

# Roth IRA

SIMPLIFIER®

A Retirement  
Plan for  
Individuals



For use by Individual Investors

# Instructions for Opening Your Cavanal Hill Funds Roth IRA

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

Retail Roth IRA Application .....	Page 2
Roth IRA Automatic Investment Program Form.....	Page 7
Roth IRA Transfer or Conversion Request Form.....	Page 8
Roth IRA Custodial Account Agreement.....	Page 11
Disclosure Statement .....	Page 15

## II. TO OPEN YOUR CAVANAL HILL FUNDS ROTH IRA

### Step 1 Complete, sign and date the enclosed Roth 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 Roth 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 Roth IRA Application. Please remember to attach a voided check for this option.

### Step 3 Complete the Roth IRA Transfer or Conversion Request Form (if applicable)

If you are requesting a transfer or conversion of assets from an existing retirement plan, please complete the Roth IRA Transfer or Conversion Request Form along WITH the Roth IRA Application.

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

Detach and send a copy of the Roth IRA Application, the Roth IRA Transfer or Conversion 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-RA 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 Roth 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 Roth 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 Roth Individual Retirement Account (IRA) within seven days of receiving your disclosure statement. To revoke your Roth 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 CONVERSIONS:

When you move assets in your Roth 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 eligible, you may convert assets to your Roth IRA. Both Traditional and SIMPLE IRA assets as well as certain other retirement plan assets can be distributed in a **DIRECT CONVERSION** to a Roth IRA. If you choose to move these assets to your Roth IRA, you will generally have to pay taxes on the amount that you convert.

To facilitate a transfer or conversion, simply complete the Roth IRA Application along with the Roth IRA Transfer or Conversion Request Form and send to the Cavanal Hill Funds address below.

The Custodian or its agents will deliver the Roth IRA Transfer or Conversion Request Form to your current financial organization or Employer, which will in turn send your transfer/conversion assets to fund this Roth IRA. The Roth IRA Transfer or Conversion 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 Roth 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

Date \_\_\_\_\_ 5 Year Holding Period Start Year \_\_\_\_\_

Account Type:	Initial Contribution Type:	Amount	Year
<input type="checkbox"/> Roth IRA	<input type="checkbox"/> Transfer* (from Roth IRA)	\$ _____	_____
<input type="checkbox"/> Spousal Roth IRA	<input type="checkbox"/> Rollover* (from Roth IRA)	\$ _____	_____
<input type="checkbox"/> I intend to keep this contribution in a separate account as a Roth Conversion IRA	<input type="checkbox"/> Conversion (from Traditional IRA)	\$ _____	_____
	<input type="checkbox"/> Recharacterization		

\*Source of Funds:  Roth IRA  1998 Roth Conversion IRA

## 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	Select Shares	Institutional Shares	Reserve	No-Load Investor Shares	C Shares	
<b>Cavalan Hill Money Market Funds</b>								
U.S. Treasury Fund . . . . .		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				\$ _____
Government Securities Money Market Fund . . .		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				\$ _____
<b>Cavalan Hill Fixed Income Funds</b>								
Limited Duration Income 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>Cavalan Hill Equity Funds</b>								
World Energy 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"/>	\$ _____
<b>TOTAL INVESTMENT:</b> . . . . .								<b>\$ _____</b>

(1) Pursuant to the Cavalan 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 Roth 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 Roth IRA balance to my primary beneficiary(ies). If no percentages are indicated, each primary beneficiary will receive equal shares of the Roth 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 Roth 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 Roth 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 Roth 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 Roth IRA contribution I am making and I state that I do qualify to make the contribution. I have received a copy of this Application, 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 Plan Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this Roth 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 Roth 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 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, 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.

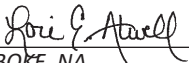
I UNDERSTAND THAT MUTUAL FUND SHARES ARE NOT DEPOSITS OF ANY BANK, ARE NOT INSURED BY THE FDIC, ARE NOT OBLIGATIONS OF ANY BANK OR THE U.S. GOVERNMENT AND ARE NOT ENDORSED OR GUARANTEED IN ANY WAY BY ANY BANK.

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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Roth 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 Roth 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 Roth 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 plan to begin: \_\_\_\_\_

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



# ROTH IRA TRANSFER OR CONVERSION 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/CONVERSION REQUEST

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

This is a: *(check one)*

- |   |   |
|---|---|
| <input type="checkbox"/> Transfer from another Roth IRA<br><input type="checkbox"/> Conversion from a Traditional IRA<br><input type="checkbox"/> Conversion from a SIMPLE IRA* | <input type="checkbox"/> Conversion from a Qualified Retirement Plan<br><input type="checkbox"/> Conversion from a 457(b) Governmental Deferred Compensation Plan<br><input type="checkbox"/> Conversion from a 403(b) Tax-sheltered Annuity<br><input type="checkbox"/> Conversion from a 403(a) Annuity |
|---|---|

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

## 3. CONVERSION ELIGIBILITY *(For Eligibility Questions 1 Through 5 Need to be Answered No or NA)*

- 1 **INCOME RESTRICTION** – will your modified gross income in the year of distribution exceed \$100,000?  Yes  No  NA
- 2 **70½ CONVERSION RESTRICTION** – if you are 70½ or older in this calendar year, does the conversion distribution contain any amounts which constitute a required minimum distribution from the distributing plan? (See section 4 below.)  Yes  No  NA
- 3 **TAX RETURN RESTRICTION** – if you are married, are you and your spouse filing separate federal income tax returns for the year in which the distribution occurs?  Yes  No  NA
- 4 **RECONVERSION RESTRICTION** – if this is a reconversion of a prior conversion, is it within the same taxable year as the prior conversion or, if later, within 30 days of recharacterizing the prior conversion?  Yes  No  NA
- 5 **TWO YEAR RESTRICTION** – if this is a conversion from a SIMPLE IRA, has it been less than two years since you first participated in a SIMPLE IRA plan sponsored by your employer?  Yes  No  NA

**Caution:** Limits may apply to the number of reconversions that can be made for tax purposes.

## 4. CONVERSION WITHHOLDING ELECTION *(Form W-4P/Omb No. 1545-0074)*

**Complete Only for a Conversion from an IRA. If You are a Nonresident Alien, DO NOT Complete this Section.**

- Withhold Federal income tax at a rate of \_\_\_\_\_% *(not less than 10%)* from the amount withdrawn. Withhold state tax at a rate of \_\_\_\_\_% from the amount withdrawn *(to be completed by North Carolina residents only)*.
- Effective \_\_\_\_\_, I elect not to have Federal income tax withheld. I understand that I am still liable for the payment of Federal income tax on the amount received. I also understand that I may be subject to Federal income tax penalties under the estimated tax payment rules if my payments of the estimated tax and withholding are insufficient.

## 5. BENEFICIARY ASSET LIQUIDATION INSTRUCTIONS *(If Applicable)*

- I authorize the current Custodian or Trustee to *(please 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 amount that represents my Required Minimum Distribution in the transfer.

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**6. ASSET LIQUIDATION INSTRUCTIONS**

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Directly transfer  all or  part of the Roth IRA identified above in the manner listed below.

Directly convert  all or  part of my IRA balance to my Roth IRA in the manner listed below.

Asset Description	Quantity to be Transferred/Converted	Liquidate Immediately	Liquidate at Maturity	Transfer/Direct Conversion 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.

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**7. INVESTMENT INSTRUCTIONS**

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This is a new Roth IRA. My Roth IRA Application (including my investment selections) is attached.

I have an existing Roth IRA. Please invest the proceeds of the transfer/conversion as follows:

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

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**8. SIGNATURE AND CERTIFICATION**

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**CONVERSION:** I have read and understand the conversion rules and conditions on both pages of this form and I have met the requirements for making a conversion. Due to the important tax consequences of converting funds or property to a Roth IRA, I have been advised to see a tax professional. All information provided by me is true and correct and may be relied on by the Custodian or Trustee. I assume full responsibility for this conversion transaction and will not hold the Custodian or Trustee liable for any adverse consequences that may result. I hereby irrevocably designate this contribution as a conversion contribution.

**TRANSFER:** I authorize the transfer 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 or Trustee. 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 assume responsibility for any tax consequences or penalties that may apply to the transfer of my assets.

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Signature of Individual

Date

Signature Guarantee

Date

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**9. ACCEPTANCE**

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



Authorized Signature – BOKF, NA

6242 East 41st Street

BTC 2 West

Tulsa, OK 74135

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## WITHHOLDING NOTICE INFORMATION

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**Basic Information About Withholding From Pensions and Annuities** – Generally, Federal income tax withholding applies to payments made from pension, profit sharing, stock bonus, annuity and certain deferred compensation plans, IRAs and commercial annuities.

**Purpose of Form W-4P** – Unless you elect otherwise, Federal income tax will be withheld from payments from Individual Retirement Accounts (IRAs). You can use Form W-4P, or a substitute form, such as that contained on this form, furnished by the Custodian or Trustee to instruct your Custodian or Trustee to withhold NO tax from your IRA payments (or to revoke this election). This substitute form should be used only for distributions from IRAs which are payable on demand.

**Nonperiodic Payments** – Payments from IRAs that are payable upon demand are treated as nonperiodic payments for Federal income tax purposes. Generally, nonperiodic payments must have income tax withheld at a rate not less than 10 percent.

You can elect to have no income tax withheld from a nonperiodic payment (IRA payment) by filing Form W-4P or a substitute form with the Custodian or Trustee and checking the appropriate box on that form. Your election will remain in effect for any subsequent distribution unless you change or revoke it.

A U.S. citizen or resident alien may not waive withholding on any distribution delivered outside of the U.S. or its possessions. Distributions to a nonresident alien are generally subject to a tax-withholding rate of 30 percent. A reduced withholding rate, including exemption, may apply if there is a tax treaty between the nonresident alien's country of residence and the United States, and the nonresident alien submits Form W8-BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfies the documentation requirements as provided under the regulations.

For more information, please see Publication 505, *Tax Withholding and Estimated Tax*, and Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, available from most IRS offices.

**Caution:** Remember that there are penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using Form W-4P.

**Revoking the Exemption from Withholding** – If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the Custodian, or Trustee and check the appropriate box on that form.

**Statement of Income Tax Withheld from Your IRA** – By January 31 of next year, you will receive a statement from your Custodian or Trustee showing the total amount of your IRA payments and the total Federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the Custodian or Trustee.

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

FORM (Rev. April 2017)

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

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

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

The depositor and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

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

## ARTICLE V

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

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

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

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), 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 Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

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

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

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

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

**9.06 Investment of Amounts in the Roth IRA** – You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your Roth IRA assets,

subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03 of this article). We will have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you provide timely written directions acceptable to us.

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

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

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

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

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



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

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

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

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

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

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

- 9.09 **Successor Custodian** – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.
- 9.10 **Amendments** – We have the right to amend this agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.
- 9.11 **Withdrawals or Transfers** – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

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

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

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

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

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

- 9.15 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of 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-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

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

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

### DEFINITIONS

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

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

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## SPECIFIC INSTRUCTIONS

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

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

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

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# DISCLOSURE STATEMENT

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## RIGHT TO REVOKE YOUR ROTH IRA

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

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

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

## REQUIREMENTS OF A ROTH IRA

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

B. **Maximum Contribution** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$6,500 for 2023, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$218,000 (for 2023) if you are a married individual filing a joint income tax return, or equals or exceeds \$138,000 (for 2023) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$228,000 (for 2023) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$153,000 (for 2023) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2023.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$223,000, your maximum Roth IRA contribution for 2023 is \$3,250 [(\$228,000 minus \$223,000) divided by \$10,000 and multiplied by \$6,500].

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$141,000, your maximum Roth IRA contribution for 2023 is \$5,200 [(\$153,000 minus \$141,000) divided by \$15,000 and multiplied by \$6,500].

C. **Contribution Eligibility** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation for the taxable year for which the contribution is made and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.

D. **Catch-Up Contributions** – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024.

E. **Nonforfeitable** – Your interest in your Roth IRA is nonforfeitable.

F. **Eligible Custodians** – The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

G. **Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

H. **Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.

I. **Collectibles** – You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.

J. **Beneficiary Distributions** – Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.

1. **Death of Roth IRA Owner Before January 1, 2020** – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your designated beneficiaries, either

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

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



will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

**RMD Age** – If you were born in 1951 or later, you will attain RMD age in the year that you reach age 73. If you were born before July 1, 1949, you attained RMD age in the year you attained age 70½. If you were born on or after July 1, 1949, but before January 1, 1951, you attained RMD age in the year you attained age 72.

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

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

An eligible designated beneficiary is any designated beneficiary who is

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

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

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

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

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

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

If your beneficiary fails to remove an RMD after your death, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to 10 percent. 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.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed, whichever is earlier.

- K. **Waiver of 2020 RMD** – Life expectancy payments for beneficiaries were waived for calendar year 2020. In addition, if the five-year rule applies to a Roth IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020 because of this waiver. For example, if a Roth IRA owner died in 2019, the beneficiary's five-year period ends in 2025 instead of 2024.

## INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

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

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

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

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Roth IRA and reduce these contributions by any distributions that

you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

2023 Adjusted Gross Income*						Applicable Percentage
Joint Return		Head of Household		All Other Cases		
Over	Not Over	Over	Not Over	Over	Not Over	
	\$43,500		\$32,625		\$21,750	50
\$43,500	\$47,500	\$32,625	\$35,625	\$21,750	\$23,750	20
\$47,500	\$73,000	\$35,625	\$54,750	\$23,750	\$36,500	10
\$73,000		\$54,750		\$36,500		0

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

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

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

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

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

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

- 1. Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the

first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events.

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

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

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

**G. Income Tax Withholding** – Ten percent federal income tax withholding will be applied to a withdrawal from your Roth IRA unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.

- H. Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply.
  - 1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax.
  - 2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.
  - 3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½.
  - 4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.
  - 5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under

a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. **6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. **7) First-time homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. **8) IRS levy.** Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. **10) Qualified birth or adoption.** Payments from your Roth IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed \$5,000 for each birth or adoption. **11) Terminal illness.** Payments from your Roth IRA made because you are terminally ill are not subject to the 10 percent early distribution penalty tax. You are terminally ill if you have been certified by a physician, in accordance with documentation requirements to be established by the IRS, as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification. **12) Qualified Disaster Recovery Distribution.** If you are an affected Roth IRA owner in a federally declared disaster area who has sustained an economic loss by reason of such qualified disaster, you may take up to \$22,000 per disaster from your Roth IRA without incurring the 10 percent early distribution penalty tax. **13) Domestic abuse.** Beginning in 2024, if you are a victim of domestic abuse you may withdraw up to \$10,000 (subject to possible cost-of-living adjustments each year beginning in 2025) or 50% of your Roth IRA balance, whichever is less, within one year of the abuse without incurring the 10 percent early distribution penalty tax. **14) Emergency personal expenses.** Beginning in 2024, you may take one withdrawal in a calendar year as an emergency personal expense distribution for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, without incurring the 10 percent early distribution penalty tax. The amount that may be treated as an emergency personal expense distribution in any calendar year is \$1,000 or the total balance in your Roth IRA over \$1,000, determined as of the date of each such distribution, whichever is less. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made Roth IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.

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

- I. **Required Minimum Distributions** – You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are

required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this disclosure statement regarding beneficiaries' required minimum distributions.

- J. **Rollovers and Conversions** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

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

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

- 2. Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.
- 3. SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your SIMPLE IRA.



4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.

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

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

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

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

6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse beneficiary, nonspouse beneficiary, or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the

qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

9. **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.

10. **Qualified Tuition Program to Roth IRA.** Beginning in 2024, funds from a qualified tuition program of a designated beneficiary that has been maintained for 15 or more years may be paid in a direct trustee-to-trustee transfer to a designated beneficiary's Roth IRA if the funds have been in the qualified tuition program for at least five years. The designated beneficiary must be eligible to make a Roth IRA contribution and the amount of the rollover counts toward the Roth IRA contribution limit for the year. The total that a designated beneficiary may roll over from a qualified tuition program during his or her lifetime may not exceed \$35,000.

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

#### K. Repayments of Certain Distributions.

1. **Qualified Birth or Adoption Distributions.** If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.

2. **Terminal Illness Distributions.** If you have taken a distribution due to a terminal illness, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

3. **Domestic Abuse Distributions.** Beginning in 2024, if you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

4. **Emergency Personal Expense Distributions.** Beginning in 2024, if you had taken an emergency personal expense distribution, the distribution may be repaid within a three-year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made Roth IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.

5. **Qualified Disaster Recovery Distributions.** If you have taken a qualified disaster recovery distribution, the distribution may be recontributed to a Roth IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- L. **Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse’s Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse) and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- M. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.
- B. **Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.

## LIMITATIONS AND RESTRICTIONS

- A. **Spousal Roth IRA** – If you are married and have compensation for the taxable year for which the contribution is made, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.  
  
The amount you may contribute to your Roth IRA and your spouse’s Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$13,000 for 2023. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.  
  
If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse’s Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in 2024.
- B. **Gift Tax** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.
- D. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. **Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.
- E. **Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).
- F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, a federally-declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and 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.  
  
**Qualified Disaster Recovery Distributions.** If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

**Repayments of Withdrawals for Home Purchase.** If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1)

## OTHER

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

beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- G. **Coronavirus-Related Distributions (CRDs)** – If you qualified in 2020, you were able to 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 were a qualified individual if you (or your spouse or dependent) was diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you 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 have been made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elected 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 Roth IRA will be solely dependent upon the performance of any investment instrument chosen by you to fund your Roth IRA. Therefore, no projection of the growth of your Roth IRA can reasonably be shown or guaranteed.

There are certain fees and charges connected with the investments you may select for your Roth 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 Roth 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.