



Dear Roth IRA Beneficiary:

At GoldStar Trust Company, we understand how difficult it is to know and comprehend your options as the beneficiary of an IRA, as well as the paperwork needed to complete a desired transaction. We hope the enclosed forms and information provided will make this process as easy as possible.

As a nonspouse beneficiary, or a spouse beneficiary that is not the sole designated primary beneficiary of the deceased IRA holder, you have multiple options to choose from regarding the treatment of the IRA. The options available, as listed on the following page, depend on two things:

- 1) The type of IRA the original IRA holder owned (Traditional, SEP, or SIMPLE IRA vs. Roth IRA); and
- 2) The age of the IRA holder when he or she passed away. The age of the IRA holder is only applicable if the IRA held was a Traditional, SEP, or SIMPLE IRA

The beneficiary of an IRA holder who passed away on or after April 1st of the year following the year the IRA holder turned 70 ½ (the required beginning date) will have a different set of options than the beneficiary of an IRA holder that passed away before this date or who held a Roth IRA.

Simply complete the enclosed forms and mail to GoldStar Trust Company with any other required documents. Once all required items are received, your request will be processed.

Please call our Investor Services department at 1-800-486-6888 if you have any questions regarding this process or require any additional forms that are needed to complete your desired transaction.

Sincerely,

Investor Services Department



**ORIGINAL ROTH IRA OWNER INFORMATION**

Name of Deceased IRA Owner (first, middle, last) \_\_\_\_\_

Social Security # \_\_\_\_\_

Date of Owner's Death (month, day, year) \_\_\_\_\_ Date of Owner's Birth (month, day, year) \_\_\_\_\_

**NEW ROTH IRA OWNER INFORMATION**

Name (first, middle, last) \_\_\_\_\_

Address \_\_\_\_\_ Social Security # \_\_\_\_\_

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

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

**NEW ROTH IRA OWNER'S SIGNATURE**

\_\_\_\_\_ Date \_\_\_\_\_

**PLEASE SELECT ONE OPTION BELOW AS BENEFICIARY OF THE IRA**

**1. FIVE-YEAR RULE** \_\_\_\_\_

This option allows you a five-year period to distribute all assets from the deceased IRA holder's IRA. The five-year period ends on December 31 of the fifth year following the date of death.

**2. SINGLE LIFE EXPECTANCY PAYMENTS BEGUN BY 12/31 OF THE YEAR FOLLOWING THE YEAR OF DEATH** \_\_\_\_\_

This option allows you to inherit the IRA and begin taking minimum distributions, at least annually, by 12/31 of the year following the year of death. GoldStar will calculate the distribution amount needed for you.

**3. FULL WITHDRAWAL AND CLOSURE OF ACCOUNT** \_\_\_\_\_

This option will distribute all cash and assets in the account to the beneficiary. Once the assets in the account are distributed to the beneficiary, in-kind (or in cash if liquidated), the account will be closed.



**Required Documents to Complete the Transaction:**

- 1) Completed Inherited IRA Simplifier.
- 2) Copy of driver's license or passport.
- 3) Certified copy of the death certificate (a photocopy is not acceptable).
- 4) Completed IRA withdrawal statement (if making a withdrawal).
- 5) Liquidation paperwork (if needed).

*A spouse beneficiary that is not the sole designated beneficiary may take a distribution from the deceased IRA holder's IRA and roll it over to his or her own IRA within 60 days.*

# Inherited Roth IRA Simplifier<sup>®</sup>

## Inherited Roth Individual Retirement Account Application

INHERITED ROTH IRA HOLDER'S NAME AND ADDRESS			INHERITED ROTH IRA CUSTODIAN'S NAME, ADDRESS AND PHONE	
<b>Social Security Number</b>	<b>Home Phone</b>	<b>Business Phone</b>	<b>Inherited Roth IRA Account Identification</b>	
<b>Date of Birth</b>	<b>E-mail Address</b>		<input type="checkbox"/> Check here if this is an amendment to an existing inherited Roth IRA.	

ROLLOVER/TRANSFER INFORMATION		Inherited Roth IRA Contribution Type	
<b>Rollover/Transfer Date</b>	<b>Rollover/Transfer Amount</b>	<input type="checkbox"/> Rollover from eligible retirement plan	<input type="checkbox"/> Transfer from an existing eligible Roth IRA

PLAN PARTICIPANT'S OR ORIGINAL ROTH IRA HOLDER'S INFORMATION			
Name	Social Security Number	Date of Birth	Date of Death

PAYMENT ELECTION INFORMATION
<p>Has there been a payment election made for the assets you inherited from the employer-sponsored retirement plan or Roth IRA? ..... <input type="checkbox"/> YES <input type="checkbox"/> NO                      (If Yes, please provide additional information regarding the election below.)</p> <p>The previous payment election made (Select one.) <input type="checkbox"/> Five-Year Rule <input type="checkbox"/> Life Expectancy Payments*</p> <p>*If life expectancy payments are being taken, what is the date of birth of the individual whose life expectancy is being used to calculate the payment? _____</p> <p><b>NOTE:</b> If incorrect or incomplete information regarding a previous payment election is provided, the Custodian will not be held responsible for any penalties that may be incurred due to removing an insufficient amount.</p>

SIGNATURES												
<p><i>Important: Please read before signing.</i></p> <p>I understand the eligibility requirements for the type of inherited Roth IRA deposit I am making, and I state that I do qualify to make the deposit. I have received a copy of the Application, the 5305-RA Plan Agreement, the Financial Disclosure and the Disclosure Statement. I understand that the terms and conditions that apply to this inherited Roth IRA 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 inherited Roth IRA I may revoke it without penalty by mailing or delivering a written notice to the Custodian.</p> <p>I assume complete responsibility for:</p> <ol style="list-style-type: none"> <li>1. Determining that I am eligible to establish an inherited Roth IRA.</li> <li>2. Ensuring that all contributions I make are within the limits set forth by the tax laws.</li> <li>3. The tax consequences of any rollover or transfer contribution and distributions.</li> </ol> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; text-align: center;">_____</td> <td style="width: 40%; text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">(Inherited Roth IRA Owner)</td> <td style="text-align: center;">(Date)</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">(Witness)</td> <td style="text-align: center;">(Date)</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">(Authorized Signature of Custodian)</td> <td style="text-align: center;">(Date)</td> </tr> </table>	_____	_____	(Inherited Roth IRA Owner)	(Date)	_____	_____	(Witness)	(Date)	_____	_____	(Authorized Signature of Custodian)	(Date)
_____	_____											
(Inherited Roth IRA Owner)	(Date)											
_____	_____											
(Witness)	(Date)											
_____	_____											
(Authorized Signature of Custodian)	(Date)											

# INHERITED IRA DESIGNATION OF BENEFICIARY

*The term Inherited IRA will be used below to mean Traditional IRA, Roth IRA and SIMPLE IRA, unless otherwise specified.*

*The term Inherited IRA Holder is used below to mean the beneficiary who is entitled to receive distribution(s) from the Inherited IRA.*

*The Inherited IRA Holder is using this form to name his or her beneficiary(ies) of the Inherited IRA.*

INHERITED IRA HOLDER'S NAME AND ADDRESS			INHERITED IRA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS		
Social Security Number	Date of Birth	Home Phone	Inherited IRA Account Identification	Type of Inherited IRA	Trustee's or Custodian's Phone Number
				<input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> SIMPLE IRA	

Deceased IRA Holder's Name	Deceased IRA Holder's Social Security Number	Deceased IRA Holder's Account Identification	Prior Trustee's Or Custodian's Phone Number

## DESIGNATION OF BENEFICIARY(ies)

**Select One:**

- NAME/REPLACE BENEFICIARY(IES)** – I designate the individual(s) or entity named below as my primary and/or contingent beneficiary(ies) of this Inherited IRA and hereby revoke all prior beneficiary(ies) designations, if any, made by me.
- ADD BENEFICIARY(IES)** – I designate the individual(s) or entity named below as my primary and/or contingent beneficiary(ies) of this Inherited IRA. This list supplements, but does not replace, the beneficiary(ies) previously designated by me on the date specified. *(When adding beneficiaries, if the share % of previously designated beneficiary(ies) changes, restate all beneficiaries and the corresponding share % if the previous percentages are no longer correct.)*

\_\_\_\_\_ (Document beneficiary(ies) are listed on)

\_\_\_\_\_ (Date)

**If neither primary nor contingent is indicated, the individual or entity will be deemed to be a primary beneficiary.** If more than one primary beneficiary is designated and no distribution percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the Inherited IRA. Multiple contingent beneficiaries with no share percentage indicated will also be deemed to share equally. If any primary or contingent beneficiary dies before me, his or her interest and the interest of his or her heirs shall terminate completely, and the percentage share of any remaining beneficiary(ies) shall be increased on a pro rata basis. If no primary beneficiary(ies) survives me, the contingent beneficiary(ies) shall acquire the designated share of my Inherited IRA.

No.	Beneficiary's Name and Address	Date of Birth	Social Security Number	Relationship	Primary or Contingent	Share %
1.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
2.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
3.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
4.					<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%

### SPOUSAL CONSENT

*This section should be reviewed if either the trust or the residence of the Inherited IRA Holder is located in a community or marital property state and the Inherited IRA Holder is married. Due to the important tax consequences of giving up one's community property interest, individuals signing this section should consult with a competent tax or legal advisor.*

#### CURRENT MARITAL STATUS

- I Am Not Married** – I understand that if I become married in the future, I must complete a new Inherited 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.

I am the spouse of the above-named Inherited IRA Holder. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Due to the important tax consequences of giving up my interest in this Inherited IRA, I have been advised to see a tax professional.

I hereby give the Inherited IRA Holder any interest I have in the funds or property deposited in this Inherited 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 Trustee or Custodian.

\_\_\_\_\_  
(Signature of Spouse)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Date)

### SIGNATURES

I understand that I am responsible for determining my eligibility to change or add beneficiaries within the limits set forth by law, related regulations and plan agreements.

I also understand that if I am eligible to change or add beneficiaries, I may change or add beneficiaries at any time by completing and delivering the proper form to the Trustee or Custodian.

The Trustee or Custodian has provided no tax or legal advice to me regarding my beneficiary designations. Due to the important rules and tax consequences of naming, changing or adding beneficiaries, I have been advised to see a tax or legal professional before signing below.

\_\_\_\_\_  
(Inherited IRA Holder)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Date)

# SELF-DIRECTED ROTH IRA WITHDRAWAL STATEMENT

<b>ROTH IRA HOLDER'S NAME AND ADDRESS</b>	<b>ROTH IRA TRUSTEE'S OR CUSTODIAN'S NAME AND ADDRESS</b>

<b>Social Security Number</b>	<b>Date of Birth</b>	<b>Home Phone</b>	<b>Roth IRA Account Identification</b>	<b>Trustee's or Custodian's Phone Number</b>

**BENEFICIARY (or Former Spouse) INFORMATION**  
*This section should be completed by a beneficiary taking a death distribution or a former spouse taking a distribution as a result of a property settlement. DO NOT use this section to name or change your beneficiary(ies).*

**Beneficiary's (or Former Spouse's) Name and Address**

\_\_\_\_\_

\_\_\_\_\_

<b>Social Security Number</b>	<b>Date of Birth</b>
<b>Phone</b>	<b>Relationship</b>

**DISTRIBUTION INFORMATION**

*Until I give the Trustee or Custodian written instructions to the contrary, I direct the Trustee or Custodian to distribute the amount requested as follows.*

**Distribution Reason**

*I direct the Trustee or Custodian to make a distribution from the Roth IRA for the following reason.*

<input type="checkbox"/> Revocation	<input type="checkbox"/> Death
<input type="checkbox"/> Early Distribution	<input type="checkbox"/> Prohibited Transaction
<input type="checkbox"/> IRS Levy, Under Age 59½	<input type="checkbox"/> Roth Distribution, Over Age 59½
<input type="checkbox"/> Qualified Distribution	<input type="checkbox"/> Excess Contribution Removal *
<input type="checkbox"/> Disability	<input type="checkbox"/> Same Year Recharacterization
	<input type="checkbox"/> Prior Year Recharacterization

\*Is the excess contribution being removed before October 15 of the year following the year for which the contribution was made?\*

No.

Yes. Was the excess contribution made during the prior year?     Yes     No

\*\*Assumes the Roth IRA holder timely filed his or her federal income tax return. If the return was not timely filed, replace the October 15 date with the due date of the return (including extensions).

**WITHHOLDING ELECTION (Form W-4P/OMB No. 1545-0074)**  
*See Page 2 of this form for the withholding notice information. Complete for any distribution, except a transfer, recharacterization, or qualified distribution. If you are a nonresident alien, do not complete this section.*

**Select One:**

Withhold Federal income tax at a rate of \_\_\_\_\_% (not less than 10 percent) from the amount withdrawn.  
 Withhold additional Federal income tax of \_\_\_\_\_ (complete only if applicable).

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 of any distributions 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.

<b>Commencement Date</b>	<b>Distribution Amount</b>
	<input type="checkbox"/> Entire Account <input type="checkbox"/> Specify Amount \$ _____
<b>Frequency</b>	<b>Special Payment Instructions</b>
<input type="checkbox"/> One-time <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Other _____	<input type="checkbox"/> ACH – No fee – Direct Deposit form required. <input type="checkbox"/> Wire – \$25 fee – Wiring instructions required. <input type="checkbox"/> Check – \$5 fee If no option is chosen, withdrawal will be sent by check.

FINANCIAL INFORMATION			
Asset Description	Quantity Or Amount In Roth IRA	Quantity Or Amount To Be Distributed	Liquidate Immediately    Distribute At Maturity    Distribute In Kind
1.			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.			<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>Federal Withholding</b>	<b>Fees/Charges</b>	<b>Earnings Attributable to Excess</b>	<b>NET DISTRIBUTION AMOUNT</b>

**SIGNATURES**

I certify that I am the proper party to receive payment(s) from this Roth IRA and that all information provided by me is true and accurate. I have read and understand the Rules and Conditions Applicable to Withdrawals on page 2 of this form and agree to abide by those rules and conditions. No tax advice has been given to me by the Trustee or Custodian. All decisions regarding this withdrawal are my own. I expressly assume the responsibility for any adverse consequences which may arise from this withdrawal and I agree that the Trustee or Custodian shall in no way be held responsible.

_____	_____
(Roth IRA Holder, Beneficiary or Former Spouse)	(Date)
_____	_____
(Notary Public/Signature Guarantee)	(Date)
_____	_____
(Authorized Signature of Trustee or Custodian)	(Date)

# Rules And Conditions Applicable To Withdrawals

## GENERAL INFORMATION

You must supply all requested information so the Trustee or Custodian can do the proper tax reporting. You may not request a distribution on behalf of another beneficiary.

## DISTRIBUTION REASON

You are required to give the reason for taking a withdrawal from your Roth IRA. If more than one numeric reason applies, you must complete a separate Withdrawal Statement for each reason. If an alpha reason applies in addition to a numeric reason, complete only this Withdrawal Statement, specifying both distribution reasons. If you take a distribution (that is not rolled over) from a Roth IRA within the first five years of your initial Roth IRA contribution, you may be subject to an early distribution penalty and federal income taxes on the amount includible in your income. You must pay the appropriate penalty tax to the IRS. In addition, the Trustee or Custodian may impose substantial penalties for early withdrawal of the deposits. You will receive distribution reports from the Trustee or Custodian to assist you with reporting this income.

**Transfer.** A transfer may be made by a Roth IRA holder, surviving spouse beneficiary, or recipient under a transfer incident due to a divorce. In addition, the IRS has indicated that a nonspouse beneficiary can transfer the Roth IRA as long as the Roth IRA into which amounts are being moved is set up and maintained in the name of the deceased owner for the benefit of the beneficiary. No IRS reporting is required for a transfer.

**Revocation.** If you receive a disclosure statement at the time you establish your Roth IRA, you have the right to revoke your Roth IRA within seven days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. When reporting a revocation, the return of a regular or spousal contribution is reported on IRS Form 1099R using Code J. The return of a rollover, transfer, or conversion contribution is also reported on Form 1099R using Code J.

**Early Distribution.** If you are under age 59½ and take a distribution from your Roth IRA, you may be subject to the early distribution penalty. Unless an exception to the early distribution penalty applies, you must pay the appropriate penalty tax to the IRS. In addition, the Trustee or Custodian may impose substantial penalties for early withdrawal of time deposits. Roth IRA holders who roll a nonqualifying distribution over into another Roth IRA will not be subject to the early distribution penalty. An early distribution is reported on IRS Form 1099R using Code J. Code J is also used for distributions where neither Code Q nor Code T applies but the distribution qualifies for an exception to the 10 percent early distribution penalty. This would include any of the following: payments made to pay medical expenses which exceed 7.5 percent of your adjusted gross income; certain distributions to pay for health insurance if you have separated from employment; payments made to pay qualifying education expenses; certain first-time home buyer distributions (up to \$10,000); distributions taken for substantially equal periodic payments (as defined in IRC Section 72(t)(2)(A)(iv)); and qualified reservist distributions. To claim the exemption from the 10 percent early distribution penalty, you must file IRS Form 5329.

**IRS Levy, Under Age 59½.** If you are under age 59½ and take a distribution to which an exception under Internal Revenue Code section 72(t) applies for distributions made to pay an IRS levy, you are exempt from the early distribution penalty. The Trustee or Custodian may impose substantial penalties for early withdrawal of time deposits. A distribution due to IRS levy to a Roth IRA holder under age 59½ is reported on IRS Form 1099R using Code 2.

**Qualified Distribution.** If five years have passed since your initial Roth IRA contribution or conversion year, and either: (1) you are over age 59½, (2) your distribution is on account of death, or (3) you are disabled, then your distribution is a qualified distribution. Qualified distributions are reported on the IRS Form 1099R using Code Q. However, if qualified distributions are taken on account of the first-time homebuyer qualifying event, Code J is used on IRS Form 1099R.

**Disability.** You may take a distribution due to disability only if the disability renders you unable to engage in any substantial gainful activity and it is medically determined that the condition will last continuously for at least 12 months or lead to your death. You may be required to furnish proof of disability, in a form acceptable to the Trustee or Custodian, verifying your ability to use this distribution penalty exception. Disability distributions are reported on IRS Form 1099R using Code T, unless they are qualified distributions.

**Death.** If you are requesting a distribution as a beneficiary, the Trustee or Custodian may require you to furnish proof of death, in a form acceptable to the Trustee or Custodian, to verify your entitlement to receive the distribution. This proof should also be provided by surviving spouse beneficiaries electing to treat the Roth IRA as their own. Death distributions are reported on IRS Form 1099R using Code T, unless they are qualified distributions.

**Prohibited Transaction.** If you have performed a prohibited transaction as defined in IRC Section 4975(c), you may be subject to an IRS penalty. Prohibited distributions are reported on IRS Form 1099R using Code 5.

**Roth Distribution, Over Age 59½.** If you are over age 59½, you may take Roth IRA distributions at any time you wish without incurring an IRS early distribution penalty. Roth distributions to Roth IRA holders over age 59½ are reported on the IRS Form 1099R using Code T, unless they are qualified distributions.

**Excess Contribution Removal.** If you have made an excess contribution to your Roth IRA, you must take the appropriate steps to remove or redesignate the contribution. Depending upon when you take the necessary corrective action and the amount of the excess contribution, you may have to pay the IRS either an excess contribution or early distribution penalty tax, or both. Code 8J or PJ will be applicable on IRS Form 1099R depending on the timing of the removal and age of the Roth IRA holder.

**Same Year Recharacterization.** If you make a contribution to your Roth IRA, you may recharacterize the amount as a Traditional IRA contribution and the earnings attributable to a Traditional IRA before your tax return due date (including extensions) for such tax year. Recharacterization may also be used to reverse a conversion from a Traditional IRA or SIMPLE IRA to a Roth IRA. Recharacterizations that occur in the same year for which the contributions being recharacterized were made are reported on IRS Form 1099R using Code N.

**Prior Year Recharacterization.** If a recharacterization of a contribution, as described in the paragraph above, occurs after the year for which the contribution being recharacterized was made, Code R is used on IRS Form 1099R.

## WITHHOLDING NOTICE INFORMATION (Form W-4P/PMB NO. 1545-0074)

**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 Trustee or Custodian, to instruct your Trustee or Custodian 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 upon 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. However, qualified distributions from a Roth IRA are nontaxable and, therefore not subject to withholding.

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 Trustee or Custodian 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 Trustee or Custodian 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 Trustee or Custodian 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 Trustee or Custodian.

## SIGNATURES

Your signature is required to certify that the information you have provided is true and correct and that you are aware of all the circumstances affecting this Roth IRA withdrawal.



### SELF-DIRECTED IRA OR ESA

This account is termed a Self-Directed Individual Retirement Account (IRA) or Education Savings Account (ESA). You may direct the investment of your funds within this IRA or ESA into any investment instrument approved by, or through GoldStar Trust Company. GoldStar Trust Company will not exercise any investments discretion regarding your IRA or ESA, as this is solely your responsibility.

Because this is a Self-Directed IRA or ESA, no projection of the growth of your IRA or ESA can be reasonably shown or guaranteed. The value of your IRA or ESA will be solely dependent upon the performance of any investment instrument chosen by you.

#### INVESTMENT OPTIONS:

This is a Self-Directed IRA or ESA; you choose the investments which will fund your IRA or ESA. Your investment choices are limited to Church Bonds, Charter School Bonds, Church Loan and Extension Fund Investments, Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, Limited Liability Company Stock, American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries and approved bank accounts outside the U.S. Examples of investments not permitted in the Self-Directed IRA or ESA are Limited Partnerships, Real Estate, Collectibles, Viaticals, and Promissory Notes.

#### IRA AND ESA TYPES:

**Church Bond IRA or ESA** - May hold only Church or Charter School Bonds. Also includes Church Loan and Extension Fund Investments where the account holder pays the fee.

**Standard IRA or ESA** - May hold any number or combination of Fixed-Rate Investments, Bank Certificates of Deposit, Money Market Funds, Mutual Funds, Publicly Traded Securities in U.S. Exchanges, Privately Offered Stock, Brokerage Accounts, REITs, and Limited Liability Company Stock as well as Church or Charter School Bonds.

**Specialized IRA or ESA** - May hold any number or combination of American Eagle gold, silver, platinum and palladium coins, and other coins as allowed under Internal Revenue Code Section 408(m)(3) and other precious metals products that meet the minimum fineness requirements, Swiss Annuities, Treasuries, approved bank accounts outside the U.S. as well as any asset allowed in the Church Bond and/or Standard IRA or ESA.

FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
<b>ANNUAL MAINTENANCE FEE:</b>  The fee must be paid when the account is established and will be billed annually upon anniversary date.	\$45	\$50	Eight-hundredths of 1% (.0008) of total market <b>Minimum = \$60; Maximum = \$250</b>  Accounts with a total market value over \$75,000 will have a fee greater than \$60  The market value used to determine the fee will include any additional funds received within the first 30 days of the account being initially funded.
<b>FEES SPECIFIC TO TYPE OF ASSET:</b>  <i>Church and Charter School Bonds:</i> Purchase, Sale, Maturity or Call Above fees do not apply to any investments for which GoldStar is the paying agent and registrar. The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is <b>not</b> taken when the service is rendered.	\$5 Each	\$5 Each	\$5 Each
<i>All Allowable Assets other than Church Bonds, Precious Metals, Bank Accounts held outside the US, and Swiss Annuities</i> Purchase, Sale, Maturity or Call The fee for each applicable transaction completed during the year will be accrued and added to the annual maintenance fee billing. The fee is not taken when the service is rendered.	N/A	\$5 Each	\$5 Each
<i>Listed Securities and U.S. Treasuries:</i> Investment, Sale, Distribution, or Transfer Applies only to security trades transacted by GoldStar's omnibus account at Primevest Financial Services, Inc. and all U.S. Treasury Securities. Charged when the service is rendered.	N/A	Brokerage Fees (at cost) plus \$25	Brokerage Fees (at cost) plus \$25



FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
<b>BANK ACCOUNTS OUTSIDE THE U.S.:</b>			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$200
Currency Exchange Order	N/A	N/A	\$15
Additional Purchase and/or Liquidation Order <i>Charged when the service is rendered.</i>	N/A	N/A	\$75
<b>SWISS ANNUITIES:</b>			
Annual Asset Holding Fee <i>The fee must be paid when the account is established and will be billed annually with maintenance fee.</i>	N/A	N/A	\$25
Establishment, Distribution or Transfer	N/A	N/A	\$100
Modification or Surrender <i>Charged when the service is rendered.</i>	N/A	N/A	\$25
<b>PRECIOUS METALS:</b>			
One-Time Establishment Fee – Due with Application	N/A	N/A	Nonrefundable \$25
Investment or Liquidation – Processing Fee	N/A	N/A	\$40
Distribution or Transfer	N/A	N/A	\$25
Coin/Bar Shipping and Handling to a Dealer, Supplier, or a Different Depository <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Plus \$10
Coin/Bar Shipping and Handling Directly to the Account Holder <i>Charged when the service is rendered.</i>	N/A	N/A	Cost of Shipping and Insurance Cash on Delivery. COD - Cash on Delivery
<b>PRECIOUS METALS STORAGE FEE:</b>			
The fee must be paid when the account is established and will be billed annually in the month that the depository first received notification of the metals to be purchased.	N/A	N/A	\$1.00 per \$1,000 of value (10 basis points) with a \$100 minimum storage fee. No maximum fee.
The market value used to determine the fee will include the value of all metals reported to the depository to be purchased within the first 30 days of the initial purchase.			Accounts holding metals with values in excess of \$100,000 will have a storage fee greater than \$100.
<b>GENERAL ACCOUNT ADMINISTRATION FEES: Charged when the service is rendered.</b>			
Distribution Via Check Fee	\$5	\$5	\$5
Distribution Via Wire Fee	\$25	\$25	\$25
Distribution Via ACH Fee	Free	Free	Free
Periodic Distributions Via ACH Fee	Free	Free	Free
Wire Transfer Fee	\$25	\$25	\$25
Overnight Fee	\$25	\$25	\$25
Partial Transfer Fee	\$25	\$25	\$25
Roth Conversion Fee	\$25	\$25	\$25
Research Assistance Fee	\$25	\$25	\$25
Insufficient Funds / Returned Check Fee	\$50	\$50	\$50
Late Fees <i>Any fees not paid within 30 days of the due date will have late fees accrue at the rate of .0083 per month or 10% per annum</i>	.0083 per month or 10% per annum	.0083 per month or 10% per annum	.0083 per month or 10% per annum



FEES	CHURCH BOND IRA OR ESA	STANDARD IRA OR ESA	SPECIALIZED IRA OR ESA
<b>CASH MANAGEMENT FEE:</b>	GoldStar Trust Company receives a monthly record keeping fee on the uninvested cash equal to .000833 or 1.00% per annum. If and when the interest rate earned on the uninvested cash in a given month is below 1.15%, .15% will be paid on the uninvested cash and the difference will be retained as the record keeping fee. Interest earnings will be posted monthly to each account. Accounts that close during a month will not earn interest for that month.		
<b>TERMINATION FEES:</b>			
Full Termination Fee	\$50	\$50	\$50

**RIGHT TO MAKE ADJUSTMENTS TO THIS FEE SCHEDULE:**

GoldStar Trust Company reserves the right to make any adjustments in its fees for custodial or agency services when such adjustments are warranted by changes in governing laws, regulations operating technology or economic conditions. This schedule may be modified only upon revision by GoldStar of its published schedule of IRA fees. Such fees shall become effective on the 30th day after mailing the notice of such revision to the participant at the address shown on the records of GoldStar.

**EARNINGS:**

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. The valuations of nonstandard assets such as Privately Offered Stock and other Private Placement Investments are reported at either the most recent price provided to the custodian by the investment issuer or at investment cost. Nonstandard assets are generally illiquid, and the custodian does not seek to verify the valuations provided to it by the investment issuer. The custodian does not guarantee that the reported valuation could be received in the event the position was sold or liquidated. As such, the reported valuation may be different from the actual value and should be used as guidance and for reporting purposes only since the valuation was not obtained or verified by a third party.

Custodian shall be under no obligation to forward any proxies, financial statements or other literature received by it in connection with or relating to Custodial Property held under this agreement. Custodian shall be under no obligation to take any action with regard to proxies, stock dividends, warrants, rights to subscribe, plans of reorganization or recapitalization, or plans for exchange of securities.



Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) authorizes and requires the Department of the Treasury to add to its rules for banks to establish Customer Identification Programs. Previously, trust companies were not treated as banks and trust relationships were not treated as "accounts." However, GoldStar and the GoldStar IRA account establishment process are now subject to these requirements.

## **NOTICE**

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, residence address, social security number, date of birth, and other information that will allow us to identify you. We may also ask for copies of your passport, driver's license or other identifying documents.

For Precious Metals IRAs: a non-refundable Establishment Fee of \$25 is due with application.

We are required to compare your identity to lists of persons and organizations maintained by any federal agency designated by the Department of the Treasury. If your name appears on any of these lists, we must refuse to open your account, close your account if it is already open, notify federal authorities, and follow all federal directives. If you attempt to falsify or conceal your identity, we may be required to file a Suspicious Activity Report.

We may also use independent sources to verify identifying information. Federal law requires us to retain the identification information for a certain period of time (currently five years after closing your account), and may require that we provide this information to federal authorities without notice to you.

This notice is in addition to our Privacy Disclosure and may describe potential disclosures of non-public personal information that were not known to us at the time that the Privacy Disclosure was prepared.



## **IDENTIFYING DOCUMENTS REQUESTED**

The easiest means for GoldStar to comply is to receive documents with your application, such as:

- Any document with your notarized signature
- A notarized copy of your passport or driver's license or other state-issued photo ID that is not expired
- An ordinary copy of your unexpired photo ID, if GoldStar is able to complete other procedures



## **IDENTIFYING DOCUMENTS REQUIRED**

If you intend to direct investment outside the U.S., GoldStar will require a notarized copy of your passport (or driver's license if you do not have a passport). This may be the same document that is to be forwarded to a non-U.S. bank.



## **QUESTIONS OR CONCERNS?**

GoldStar Trust Company  
Investor Services Department  
P.O. Box 719  
Canyon, TX 79015  
(800) 486-6888

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

FORM (REV. MARCH 2002)

The Depositor named on the Application is establishing a Roth Individual Retirement Account 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 rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single Depositor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married Depositor filing jointly, between AGI of \$150,000 and \$160,000; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the Custodian will not accept IRA Conversion Contributions in a tax year if the Depositor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the Depositor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

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 (a) below or, if elected or there is no designated beneficiary, in accordance with (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 1 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 Inherited Roth IRA Owner, the words "we," "us" and "our" mean the Custodian. "Inherited Roth IRA Owner" means the individual establishing this inherited Roth IRA with either a rollover contribution of Roth elective deferrals and their earnings from an inherited 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity or a transfer from an inherited Roth IRA, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.

9.02 *Notices and Change of Address:* Any required notice regarding this inherited Roth IRA will be considered effective when we send it to the intended recipient at the last address which 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, or if we receive ambiguous directions regarding any transaction, or 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 shall 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 shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with your inherited 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), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We shall 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 sixty (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 shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement we are acting as your agent. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall 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.

9.04 *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 inherited 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 inherited 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 inherited Roth IRA at our discretion. We reserve the

right to charge any additional fee upon 30 days notice to you that the fee will be effective. 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 inherited Roth IRA.

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

9.05 *Restriction on Contributions to the Inherited Roth IRA:* Your inherited Roth IRA may only receive direct rollover contributions of designated Roth deferrals and their earnings distributed from a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity after December 31, 2006, that you inherited as a nonspouse beneficiary, or a transfer from a Roth IRA that you inherited as a beneficiary. You may not make any regular annual contributions to this inherited Roth IRA.

9.06 *Investment of Amounts in the Inherited Roth IRA:* You have exclusive responsibility for and control over the investment of the assets of your inherited Roth IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which 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 successor beneficiary(ies) shall have the right to direct the investment of your inherited 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 shall have no discretion to direct any investment in your inherited Roth IRA. We assume no responsibility for rendering investment advice with respect to your inherited 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 inherited Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall 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 inherited Roth IRA unless you provide timely written directions acceptable to us.

You will select the type of investment for your inherited Roth IRA assets, provided, however, that your selection of investments shall be limited to those types of investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in inherited Roth IRAs. We may, in our sole discretion, make available to you, additional investment offerings, which shall 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 *Successor Beneficiary(ies):* If permitted by state law, we may allow you to name a successor beneficiary(ies) 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 your lifetime. Unless otherwise specified, each inherited Roth IRA beneficiary designation form that you file with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for you to revoke a successor beneficiary(ies) designation. If you do not designate a successor beneficiary(ies), your estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for you.

9.08 *Required Minimum Distributions:* You are required to take minimum distributions from your inherited Roth IRA. The options available to you as a nonspouse beneficiary are determined according to the type of plan you have inherited and are described below. Any payment elections you either made or defaulted to under the 401(k) or 403(b) generally carry over to the inherited Roth IRA.

a. **Nonspouse Beneficiary of a 401(k) or 403(b) Plan Containing Roth Elective Deferrals** – The options available to you if you are a nonspouse beneficiary of a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity containing Roth elective deferrals are described below.

(i) If the original participant died on or after the required beginning date, the remaining interest will be distributed over the designated beneficiary's remaining life expectancy as determined in the year following the death of the original participant and reduced by one for each subsequent year or, if longer, over the remaining life expectancy of the original participant as determined in the year of the participant's death and reduced by one for each subsequent year.

(ii) If the original participant died before the required beginning date, the plan may provide that the remaining interest will be distributed in accordance with (1) or (2) below:

(1) the remaining interest will be distributed over the designated beneficiary's remaining life expectancy as determined in the year

following the death of the original participant and reduced by one for each subsequent year, starting by the end of the calendar year following the year of the original participant's death, or if there is no designated beneficiary, the remaining interest will be distributed in accordance with (2) below.

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

b. **Nonspouse Beneficiary of a Roth IRA** – If you are a nonspouse beneficiary of a Roth IRA, your required minimum distribution options are described in Article V. If you elect to take life expectancy payments, the payment must be removed each year by December 31.

If you have previously made a distribution election with the prior 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity or Roth IRA, you may not extend the distribution period for that election by moving it to an inherited Roth IRA. An exception applies if you have inherited a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity and previously elected or defaulted to the five-year rule. The five-year rule payment election may be changed to a life expectancy payment election if a life expectancy-based payment is taken by December 31 of the year following the year of the original owner's death.

If you have elected to take life expectancy payments and fail to request your required minimum distribution by December 31, we can, at our complete and sole discretion, do any one of the following:

- make no distribution until you give us a proper withdrawal request;
- distribute your entire inherited Roth IRA to you in a single sum payment; or
- determine your required minimum distribution from your inherited Roth IRA each year based on your life expectancy, calculated using the single life table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise.

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

9.09 *Termination of Agreement, Resignation, or Removal of Custodian:* Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your inherited Roth IRA to another financial organization. If you do not complete a transfer of your inherited Roth IRA within 30 days from the date we mail the notice to you, we have the right to transfer your inherited Roth IRA assets to a successor inherited Roth IRA custodian or trustee that we choose in our sole discretion, or we may pay your inherited Roth IRA to you in a single sum. We shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, 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 inherited 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 inherited Roth IRA;
- any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your inherited Roth IRA.

If we are 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, after notifying you, require you to substitute another trustee or custodian.

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

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

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

- 9.12 *Withdrawals or Transfers:* All requests for withdrawal or transfer shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.

At your death your successor beneficiary(ies), if any, must continue taking distributions in accordance with the distribution method you had chosen. We will make no distributions to you from your inherited Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

- 9.13 *Liquidation of Assets:* We have the right to liquidate assets in your inherited Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties or surrender charges properly chargeable against your inherited 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 not to hold us liable for any adverse consequences that result from our decision.

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

The assets in your inherited Roth IRA shall 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 shall govern.

If any part of this Agreement is held to be illegal or invalid, the remaining parts shall 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 shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

## General Instructions

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

### Purpose of Form

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A and has been pre-approved 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 5 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, Individual Retirement Arrangements (IRAs)**.

### Definitions

**IRA Conversion Contributions.** IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

**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.

## Specific Instructions

**Article I.** The Depositor may be subject to a 6% 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. The Depositor should see the Disclosure Statement or Pub. 590 for more information.

**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 3 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.

# DISCLOSURE STATEMENT

## RIGHT TO REVOKE YOUR INHERITED ROTH IRA

You have the right to revoke your inherited Roth IRA within seven (7) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the contribution you made to your inherited 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 inherited Roth IRA, please call the Custodian at the telephone number listed on the Application.

## REQUIREMENTS OF AN INHERITED ROTH IRA

- A. **CONTRIBUTIONS** – Your contribution must be either a rollover contribution from an inherited qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, or a transfer contribution from an inherited Roth IRA. Your rollover or transfer contribution may be in cash and/or property.
- B. **ANNUAL CONTRIBUTIONS** – You may not make regular annual contributions to your inherited Roth IRA.
- C. **NONFORFEITABILITY** – Your interest in your inherited Roth IRA is nonforfeitable.
- D. **ELIGIBLE CUSTODIANS** – The Custodian of your inherited Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- E. **COMMINGLING ASSETS** – The assets of your inherited Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- F. **LIFE INSURANCE** – No portion of your inherited Roth IRA may be invested in life insurance contracts.
- G. **COLLECTIBLES** – You may not invest the assets of your inherited Roth IRA in collectibles (within the meaning of Code section 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 Code section 408(m)(3)) are also permitted as Roth IRA investments.
- H. **REQUIRED MINIMUM DISTRIBUTIONS** – You are required to take minimum distributions from your inherited Roth IRA at certain times in accordance with Regulations section 1.408-8. The calculation of the required minimum distribution is based, in part, on determining the original owner's designated beneficiary. A designated beneficiary is determined based on the beneficiary(ies) designated as of the date of the original owner's death, who remain beneficiary(ies) as of September 30 of the year following the year of the original owner's death. Any payment elections you either made or defaulted to under an inherited retirement plan or Roth IRA generally carry over to this inherited Roth IRA. Below is a summary of the inherited Roth IRA rules.

1. If you are the nonspouse beneficiary of a deceased retirement plan participant, and the original owner died
  - (a) on or after the original owner's required beginning date, distributions must be made to you over the longer of your single life expectancy, or the original participant's remaining life expectancy. If the original owner's designated beneficiary was not an individual or qualified trust as defined in the Regulations, the original retirement plan will be treated as having no designated beneficiary for purposes of determining the distribution period. If there is no designated beneficiary of the original retirement plan, distributions will commence using the original participant's single life expectancy, reduced by one in each subsequent year, or
  - (b) before the original participant's required beginning date, the entire amount remaining in the account will, at your election, either
    - (i) be distributed by December 31 of the year containing the fifth anniversary of the original participant's death, or
    - (ii) be distributed over your remaining single life expectancy.

As a designated beneficiary of the original participant, you must elect either option (i) or (ii) by December 31 of the year following the year of the original participant's death. If no election is made, the distribution will be calculated in accordance with option (ii). In the case of distributions under option (ii), distributions must commence by December 31 of the year following the year of the original participant's death. If the original

participant's designated beneficiary is not an individual or qualified trust as defined in the Regulations, the original retirement plan will be treated as having no designated beneficiary(ies) for purposes of determining the distribution period. If there is no designated beneficiary of the original retirement plan, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original participant's death.

If you have inherited a retirement plan and have either elected or defaulted to payments under the five-year rule, you may change to a life expectancy payment election if a life-expectancy based payment is taken by December 31 of the year following the year of the original participant's death.

2. If you are the nonspouse beneficiary of a deceased Roth IRA owner, the entire amount remaining in the inherited account will, at your election, either
  - (a) be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death, or
  - (b) be distributed over your remaining life expectancy.

As a designated beneficiary of the original Roth IRA owner, you must elect either option (a) or (b) by December 31 of the year following the year of the original Roth IRA owner's death. If no election is made, the 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 the original Roth IRA owner's death. If the original Roth IRA owner's designated beneficiary is not an individual or qualified trust as defined in the Regulations, the original Roth IRA will be treated as having no designated beneficiary(ies) for purposes of determining the distribution period. If there is no designated beneficiary of the original Roth IRA, the entire inherited Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of the original Roth IRA owner's death.

## INCOME TAX CONSEQUENCES OF ESTABLISHING AN INHERITED ROTH IRA

- A. **TAX-DEFERRED EARNINGS** – The investment earnings of your inherited Roth IRA are not subject to federal income tax as they accumulate in your inherited Roth IRA. In addition, distributions of your inherited Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.
- B. **TAXATION OF DISTRIBUTIONS** – The taxation of inherited Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.
  1. **Qualified Distributions** – Qualified distributions from your inherited 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 a five-year period. The five-year period for assets inherited from a Roth IRA owner begins January 1 of the first year for which the original Roth IRA owner made a contribution to any Roth IRA (including a conversion from a Traditional IRA). The five-year period for assets inherited from a Roth 401(k) or 403(b) plan begins January 1 of the year the assets are rolled over to an inherited Roth IRA.
  2. **Nonqualified Distributions** – If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your inherited Roth IRA will be included in your gross income. However, when you take a distribution, the amounts the original Roth IRA, Roth 401(k) or Roth 403(b) owner contributed annually to the Roth IRA, Roth 401(k) or Roth 403(b) will be deemed to be removed first, followed by conversion or 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 the annual contributions, conversion and rollover contributions. These "ordering rules" are complex. If you have any questions regarding the taxation of distributions from your inherited Roth IRA, please see a competent tax advisor.
- C. **ROLLOVERS AND TRANSFERS** – Your inherited Roth IRA may receive a rollover contribution from an inherited qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, or a transfer from another inherited Roth IRA. Rollover is a term used to describe a direct movement of cash or other property to your inherited Roth IRA from an eligible retirement plan that you have inherited as an eligible beneficiary. The rollover and transfer rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or transfer, please see a competent tax advisor.
  1. **Roth IRA to Inherited Roth IRA Transfers** – Funds you have inherited from a deceased Roth IRA owner may be directly transferred to an inherited Roth IRA.

2. **Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals to an Inherited Roth IRA** – If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k) or 403(b) 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. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
3. **Rollovers from Eligible Retirement Plans to an Inherited Roth IRA** – If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. If your MAGI is not more than \$100,000 and you are not married filing a separate income tax return, you may directly roll over an eligible rollover distribution from the retirement plan to an inherited Roth IRA. Beginning in 2010, the \$100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated. The amount of the rollover from the retirement plan shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any after-tax contributions). Although the rollover amount is generally included in income, the 10 percent early distribution penalty shall not apply to rollovers from an eligible retirement plan to an inherited Roth IRA.
4. **Written Election** – At the time you make a proper rollover to an inherited Roth IRA, you must designate in writing to us, your election to treat that contribution as a rollover. Once made, the election is irrevocable.

#### LIMITATIONS AND RESTRICTIONS

- A. **GIFT TAX** – Transfers of your inherited Roth IRA assets to a successor beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.
- B. **SPECIAL TAX TREATMENT** – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to inherited Roth IRA distributions.
- C. **INCOME TAX TREATMENT** – Any nonqualified withdrawal of earnings from your inherited Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your inherited Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.
- D. **PROHIBITED TRANSACTIONS** – If you or any successor beneficiary engage in a prohibited transaction with your inherited Roth IRA, as described in Code section 4975, your inherited Roth IRA will lose its tax-deferred or tax-exempt status, and you must generally include the value of the earnings in your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your inherited Roth IRA: (1) taking a loan from your inherited Roth IRA; (2) buying property for personal use (present or future) with inherited Roth IRA funds; or (3) receiving certain bonuses or premiums because of your inherited Roth IRA.
- E. **PLEDGING** – If you pledge any portion of your inherited 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 the taxable year in which you pledge the assets to the extent it represents earnings.

#### FEDERAL TAX PENALTIES

- A. **EARLY DISTRIBUTION PENALTY** – The additional 10 percent early distribution penalty tax will not apply to any distributions taken from the inherited Roth IRA since these distributions are considered death distributions, which is an early distribution penalty exception.
- B. **EXCESS ACCUMULATION PENALTY** – As previously described, you or your successor beneficiary(ies) are generally required to take certain required minimum distributions. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.
- C. **PENALTY REPORTING** – You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

#### OTHER

- A. **IRS PLAN APPROVAL** – The Agreement used to establish this inherited Roth IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **ADDITIONAL INFORMATION** – You may obtain further information on Roth IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-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. 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.