Also, the IRS Form W-2, *Wage and Tax Statement*, that you receive at the end of the year from your employer will indicate whether you are an active participant.

If you are an active participant, are single, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out range maximum for the applicable year (specified below) and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$66,000 in 2020, your maximum deductible contribution is \$5,400 (the 2020 phase-out range maximum of \$75,000 minus your MAGI of \$66,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$6,000).

If you are an active participant, are married to an active participant and you file a joint income tax return, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out maximum for the applicable year (specified below) and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$107,000 in 2020, your maximum deductible contribution is \$5,100 (the 2020 phase-out maximum of \$124,000 minus your MAGI of \$107,000, divided by the difference between the maximum and minimum phase-out limits of \$20,000, and multiplied by the contribution limit of \$6,000).

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0–\$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers	Single Taxpayers
	Phase-Out Range*	Phase-Out Range*
	(minimum)(maximum)	(minimum)(maximum)
2013	\$95,000–115,000	\$59,000–69,000
2014	\$96,000–116,000	\$60,000–70,000
2015	\$98,000–118,000	\$61,000–71,000
2016	\$98,000–118,000	\$61,000–71,000
2017	\$99,000–119,000	\$62,000–72,000
2018	\$101,000–121,000	\$63,000–73,000
2019	\$103,000–123,000	\$64,000–74,000
2020	\$104,000–124,000	\$65,000–75,000

\*MAGI limits are subject to cost-of-living adjustments each year.

The MAGI phase-out range for an individual that is not an active participant, but is married to an active participant, is \$193,000–\$203,000 (for 2019) and \$196,000–\$206,000 (for 2020). This limit is also subject to cost-of-living increases for tax years after 2020. If you are not an active participant in an employer-sponsored retirement plan, are married to someone who is an active participant, and you file a joint income tax return with MAGI between the applicable phase-out range for the year, your maximum deductible contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200, you may round up to \$200.

- B. **Contribution Deadline** – The deadline for making an IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

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

- C. **Tax Credit for Contributions** – You may be eligible to receive a tax credit for your Traditional IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

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

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

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

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

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

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

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

- E. Tax-Deferred Earnings** – The investment earnings of your IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- F. Nondeductible Contributions** – You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

**G. Taxation of Distributions** – The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, all IRA distribution amounts will be included in income.

If you have ever made nondeductible contributions to any IRA, the following formula must be used to determine the amount of any IRA distribution excluded from income.

$$\frac{\text{(Aggregate Nondeductible Contributions)} \times \text{(Amount Withdrawn)}}{\text{Aggregate IRA Balance}} = \text{Amount Excluded From Income}$$

**NOTE:** Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution that have not previously been withdrawn and excluded from income. Also note that the aggregate IRA balance includes the total balance of all of your Traditional and SIMPLE IRAs as of the end of the year of distribution and any distributions occurring during the year.

- H. Income Tax Withholding** – Any withdrawal from your IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- I. Early Distribution Penalty Tax** – If you receive an IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent will apply to the taxable amount of the distribution unless one of the following exceptions apply. **1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. **2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. **3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. **4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. **5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. **6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. **7) First-time homebuyer.** You may take payments from your IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The

payment must be used for qualified acquisition costs within 120 days of receiving the distribution. **8) IRS levy.** Payments from your IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. **10) Qualified birth or adoption.** Payments from your IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed \$5,000 for each birth or adoption.

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

**J. Rollovers and Conversions** – Your IRA may be rolled over to another IRA, SIMPLE IRA, or an eligible employer-sponsored retirement plan of yours, may receive rollover contributions, or may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your IRA from another IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of Traditional IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

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

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

**2. SIMPLE IRA-to-Traditional IRA Rollovers.** Assets distributed from your SIMPLE IRA may be rolled over to your Traditional IRA without IRS penalty tax provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA-to-Traditional IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA-to-IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

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

**3. Employer-Sponsored Retirement Plan-to-Traditional IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in an IRA, thereby conducting an indirect rollover, your plan administrator generally will be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up out of pocket the amount withheld, and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution generally must be rolled over to your IRA not later than 60 days after you receive the distribution. In the case of a plan loan offset due to plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs. Alternatively, you may claim the withheld amount as income, and pay the applicable income tax, and if you are under age 59½, the 10 percent early distribution penalty tax (unless an exception to the penalty applies).

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to an IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

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

**5. Traditional IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your Traditional IRA may be rolled over to a SIMPLE IRA if the requirements of IRC Sec. 408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper Traditional IRA-to-SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.



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

**6. Traditional IRA-to-Employer-Sponsored Retirement Plan Rollovers.**

You may roll over, directly or indirectly, any taxable eligible rollover distribution from an IRA to your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan as long as the employer-sponsored retirement plan accepts such rollover contributions.

**7. Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.

**8. Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your IRA and directly deposit it to your HSA. The amount of the qualified HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

**9. Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court, you are allowed to roll over up to 90 percent of the proceeds into your Traditional IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. If you make such a rollover contribution, you may exclude the amount rolled over from your gross income in the taxable year in which the airline settlement payment was paid to you. For further detailed information and effective dates you may obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**10. Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at [www.irs.gov](http://www.irs.gov).

**11. Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

**12. Repayment of Qualified Birth or Adoption Distribution.** If you have taken a qualified birth or adoption distribution, you may generally repay all or a portion of the aggregate amount of such distribution to an IRA, as permitted by the IRS. For further information, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, by visiting [www.irs.gov](http://www.irs.gov) on the Internet.

**13. Written Election.** At the time you make a rollover to an IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

**K. Transfer Due to Divorce** – If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another.

**L. Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion.

## LIMITATIONS AND RESTRICTIONS

**A. SEP Plans** – Under a simplified employee pension (SEP) plan that meets the requirements of IRC Sec. 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information that describes the terms of your employer's SEP plan.

**B. Spousal IRA** – For contributions made for tax years beginning before 2020, if you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 70½, regardless of whether or not your spouse has compensation. For contributions made for 2020 and later tax years, you may contribute to an IRA established for the benefit of your spouse regardless of your spouse's age, if you are married and have compensation. You may make these spousal contributions even if you are age 70½ or older. You must file a joint income tax return for the year for which the contribution is made.

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

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

**C. Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions.

**D. Gift Tax** – Transfers of your IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.

**E. Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to IRA distributions.

- F. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your IRA, as described in IRC Sec. 4975, your IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your IRA. (1) Taking a loan from your IRA (2) Buying property for personal use (present or future) with IRA assets (3) Receiving certain bonuses or premiums because of your IRA.
- G. **Pledging** – 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.

## OTHER

- A. **IRS Plan Approval** – Articles I through VII of the agreement used to establish this IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **Additional Information** – For further information on IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your IRA or retirement plan, you may recontribute those amounts to an IRA generally within a two-year period from your date of return.
- E. **Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
- F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain disasters designated by Congress), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- G. **Coronavirus-Related Distributions (CRDs)** – If you qualify, you may withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You are a qualified individual if you (or your spouse or dependent) is diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you have experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must be made on or after January 1, 2020, and before December 31, 2020.

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

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

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## FINANCIAL DISCLOSURE

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

There are certain fees and charges connected with the investments you may select for your IRA. Such fees and charges may include sales commissions, investment management fees, distribution fees, set up fees, annual maintenance fees, and surrender or termination fees. To find out what fees apply, read the prospectus or contract which will describe the terms of the investment you choose. We reserve the right to change any of the above fees after notice to you, as provided in your IRA Agreement.

The method for computing and allocating annual earnings (interest, dividends, etc.) on your investments will vary with the nature and issuer of the investment chosen. Please refer to the prospectus or contract of the investment(s) of your choice for the method(s) used for computing and allocating annual earnings.