



# INHERITED IRA APPLICATION TO PARTICIPATE - TRADITIONAL

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Print your responses for all fields, including the Spousal Consent section (if applicable).

## Inherited IRA Owner

Married (including legally separated)

Unmarried (single, divorced, widowed)

FIRST NAME                      M.I.                      LAST NAME / SUFFIX                      SSN / TAX ID NUMBER                      DATE OF BIRTH

RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)                      PERSONAL PHONE                      WORK PHONE

CITY                      STATE                      ZIP

OCCUPATION (IF RETIRED, HOMEMAKER, UNEMPLOYED, OR STUDENT, STATE SO HERE)                      EMPLOYER (IF SELF-EMPLOYED, STATE BUSINESS NAME HERE)

## Decedent

FIRST NAME                      M.I.                      LAST NAME / SUFFIX                      SSN / TAX ID NUMBER                      DATE OF BIRTH

DATE OF DEATH                      RELATIONSHIP

## Successor Beneficiary Designation

All Primary and/or Contingent beneficiary allocations must equal 100% for each beneficiary type.

### Successor Primary Beneficiary

FIRST NAME                      M.I.                      LAST NAME / SUFFIX                      SSN / TAX ID NUMBER                      DATE OF BIRTH

RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)                      RELATIONSHIP                      PERCENTAGE (%)

CITY                      STATE                      ZIP



# INHERITED IRA APPLICATION TO PARTICIPATE - TRADITIONAL

## Successor Beneficiary Designation (continued)

### Successor Primary Beneficiary

### Successor Contingent Beneficiary

FIRST NAME	M.I.	LAST NAME / SUFFIX	SSN / TAX ID NUMBER	DATE OF BIRTH
RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)			RELATIONSHIP	PERCENTAGE (%)
CITY		STATE	ZIP	

### Successor Primary Beneficiary

### Successor Contingent Beneficiary

FIRST NAME	M.I.	LAST NAME / SUFFIX	SSN / TAX ID NUMBER	DATE OF BIRTH
RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)			RELATIONSHIP	PERCENTAGE (%)
CITY		STATE	ZIP	

### Successor Primary Beneficiary

### Successor Contingent Beneficiary

FIRST NAME	M.I.	LAST NAME / SUFFIX	SSN / TAX ID NUMBER	DATE OF BIRTH
RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)			RELATIONSHIP	PERCENTAGE (%)
CITY		STATE	ZIP	

### Successor Primary Beneficiary

### Successor Contingent Beneficiary

FIRST NAME	M.I.	LAST NAME / SUFFIX	SSN / TAX ID NUMBER	DATE OF BIRTH
RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)			RELATIONSHIP	PERCENTAGE (%)
CITY		STATE	ZIP	



## Successor Beneficiary Designation (continued)

Successor Primary Beneficiary		Successor Contingent Beneficiary		
FIRST NAME	M.I.	LAST NAME / SUFFIX	SSN / TAX ID NUMBER	DATE OF BIRTH
RESIDENTIAL STREET ADDRESS (NO PO BOX, BUS., OR MAIL DROP)		RELATIONSHIP		PERCENTAGE (%)
CITY	STATE	ZIP		

## Beneficiary Election

### BENEFICIARY ELECTION - DEATH ON OR AFTER 1/1/2020

NO DESIGNATED BENEFICIARY (BENEFICIARY IS NOT AN INDIVIDUAL)

I'll withdraw all assets by December 31 of the fifth year after the year the IRA owner died.

DESIGNATED BENEFICIARY OTHER THAN ELIGIBLE DESIGNATED BENEFICIARY (SEE BELOW)

I'll withdraw all assets by December 31 of the tenth year after the year the IRA owner died.

ELIGIBLE DESIGNATED BENEFICIARY

Complete this section if you're the IRA owner's surviving spouse beneficiary.

I'll withdraw all assets by December 31 of the tenth year after the year the IRA owner died.

I'll withdraw all assets in a series of payments over a period not longer than my single life expectancy. I'll begin distributions by December 31 of the later of: (1) the year the IRA owner would have attained age 73 or (2) the year following the year the IRA owner died. My life expectancy will be recalculated each year.

Note: As the IRA owner's spouse, you may be allowed to roll over or transfer the assets of this IRA to your own IRA.

Complete this section if you're the Guardian for the IRA owner's minor child, or if the IRA beneficiary is disabled or chronically ill, or if the IRA beneficiary isn't more than ten years younger than the IRA owner.

I'll withdraw all assets by December 31 of the tenth year after the year the IRA owner died.

I'll withdraw all assets in a series of payments over a period not longer than my single life expectancy. I'll begin distributions by December 31 of the year following the year the IRA owner died. My life expectancy will be reduced by one each year.

Note: If the IRA owner's beneficiary is a minor child, they may continue the life expectancy payments until they reach the age of majority. At that time, they must withdraw all assets by December 31 of the tenth year after the year they reach the age of majority.

### BENEFICIARY ELECTION - DEATH BEFORE 1/1/2020

Complete this section only if the owner dies before the required beginning date which is April 1 of the year following the year the IRA Owner attained the age of 70½.

I'll withdraw all assets by December 31 of the tenth year after the year the IRA owner died.

I'll withdraw all assets in a series of payments over a period not longer than my single life expectancy. I'm a:

SPOUSE BENEFICIARY - I will begin distributions by December 31 of the later of:

1. the year the IRA owner would have attained age 70½, or
2. the year following the year the IRA owner died. My life expectancy will be recalculated each year.

NON-SPOUSE BENEFICIARY - I'll begin distributions by December 31 of the year following the year the IRA owner died. My life expectancy will be reduced by one each year.



Beneficiary Election (continued)

**BENEFICIARY ELECTION - DEATH BEFORE 1/1/2020** (continued)

For the year of the IRA owner's death, if the IRA owner didn't take the required minimum distribution prior to death, the required minimum death distribution is the IRA owner's undistributed required minimum distribution for the year. For subsequent years, the required minimum death distribution will be determined as follows:

**SPOUSE BENEFICIARY**

I'll withdraw the assets in a series of payments over a period not to exceed the longer of:

1. my single life expectancy, determined as of my attained age each year or
2. the IRA owner's single life expectancy (based on the IRA owner's age on his birthday in the year of death and reduced by one each year thereafter).

**NON-SPOUSE BENEFICIARY**

I'll withdraw the assets in a series of payments over a period not to exceed the longer of:

1. my single life expectancy (based on my age on my birthday in the year after the year the IRA owner died and reduced by one each year thereafter) or
2. the IRA owner's single life expectancy (based on the IRA owner's age on his birthday in the year of death and reduced by one each year thereafter).

**NON-LIVING-INDIVIDUAL BENEFICIARY**

The assets will be withdrawn in a series of payments over a period not longer than the IRA owner's non-recalculated single life expectancy (based on the IRA owner's age on his birthday in the year of death and reduced by one each year thereafter).

Signature

I, the undersigned Inherited IRA Owner, hereby designate the above persons/entities as my primary and contingent beneficiary(ies) for this Inherited IRA Plan, payable by reason of my death. (If a trust is a named beneficiary, I must provide a copy of the trust document.) If primary or contingent isn't indicated, each beneficiary will be designated a primary. Unless otherwise requested herein, each payment made pursuant to this designation: (a) shall be paid to the primary beneficiary(ies) who are living at the time of my death; or (b) if no primary beneficiary(ies) shall be living at the time of my death, such payment shall be made to the contingent beneficiary(ies) who are then living. I have the right to change this beneficiary designation at any time. If a beneficiary isn't properly designated or if no primary or contingent beneficiary survives the IRA owner, payments shall be made to my surviving spouse or, if I don't have a surviving spouse, to my estate.

I certify that the information provided by me is true, complete and accurate, and that I have received a copy of the Application to Participate, Custodial Account Agreement and Disclosure Statement, Financial Disclosure and the Deposit Account Agreement (collectively the "Documents"). I have read the Documents and agree to be bound by their terms and conditions. I understand that the designation of the tax year for my contribution and my election to treat a contribution as a rollover (if applicable) are irrevocable. I haven't received any tax or legal advice from Ally Bank ("Custodian") and assume sole responsibility for all tax consequences associated with my contributions and distributions, determining that I'm eligible for all IRA deposits (contributions, transfers or rollovers) to this Inherited IRA Plan, and ensuring that such deposits are in compliance with all tax laws. I'll seek the advice of my tax professional when appropriate. I understand that within seven (7) days from the date I open this Inherited IRA Plan I may revoke it without penalty as described in the Documents. I won't, nor will my spouse, heir, beneficiaries, or any other party, hold the Custodian liable for any adverse consequences that may result from my actions or designations. I release the Custodian and agree to hold the Custodian harmless against any and all claims and situations arising from actions taken by me.

INHERITED IRA OWNER SIGNATURE

DATE



# INHERITED IRA APPLICATION TO PARTICIPATE - TRADITIONAL

## Spousal Consent

For use in community/marital property states AZ, CA, ID, LA, NV, NM, TX, WA, WI (marital property state) and AK (a married couple can make a community property election)

### INHERITED IRA OWNER

I'm married. I understand that if I want to name a primary beneficiary other than my spouse, my spouse's notarized signature appears below.

I'm not married. I understand that if I become married in the future, I must complete an IRA Change of Beneficiary form which includes spousal consent documentation.

### INHERITED IRA OWNER SPOUSE (IF APPLICABLE)

I acknowledge and agree that my spouse, the Inherited IRA Owner, has and will name a primary beneficiary or a percentage of less than 100% to someone other than me for the Inherited IRA Plan noted above. By signing below, I transfer any and all interest I may have in this Inherited IRA Plan to my spouse, the Inherited IRA owner. I agree to seek the advice of a legal or tax professional, as needed.

SPOUSE SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

State of \_\_\_\_\_ County of \_\_\_\_\_

On this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, the undersigned Notary Public, personally appeared \_\_\_\_\_,

Personally known to me

OR

Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and has hereby acknowledged to me that he/she/they have executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Notary Signature: \_\_\_\_\_

# Traditional Individual Retirement Custodial Account

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

## Introduction

The Depositor named on the Application to Participate is establishing a Traditional Individual Retirement Account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the Application to Participate has given the Depositor the disclosure statement required under Regulations section 1.408-6. The Depositor has assigned the custodial account the sum indicated on the Application to Participate in cash.

The Depositor and the Custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

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

## ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

(a) A single sum or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

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

(ii) The designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

(iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

(b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below:

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.

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

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

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

determined as follows:

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

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

## ARTICLE V

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

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

1. **Amendments**—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

2. **Responsibilities**—The Custodian shall receive all contributions, shall make distributions and pay benefits from the custodial account, shall file such statements or reports as may be required, and do other things as may be required of a Traditional IRA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the custodial account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this agreement and no responsibility for the administration of the custodial account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this Traditional IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying the required minimum distribution. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

3. **Resignation, Removal and Appointment of Custodian**—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the Traditional IRA, the resigning Custodian has the right to appoint a successor Custodian of the IRA or, at its sole discretion, the resigning Custodian may transfer the Traditional IRA to a successor Custodian or distribute the Traditional IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Traditional IRA.

4. **Applicable Law**—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 the Custodian's domicile shall govern.

5. **Severability**—If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

## General Instructions

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

## Purpose of Form

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

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

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

## Definitions

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

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

## Traditional IRA for Nonworking Spouse

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

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

## Specific Instructions

**Article IV.** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the Depositor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

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

## Congratulations

The earnings and/or investment gain on the inherited Traditional IRA accumulate tax-deferred until distributed. This means you pay no federal income tax on the inherited Traditional IRA earnings and/or investment gain until you withdraw the inherited Traditional IRA funds.

This booklet, containing the inherited Traditional IRA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to the inherited Traditional IRA.

Thank you for allowing us to maintain the inherited Traditional IRA. We're here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

## Application to Participate

The Application is used to record all of the participant information necessary to establish the inherited Traditional IRA. It is important that all of the information be completed.

## Traditional Individual Retirement Custodial Account Agreement

This is the legal document that defines the Internal Revenue Service's rules and regulations for Traditional IRAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes the inherited Traditional IRA with our organization.

# Inherited Traditional Individual Retirement Custodial Account Disclosure Statement

## Introduction

This disclosure statement describes the statutory and regulatory provisions applicable to the operation and tax treatment of the inherited Traditional Individual Retirement Account (inherited Traditional IRA). It is intended to provide you with a clear explanation of the rules governing the inherited Traditional IRA. Please review the disclosure carefully.

Because of the complexity of the rules, you should consult with your own tax advisor if you have any questions about this material. Additional information concerning Traditional IRAs can be obtained from any district office of the Internal Revenue Service (IRS) and IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

## Revocation of Account

**Procedure.** IRS regulations require that this disclosure statement be given to you at least seven days before the account is established, or on the date the account is established if you may revoke the account within at least seven days after it is established. The inherited Traditional IRA described in this statement provides for delivery of the required disclosure statement at the time the inherited Traditional IRA is established. Accordingly, you are entitled to revoke the inherited Traditional IRA for any reason within seven days after the date it is established. Such revocation may be made only by written notice mailed or delivered to the person and the Financial Institution at the address indicated in the Revocation box on the inherited Traditional IRA Application to Participate. If mailed, the revocation notice shall be deemed mailed on the date of the postmark if deposited in the mail in the United States in an envelope or other appropriate wrapper with first-class postage prepaid. If sent by registered or certified mail, the date of registration or certification will be the date on which it is deemed mailed. Upon revocation within the seven-day period, you are entitled to a return of the entire amount paid into the inherited Traditional IRA without adjustment for administrative expenses, penalties, commissions or fluctuations in market value.

If you have any questions concerning a revocation of your inherited Traditional IRA, please call the Custodian's contact person at the phone number indicated on the Application to Participate.

**Qualified Custodial Account.** This Individual Retirement Custodial Account uses the precise language of Form 5305-A provided by the IRS (including any additional language permitted by such form) and is treated as approved. IRS approval represents a determination as to form and not to the merits thereof.

## Rollover Contributions

**WRP-to-Traditional IRA Rollovers.** If you are the beneficiary of a deceased WRP participant, you may roll over those assets to an inherited IRA. The administrator of the WRP is required to provide you with a notice regarding rollover treatment. You may directly roll over inherited WRP funds to an inherited IRA.

If you are scheduled to receive an eligible rollover distribution over \$200, the employer must allow you to have the assets rolled over directly from the distributing plan to the receiving inherited IRA. If you do not choose to have the assets directly rolled over to an inherited IRA in this manner, the assets will be paid to you, subject to mandatory federal income tax withholding of 20%. If you are the surviving spouse of a WRP participant, you may roll over the rollover-eligible amount distributed (including an amount equal to the federal income tax withheld) within 60 days of the date the distribution is received (unless an exception applies).

## Transfers

**Traditional IRA-to-Traditional IRA Transfers.** You may transfer all or any portion of the assets from one inherited Traditional IRA (including this one) to another inherited Traditional IRA.

## Investment

**Investment of Contributions.** Contributions to this Traditional IRA are held in a custodial account for your exclusive benefit, or that of your surviving spouse or successor beneficiaries who may include your estate, your dependents, or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the custodial account may not be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Internal Revenue Code). At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof and to certain gold, silver, platinum, and palladium bullion.

## Death Benefit Options if the Deceased IRA Owner (or Employer-Plan Participant) Died

## Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this inherited Traditional IRA. It is easy to understand, because it's written in layman's language. Explanations are separated by headings that help you locate specific rules about the inherited Traditional IRA.

### Before 2020:

Any beneficiary withdrawing funds from this Traditional IRA should first seek the advice of a tax advisor as to the tax consequences of each option available. The options available to the beneficiary depend on whether the deceased IRA owner reached his or her required beginning date (RBD) (generally, April 1 of the year following the year he or she attained age 70½).

**Before Required Beginning Date.** If the deceased IRA owner died before his or her required beginning date, you may elect one of the following options: 1) to receive the balance in the account by December 31 of the fifth year following the year of the deceased IRA owner's death (the five-year rule), or 2) if you are an individual, the remaining funds may be distributed in accordance with the life-expectancy rule. If you are the deceased IRA owner's surviving spouse, your single life expectancy is based on your attained age in the year for which the distribution is being paid and the distributions must begin by the end of the year the deceased IRA owner would have attained age 70½ (or age 72 if the deceased IRA owner was born on or after July 1, 1949 and before January 1, 1951, or age 73 if born on or after January 1, 1951, or age 75 starting in 2033), or December 31 of the year following the year of the deceased IRA owner's death, whichever is later. If you are an individual who is not the deceased IRA owner's surviving spouse, your single life expectancy is based on your attained age in the year following the year of the deceased IRA owner's death and then reduced by one for each subsequent year thereafter. The distributions must begin by December 31 of the year following the year of the deceased IRA owner's death. If you die after 2019 and you are an individual (spouse or non-spouse), the successor beneficiary(ies) must receive the entire balance in the account by December 31 of the tenth year following the year of your death. If you are not a person (e.g., an estate, a charity, or other non-person), you are not considered a "designated beneficiary" and, thus, the five-year rule is the only death distribution option.

**On or After Required Beginning Date.** If the deceased IRA owner died on or after his or her required beginning date, and the deceased IRA owner had taken the required minimum distribution (RMD) for the year of his or her death, you may, but are not required to, take a distribution in the year of the deceased IRA owner's death. If the deceased IRA owner died on or after the required beginning date, and the deceased IRA owner had not taken the RMD for the year of his or her death, you must take an amount equal to, or in excess of, the amount of the deceased IRA owner's RMD for the year of death that the deceased IRA owner did not take prior to death.

For years after the year of the deceased IRA owner's death, you must continue to receive a death distribution each year until the inherited Traditional IRA is depleted. The amount of the death distribution for each year after the year of the deceased IRA owner's death is determined by dividing the value in the inherited Traditional IRA each year by your single life expectancy factor.

If you are the deceased IRA owner's surviving spouse, the appropriate single life expectancy factor is the longer of: the single life expectancy factor, based on your attained age on your birthday each year, or the single life expectancy factor determined using the deceased IRA owner's attained age on his or her birthday in the year of death, and reduced by one each year thereafter.

If you are an individual who is not the deceased IRA owner's surviving spouse, the appropriate single life expectancy factor is the longer of: the single life expectancy factor determined using your attained age on your birthday in the year following the year of the deceased IRA owner's death, and reduced by one each year thereafter, or the single life expectancy factor determined using the deceased IRA owner's attained age on his or her birthday in the year of death, and reduced by one each year thereafter.

If you die after 2019 and you are an individual (spouse or non-spouse), the successor beneficiary(ies) must receive the entire balance in the account by December 31 of the tenth year following the year of your death, subject to annual RMDs.

If you are not an individual, the appropriate single life expectancy factor is the single life expectancy factor determined using the deceased IRA owner's attained age on his or her birthday in the year of death, and reduced by one each year thereafter.

**Additional Options Available to the Surviving Spouse.** In addition to the options available above, if you are the deceased IRA owner's surviving spouse, you may elect to treat the inherited Traditional IRA as your own Traditional IRA. The result of such an election is that you will then be considered the Traditional IRA owner. The election may be made by redesignating the Traditional IRA in your own name as the Traditional IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) you do not receive a required death distribution in any calendar year following the year of the deceased IRA owner's death, or 2) you contribute any additional amounts to the account.

## Death Benefit Options if the Deceased IRA Owner (or Employer-Plan Participant) Died After 2019:

Any beneficiary withdrawing funds from this Traditional IRA should first seek the advice of a tax advisor as to the tax consequences of each option available. Starting with deaths after 2019,

the options available to the beneficiary depend on whether the beneficiary is not a designated beneficiary (generally, not an individual), a designated beneficiary (generally, an individual who is not an eligible designated beneficiary), or an eligible designated beneficiary (generally, the deceased IRA owner's surviving spouse, the deceased IRA owner's minor child, a disabled individual, a chronically ill individual, or an individual who is not more than ten years younger than the deceased IRA owner) and whether the deceased IRA owner died before their required beginning date (RBD) or on or after their RBD.

**Not a Designated Beneficiary.** If the deceased IRA owner's beneficiary is not an individual and the IRA owner died before the RBD, the beneficiary (and any successor beneficiary) must receive the entire balance in the account by December 31 of the fifth year following the year of the IRA owner's death. If the IRA owner died on or after the required beginning date, the beneficiary (and any successor beneficiary) must receive a death distribution each year until the Traditional IRA is depleted, using a single life expectancy factor that is determined using the IRA owner's attained age on his or her birthday in the year of death, and reduced by one each year thereafter.

**Designated Beneficiary Who is not an Eligible Designated Beneficiary.** The deceased IRA owner's beneficiary (and any successor beneficiary) must receive the entire balance in the account by December 31 of the tenth year following the year of the deceased IRA owner's death, subject to annual required minimum distributions (RMDs) if the deceased IRA owner died on or after their RBD.

**Eligible Designated Beneficiary.** The deceased IRA owner's beneficiary may choose 1) to receive the entire balance in the account by December 31 of the tenth year following the year of the deceased IRA owner's death (this is an option only if the IRA owner died before their RBD), or 2) to have the remaining funds distributed in accordance with the life-expectancy rule. If the eligible designated beneficiary is the deceased IRA owner's surviving spouse, the single life expectancy is based on his or her attained age in the year for which the distribution is being paid. The distributions to the deceased IRA owner's surviving spouse must begin by the end of the year the deceased IRA owner would have attained 73 (increases to age 75 in 2033), or December 31 of the year following the year of the deceased IRA owner's death, whichever is later. If the eligible designated beneficiary is an individual who is not the deceased IRA owner's surviving spouse, the eligible designated beneficiary's single life expectancy is based on his or her attained age in the year following the year of the deceased IRA owner's death and then reduced by one for each subsequent year thereafter. If the IRA owner died on or after their RBD, single life expectancy distributions are based on the longer of the deceased IRA owner's or your life expectancy. The distributions must begin by December 31 of the year following the year of the deceased IRA owner's death. If the eligible designated beneficiary is the deceased IRA owner's minor child, he or she may continue to receive the single life expectancy distributions until the year he or she reaches age 21, then he or she must receive the entire balance in the account by December 31 of the tenth year following the year he or she reaches age 21. Upon the death of the eligible designated beneficiary, the successor beneficiary(ies) must receive the entire balance in the account by December 31 of the tenth year following the year of the eligible designated beneficiary's death.

**Additional Options Available to the Surviving Spouse.** In addition to the options available above, the deceased IRA owner's surviving spouse beneficiary may elect to treat his or her interest in the deceased IRA owner's Traditional IRA as his or her own Traditional IRA. The result of such an election is that the surviving spouse will then be considered the Traditional IRA owner. The election may be made by the deceased IRA owner's surviving spouse redesignating the Traditional IRA in his or her own name as the Traditional IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) the deceased IRA owner's surviving spouse does not receive a required death distribution in any calendar year following the year of the deceased IRA owner's death, or 2) any additional amounts are contributed to the account by the deceased IRA owner's surviving spouse.

#### Tax Treatment of Distributions

**Federal Income Tax.** Generally, distributions from an inherited Traditional IRA are taxable to the recipient at ordinary income tax rates. However, if this inherited Traditional IRA, or any other Traditional IRA you inherited from the same deceased individual, contains previously taxed funds, such as nondeductible contributions or a rollover of after-tax funds from a WRP, most distributions from the inherited Traditional IRA will consist of a nontaxable portion (e.g., return of nondeductible contributions) and a taxable portion (e.g., return of deductible contributions, if any, and account earnings).

**Qualified Charitable Distributions.** If you are age 70½ or older, you can make a qualified charitable distribution (QCD) of otherwise taxable assets directly from the inherited Traditional IRA (not an ongoing SEP IRA) to a qualified charity. This special distribution rule allows you to donate up to \$100,000 (subject to cost-of-living adjustments) annually to charitable organizations completely tax-free. A QCD can be used to satisfy your required minimum distribution for the year.

**Reporting.** If you receive a distribution from the inherited Traditional IRA that includes a nontaxable portion, you must file Form 8606 with your tax return to determine the nontaxable portion of the distribution. Failure to file Form 8606, if required, will result in a nondeductible penalty of \$50 for each failure.

**Federal Income Tax Withholding.** Amounts distributed from a Traditional IRA are subject to federal income tax withholding unless you or, after your death, your successor beneficiary, elect in writing not to have tax withholding apply. Once the election is made, it applies to all future distributions until all of the funds are distributed from the Traditional IRA, or until the election is revoked or a new election is filed with the Custodian. The amount to be withheld

from a distribution is determined without regard to whether all or a portion of the distribution represents the return of nondeductible contributions.

**Federal Estate and Gift Tax.** The full value of the inherited Traditional IRA is includible in your estate for federal estate tax purposes. Exercise of an option whereby an annuity or other payment becomes payable to any beneficiary is not considered a transfer for federal gift tax purposes.

#### Transactions Subject to Excise Taxes/Disqualification

**Prohibited Transactions.** The plan prohibits you from engaging in a prohibited transaction (within the meaning of the Internal Revenue Code section 4975) with respect to the Traditional IRA. In addition, the Custodian or any other disqualified party may not engage in a prohibited transaction with respect to the Traditional IRA. If such a transaction is engaged in, the Traditional IRA will cease to be qualified, and will lose its exemption from taxation. The full Traditional IRA balance will be treated as having been distributed to you, subject to the income and penalty taxes discussed above.

**Penalty for Using Plan Assets as Security for Loans.** If you use all or any portion of your interest in the Traditional IRA as security for a loan, the portion of the Traditional IRA so used will be treated as if it were distributed to you, subject to the income and penalty taxes discussed above. As a result, this Traditional IRA specifically prohibits pledging the Traditional IRA assets as security for a loan.

**Penalty for Borrowing Traditional IRA Assets.** If you borrow money from your inherited Traditional IRA, it will cease to be a Traditional IRA as of the first day of the tax year in which the loan was made. Disqualification of the account triggers a constructive distribution to you equal to the fair market value of all of the assets of the account as of the first day of such tax year and will be subject to the income and penalty taxes discussed above.

**Penalty for Excess Accumulations.** If the "required minimum distributions" described in the section titled "Death Benefit Options" do not occur within the time required by law, a penalty tax may be incurred equal to, generally, 25% of the difference between the amount required to be distributed and the amount actually distributed each year. The Secretary of the Treasury may waive the penalty if the inadequate distribution is due to reasonable error and reasonable steps are being taken to correct the situation.

**Taxpayer Reporting for Excise Tax/Disqualification.** If a transaction has occurred for which a penalty tax is imposed, such as an excess accumulation, you may be required by the Internal Revenue Service to attach Form 5329 to your federal income tax return.

#### Financial Disclosure

**Projection of Future Balance.** The balance in an individual retirement account increases as a direct result of both the level of contribution and the investment return. The tables on the next page provide a projection of the amount of money that would be available for withdrawal from the inherited Traditional IRA if a projection can be reasonably made. *These amounts are projections only and do not necessarily reflect the amounts that you could withdraw in all events at the end of each year. The rate of interest payable on the investments is subject to change for the duration of the inherited Traditional IRA and cannot be guaranteed at a constant rate.*

**Time Deposit Account.** If the inherited Traditional IRA is invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if the funds are withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if the funds were withdrawn from the inherited Traditional IRA. The table on the next page projects the accumulated balance without penalty as well as the amount of money that would be available if a 1-, 3-, or 6-month early withdrawal penalty were imposed on the entire amount withdrawn. The penalty may vary on the term of the account and the early withdrawal policy in effect at the time the account is established or renewed. You will be provided with the rules for each time deposit account in which the inherited Traditional IRA funds are invested.

**Variable Rate Account.** If the inherited Traditional IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of the inherited Traditional IRA in future years cannot be reasonably made. The growth in the value of the inherited Traditional IRA is neither guaranteed nor projected. You will receive the appropriate rules for the account which state the method for computing and allocating account earnings, a description of each type of charge, and the amount thereof, that may be made against the account, and the method used in computing the penalties.

**Custodial Fees.** The Custodian may charge reasonable fees for administering the Custodial Account, preparing reports, keeping records, and other services. Such fees may include, but are not limited to, opening fees, administration fees, transaction fees, transfer fees, closing fees, and investment commissions. The Custodian may also charge the Custodial Account the reasonable costs of fiduciary insurance, counsel fees, and reasonable compensation for its services as Custodian. Such fees, if any, may be: 1) charged directly to and deducted from the Custodial Account, and would reduce the account value of this Traditional IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this Traditional IRA is established, the Custodian will provide a separate fee schedule to you. The Custodian will give you at least 30 days prior notice before imposing a new fee or changing an existing fee.

If the fee will be deducted from the Custodial Account, either Method 2 on the next page will be completed or a separate financial projection will be attached and made part of this Disclosure Statement. Method 1, on the next page, assumes that either there is no custodial fee, or custodial fees are billed directly to you.



## Projection of Future Balance (Use Method 1 or Method 2)

### Method 1

#### Inherited Traditional IRA Projection

This table has been prepared assuming the initial and only deposit to your inherited Traditional IRA is \$1,000 on the first day of the year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year in which you inherit \$1,000 in the inherited Traditional IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that the account value without penalty would be \$1,021.21 at age 60, \$1,026.33 at age 65, and \$1,031.47 at age 70.

#### Account Values

Number of Years	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty
1	\$1,001.00	\$1,000.92	\$1,000.75	\$1,000.50
2	\$1,002.00	\$1,001.92	\$1,001.75	\$1,001.50
3	\$1,003.00	\$1,002.92	\$1,002.75	\$1,002.50
4	\$1,004.01	\$1,003.92	\$1,003.76	\$1,003.50
5	\$1,005.01	\$1,004.93	\$1,004.76	\$1,004.51
6	\$1,006.02	\$1,005.93	\$1,005.76	\$1,005.51
7	\$1,007.02	\$1,006.94	\$1,006.77	\$1,006.52
8	\$1,008.03	\$1,007.94	\$1,007.78	\$1,007.52
9	\$1,009.04	\$1,008.95	\$1,008.78	\$1,008.53
10	\$1,010.05	\$1,009.96	\$1,009.79	\$1,009.54
11	\$1,011.06	\$1,010.97	\$1,010.80	\$1,010.55
12	\$1,012.07	\$1,011.98	\$1,011.81	\$1,011.56
13	\$1,013.08	\$1,012.99	\$1,012.83	\$1,012.57
14	\$1,014.09	\$1,014.01	\$1,013.84	\$1,013.58
15	\$1,015.11	\$1,015.02	\$1,014.85	\$1,014.60
16	\$1,016.12	\$1,016.04	\$1,015.87	\$1,015.61
17	\$1,017.14	\$1,017.05	\$1,016.88	\$1,016.63
18	\$1,018.15	\$1,018.07	\$1,017.90	\$1,017.65
19	\$1,019.17	\$1,019.09	\$1,018.92	\$1,018.66
20	\$1,020.19	\$1,020.11	\$1,019.94	\$1,019.68
21	\$1,021.21	\$1,021.13	\$1,020.96	\$1,020.70
22	\$1,022.23	\$1,022.15	\$1,021.98	\$1,021.72
23	\$1,023.25	\$1,023.17	\$1,023.00	\$1,022.74
24	\$1,024.28	\$1,024.19	\$1,024.02	\$1,023.77
25	\$1,025.30	\$1,025.22	\$1,025.05	\$1,024.79
26	\$1,026.33	\$1,026.24	\$1,026.07	\$1,025.81
27	\$1,027.35	\$1,027.27	\$1,027.10	\$1,026.84
28	\$1,028.38	\$1,028.30	\$1,028.12	\$1,027.87
29	\$1,029.41	\$1,029.32	\$1,029.15	\$1,028.90
30	\$1,030.44	\$1,030.35	\$1,030.18	\$1,029.92
31	\$1,031.47	\$1,031.38	\$1,031.21	\$1,030.95
32	\$1,032.50	\$1,032.42	\$1,032.24	\$1,031.99
33	\$1,033.53	\$1,033.45	\$1,033.28	\$1,033.02
34	\$1,034.57	\$1,034.48	\$1,034.31	\$1,034.05
35	\$1,035.60	\$1,035.52	\$1,035.34	\$1,035.08
36	\$1,036.64	\$1,036.55	\$1,036.38	\$1,036.12
37	\$1,037.67	\$1,037.59	\$1,037.41	\$1,037.16
38	\$1,038.71	\$1,038.63	\$1,038.45	\$1,038.19
39	\$1,039.75	\$1,039.66	\$1,039.49	\$1,039.23
40	\$1,040.79	\$1,040.70	\$1,040.53	\$1,040.27
41	\$1,041.83	\$1,041.74	\$1,041.57	\$1,041.31
42	\$1,042.87	\$1,042.79	\$1,042.61	\$1,042.35
43	\$1,043.92	\$1,043.83	\$1,043.65	\$1,043.39
44	\$1,044.96	\$1,044.87	\$1,044.70	\$1,044.44
45	\$1,046.00	\$1,045.92	\$1,045.74	\$1,045.48
46	\$1,047.05	\$1,046.96	\$1,046.79	\$1,046.53
47	\$1,048.10	\$1,048.01	\$1,047.84	\$1,047.57
48	\$1,049.15	\$1,049.06	\$1,048.88	\$1,048.62
49	\$1,050.19	\$1,050.11	\$1,049.93	\$1,049.67
50	\$1,051.24	\$1,051.16	\$1,050.98	\$1,050.72
51	\$1,052.30	\$1,052.21	\$1,052.03	\$1,051.77
52	\$1,053.35	\$1,053.26	\$1,053.09	\$1,052.82

### Method 2

The following projection of account values represents the amounts that would be available in the inherited Traditional IRA at the end of each of the first five years and at the end of the years in which you attain ages 60, 65, and 70. These balances are not guaranteed. The actual balances will depend on many factors, including the interest rates and terms of future investments. The following balances, which are only projections, are based on the custodial fees discussed on the previous page, if any, and the initial and only deposit to your inherited Traditional IRA is \$1,000 on the first day of the year.

Investment annual percentage yield \_\_\_\_\_

Penalty for early withdrawal of investment \_\_\_\_\_

End of year	Account Value	End of year you attain age	Account Value
1	\$ _____		
2	\$ _____	60	\$ _____
3	\$ _____	65	\$ _____
4	\$ _____	70	\$ _____
5	\$ _____		