**Roth IRA Summary Plan Description**

**IRA Disclosure Statement**

**This Disclosure Statement explains the rules governing the type of IRA you designated on the IRA Account Application. The term IRA will be used in this Disclosure Statement to refer to a Traditional IRA (under Internal Revenue Code (Code) sections 408(a) or 408(b)) or a Roth IRA (under Code section 408A) unless specified otherwise.**

**How to Participate**

You may establish your own account simply by completing the IRA Account Application.

**RIGHT TO REVOKE YOUR IRA**

If you received this Disclosure Statement fewer than 7 days prior to the time you establish, you have the right to revoke. You have the right to revoke your IRA within seven (7) calendar days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing a written notice to the Custodian at the address listed on the Adoption Agreement.

Notice of revocation may be mailed to the Custodian: \_\_\_\_\_\_\_\_\_\_\_\_\_\_(Address and phone number)

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

If you have any questions about the procedure for revoking your IRA, please call IRA PLAN ADMINISTRATOR at \_\_\_\_\_.

Please be aware that each IRA PLAN ADMINISTRATOR has the right to reject any purchase order for any reason, as disclosed in each Fund’s prospectus, and that this right may be exercised at any time, whether or not the prospective purchaser has previously purchased shares of that Fund.

**Designating a Beneficiary**

You may designate a Beneficiary and change Beneficiaries from time to time in accordance with procedures established by IRA PLAN ADMINISTRATOR. If you do not designate a Beneficiary, your Beneficiary will be your estate. Your Beneficiary(ies) will receive the balance in your account. Designating a Beneficiary and changing Beneficiaries is not considered the making of a taxable gift.

**Please Note**

The following is not a complete or definitive explanation of the Plan or of the provisions of applicable law. Please do not complete the IRA Account Application without reading the Plan and the Fund prospectus, which must always accompany the Plan. Consult your financial or tax advisor if you are uncertain whether an IRA is an appropriate program for your investment needs.

**REQUIREMENTS OF AN IRA**

A. *CASH CONTRIBUTIONS* – Your contribution must be in cash, unless it is a rollover contribution or a conversion contribution to a Roth IRA.

B. *MAXIMUM ROTH IRA CONTRIBUTION* – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or $5,500 for year 2016, with possible cost-of-living adjustments in years after 2016. If you also maintain a Traditional IRA, the maximum contribution to your Roth IRA is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

For year 2016 and after, your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds $184,000 if you are a married individual filing a joint income tax return, or equals or exceeds $117,000 if you are a single individual.

The MAGI limits described above may be adjusted for cost-of-living increases in years after 2016.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phaseout range for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older.

If you are single and your MAGI is between the applicable MAGI phaseout for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older.

C. *MAXIMUM TRADITIONAL IRA CONTRIBUTION* – The total amount you may contribute to a Traditional IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or $5,500 for year 2016, with possible cost-of-living adjustments in years after 2016. If you also maintain a Roth IRA, the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRA. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

D. *ROTH IRA CONTRIBUTION ELIGIBILITY* – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a retirement plan, other than a Traditional IRA.

E. *TRADITIONAL IRA CONTRIBUTION ELIGIBILITY* – You are eligible to make a regular contribution to your Traditional IRA if you have compensation and have not attained age 70½ by the end of the taxable year for which the contribution is made.

F. *CATCH-UP CONTRIBUTIONS* – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your IRA. The maximum additional contribution is $1,000 for years 2016 and after.

G. *NONFORFEITABILITY* – Your interest in your IRA is nonforfeitable.

H. *ELIGIBLE CUSTODIANS* – The Custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

I. *COMMINGLING ASSETS* – The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.

J. *LIFE INSURANCE* – No portion of your IRA may be invested in life insurance contracts.

K. *COLLECTIBLES* – You may not invest the assets of your 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 IRA investments.

L. *INVESTMENTS AND EARNINGS* – Your contributions will be used to purchase Real Estate, and Shares of Funds selected on your IRA Account Application. Any dividend or capital gains distributions of Fund Shares will be invested in additional Fund Shares automatically. The assets available for distribution will be the market value of the Shares your contributions and earnings have purchased over the years. Due to the fluctuating value of the Fund investments, it is not possible to make a projection of expected growth, and growth cannot be guaranteed. Investment information can be found in each Fund’s prospectus.

M. *REQUIRED MINIMUM DISTRIBUTIONS FOR ROTH IRAS* – You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional IRAs). However, your Beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Options for Roth IRAs in this Disclosure Statement regarding Beneficiary’s(ies’) required minimum distributions.

N. *BENEFICIARY OPTIONS FOR ROTH IRAS* – Your Designated Beneficiary is determined based on the Beneficiary(ies) designated as of the date of your death who remains your Beneficiary(ies) as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your Beneficiary(ies), either

(1) be distributed by December 31 of the year containing the fifth anniversary of your death, or

(2) be distributed over a period not exceeding the life expectancy of your Designated Beneficiary(ies).

Your Designated Beneficiary(ies) must elect either option (1) or (2) by December 31 of the year following the year of your death. If the Beneficiary payment election described above is not made by December 31 of the year following the year the IRA Holder dies, the Custodian will not make a payment until the Beneficiary(ies) provides the Custodian a distribution request in a form acceptable to the Custodian and the relevant Fund. In the case of distribution under option (2), distributions must commence by December 31 of the year following the year of your death. If your spouse is the Designated Beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a Beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

These transactions are often complex. If you have any questions regarding required minimum distributions, please see a competent tax advisor.

O. *REQUIRED MINIMUM DISTRIBUTIONS AND BENEFICIARY OPTIONS FOR TRADITIONAL IRAS* – You are required to take minimum distributions from your Traditional IRA at certain times in accordance with Regulations section 1.408-8. Below is a summary of the IRA distribution rules.

1. You are required to take a minimum distribution from your Traditional IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor.

2. The applicable divisor is generally determined using the Uniform Lifetime Table provided by the IRS. The table assumes a Designated Beneficiary exactly 10 years younger than you, regardless of who is named as your Beneficiary(ies), if any. If your spouse is your sole Designated Beneficiary, and is more than 10 years younger than you, the required minimum distribution is determined annually using the actual joint life expectancy of you and your spouse obtained from the joint and last survivor table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

You must make your payment election no later than April 1 following your 70½ year. If you do not make an election by that date, the Custodian will make no payment until you provide the Custodian with a distribution request in a form acceptable to the Custodian and the relevant Fund.

3. Your Designated Beneficiary is determined based on the Beneficiary(ies) designated as of the date of your death, who remains your Beneficiary(ies) as of September 30 of the year following the year of your death. If you die,

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

(b) before your required beginning date, the entire amount remaining in your account will, at the election of your Designated Beneficiary(ies), either

(i) be distributed by December 31 of the year containing the fifth anniversary of your death, or

(ii) be distributed over a period not exceeding the remaining life expectancy of your Designated Beneficiary(ies).

Your Designated Beneficiary(ies) must elect either option (i) or (ii) by December 31 of the year following the year of your death. If the Beneficiary payment election described above is not made by December 31 of the year following the year the IRA Holder dies, the Custodian will not make a payment until the Beneficiary(ies) provides the Custodian a distribution request in a form acceptable to the Custodian and the relevant Fund. If your spouse is the Designated Beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a Beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary(ies) of your IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

**INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA**

A. *CONTRIBUTION DEDUCTIBILITY FOR ROTH IRAs* – No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.

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

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

1. a qualified pension, profit sharing, 401(k), or stock bonus plan;

2. a qualified annuity plan of an employer;

3. a simplified employee pension (SEP) plan;

4. a retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under Code section 457);

5. a tax-sheltered annuity for employees of certain tax-exempt organizations or public schools;

6. a plan meeting the requirements of Code section 501(c)(18);

7. a qualified plan for self-employed individuals (H.R. 10 or Keogh Plan); and

8. a savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan.

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

If you are an active participant and are single, the deductible amount of your Traditional IRA contribution is determined as follows: (1) begin with the appropriate phase-out range maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum Traditional IRA deduction you may take.

If you are an active participant, are married and you file a joint income tax return, the deductible amount of your Traditional IRA contribution is determined as follows: (1) begin with the appropriate phase-out maximum for the applicable year (specified below), and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. The resulting figure will be the maximum Traditional IRA deduction you may take. \*MAGI limits are subject to cost-of-living increases for tax years beginning after 2016.

C. *CARRYBACK CONTRIBUTIONS* – A contribution is deemed to have been made on the last day of the preceding taxable year if you make a contribution by the deadline for filing your income tax return (not including extensions), and you designate that contribution as a contribution for the preceding taxable year. For example, if you are a calendar year taxpayer and you make your IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designated it as such.

D. *TAX CREDIT FOR CONTRIBUTIONS* – You may be eligible to receive a tax credit for your IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed $1,000 in a given year. You may be eligible for this tax credit if you are

• age 18 or older as of the close of the taxable year,

• not a dependent of another taxpayer, and

• not a full-time student.

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

E. *TAX-DEFERRED EARNINGS* – The investment earnings of your IRA are not subject to federal income tax as they accumulate in your IRA. Investment earnings distributed from your Traditional IRA will be taxed when the distribution is made. Distributions of your Roth IRA investment earnings will be free from federal income tax if you take a qualified distribution, as defined in the Taxation of Roth IRA Distributions section of this Disclosure Statement.

F. *NONDEDUCTIBLE CONTRIBUTIONS* – You may make nondeductible contributions to your Traditional IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible Traditional IRA contributions as nondeductible contributions. If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a $50 per failure penalty.

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

G. *TAXATION OF ROTH IRA DISTRIBUTIONS* – The taxation of a Roth IRA distribution depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distributions** – Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made any contribution to any Roth IRA (including a conversion from a Traditional or SIMPLE IRA) and is made on account of one of the following events:

• attainment of age 59½,

• disability

• the purchase of a first home, or

• death.

For example, if you make a contribution to your Roth IRA for 1998, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2003.

2. **Nonqualified Distributions** – If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account will be deemed to be removed first, followed by conversion contributions made to any Roth IRA on a first- in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions and your conversion contributions. However, the 10 percent early distribution penalty may apply to conversion contributions distributed within the five-year period beginning with the year in which the conversion occurred. These “ordering rules” are complex. If you have any questions regarding the taxation of distributions from your Roth IRA, please see a competent tax advisor.

H. *TAXATION OF TRADITIONAL IRA DISTRIBUTIONS* – The taxation of Traditional IRA distributions depends on whether or not you have ever made nondeductible Traditional IRA contributions. If you have only made deductible contributions, any Traditional IRA distribution will be fully included in income.

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

(Aggregate Nondeductible Contributions) x (Amount Withdrawn) = Amount Excluded from Income

Aggregate IRA Balance

***NOTE:*** Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution (which have not previously been withdrawn and excluded from income).

Also note that aggregate IRA balance includes the total balance of all of your IRAs as of the end of the year of distribution and any distributions occurring during the year.

I. *ROLLOVERS AND CONVERSIONS* – Your IRA may be rolled over to an IRA of yours, or may receive rollover contributions. Your Traditional IRA or SIMPLE IRA may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your IRA from any of your IRAs of the same type, or from your employer’s qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to your Traditional IRA. Conversion is a term used to describe the movement of Traditional or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA to Roth IRA Rollovers** – Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Roth IRA to Roth IRA rollover from the distributing Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).

2. **Traditional IRA to Traditional IRA Rollovers** – Funds distributed from your Traditional IRA may be rolled over to a Traditional IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Traditional IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Traditional IRA to Traditional IRA rollover from the distributing IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

3. **SIMPLE IRA to Traditional IRA Rollovers** – Funds may be distributed from your SIMPLE IRA and rolled over to your Traditional IRA without IRS penalty, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with Traditional IRA to Traditional IRA rollovers, the requirements of Code section 408(d)(3) must be met. A proper SIMPLE IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to Traditional IRA or SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.

4. **Employer-Sponsored Retirement Plan to Traditional IRA Rollovers** – You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax- sheltered annuity, or 457(b) eligible governmental deferred compensation plan (other than distributions to nonspouse beneficiaries), unless it is part of certain series of substantially equal periodic payments, a required minimum distribution, a hardship distribution, or a distribution of Roth 401(k) or Roth 403(b) elective deferrals.

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

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

5. **Traditional IRA to Employer-Sponsored Retirement Plans** – You may roll over, directly or indirectly, any eligible rollover distribution from a Traditional IRA to an employer’s qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan so long as the employer-sponsored retirement plan accepts such rollover contributions. An eligible rollover distribution is defined as any taxable distribution from a Traditional IRA that is not part of a required minimum distribution.

6. **Rollovers of Roth Elective Deferrals** – Roth elective deferrals distributed from a 401(k) cash or deferred arrangement or 403(b) tax-sheltered annuity may be rolled into your Roth IRA.

7. **Traditional IRA or SIMPLE IRA to Roth IRA Conversions** – You may convert your SIMPLE IRA to your Roth IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, if you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional or SIMPLE IRA. The amount of the conversion from your Traditional or SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional or SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

8. **Rollovers from Employer-Sponsored Retirement Plans to Roth IRA** – Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan after December 31, 2007 may be rolled over to your 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. The inherited Roth IRA is subject to the beneficiary distribution requirements. Roth IRA conversion rules, as described above, will apply, including the requirement to include the taxable portion in income in the year distributed.

9. **Beneficiary Rollovers from Employer-Sponsored Retirement Plans** – If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased employer plan participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan to an inherited IRA, subject to the beneficiary distribution requirements.

10. **Rollover of Military Death Benefits** – If you receive or have received a military death gratuity or payment from the Servicemembers’ Group Life Insurance (SGLI) program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

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

12. **Rollovers of Settlement Payments From Bankrupt Airlines** – If you are a qualified airline employee who has received an airline settlement payment from a commercial airline carrier under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA by the later of 180 days after receipt of such amount, or June 21, 2009. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.

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

14. **Written Election** – At the time you make a proper rollover to an IRA, or conversion to a Roth IRA, you must designate to the Custodian, in a form acceptable to the Custodian, your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable. J. *TRANSFER DUE TO DIVORCE* – If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse’s IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another or from one Roth IRA to another.

K. *RECHARACTERIZATIONS* – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original contribution was made or conversion completed.

L. *TRANSFER OF ASSETS* – You can transfer all or any portion of your IRA to or from any other IRA (of the same type, i.e. Roth IRA to Roth IRA) at any time provided the proceeds are made payable and sent directly to the Successor Trustee or Successor Custodian. Trustee to trustee transfers, unlike rollover (see section I above), are not limited to once every 12 months.

**LIMITATIONS AND RESTRICTIONS**

A. *SEP PLANS* – Under a Simplified Employee Pension (SEP) Plan that meets the requirements of Code section 408(k), your employer may make contributions to your Traditional IRA. Your employer is required to provide you with information which describes the terms of your employer’s SEP Plan. No SEP contributions may be made to a Roth IRA.

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

You may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation, and regardless of your spouse’s age. The Roth IRA contribution may be further limited if your MAGI falls within the minimum and maximum thresholds for contribution eligibility. You must file a joint income tax return for the year for which the contribution is made.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse’s IRA. The maximum additional contribution is $1,000 for years 2016 and after.

C. *DEDUCTION OF ROLLOVERS, TRANSFERS AND CONVERSIONS* – A deduction is not allowed for rollover, transfer, or conversion contributions.

D. *GIFT TAX* – Transfers of your IRA assets to a named Beneficiary made during your life and at your request, may be subject to federal gift tax under Code section 2501.

E. *SPECIAL TAX TREATMENT* – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to IRA distributions.

F. *INCOME TAX TREATMENT* – Any withdrawal from your Traditional IRA is subject to federal income tax withholding. Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

G. *PROHIBITED TRANSACTIONS* – If you or your Beneficiary engage in a prohibited transaction with your IRA, as described in Code section 4975, your IRA will lose its tax-deferred status. For Traditional IRAs, you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. For Roth IRAs, you must generally include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your IRA:

(1) taking a loan from your IRA;

(2) buying property for personal use (present or future) with IRA funds; or

(3) receiving certain bonuses or premiums because of your IRA.

H. *PLEDGING* – If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for the taxable year in which you pledge the assets. If you designated your IRA as a Roth IRA, the amount pledged will be included in income if it represents a taxable portion of the account (i.e., earnings).

**FEDERAL TAX PENALTIES**

A. *EARLY DISTRIBUTION PENALTY* – If you are under age 59½ and receive a nonqualified Roth IRA distribution or Traditional IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts from your Roth IRA within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your Beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of $10,000), 10) a levy issued by the IRS, or 11) active military duty (see Qualified Reservist Distributions, below). This additional tax will apply only to the portion of a distribution which is includible in your taxable income.

B. *EXCESS CONTRIBUTION PENALTY* – An additional tax of 6 percent is imposed upon any excess contribution you make to your IRA. This additional tax will apply each year in which an excess remains in your IRA. An excess contribution is any amount that is contributed to your IRA that exceeds the amount you are eligible to contribute.

C. *EXCESS ACCUMULATION PENALTY* – As previously described, you must take a required minimum distribution from your Traditional IRA by your required beginning date for the year you attain age 70½ and by the end of each year thereafter. Your Beneficiary(ies) is required to take certain minimum distributions from your IRA after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.

D. *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 prototype plan agreement used to establish this IRA is based on a form of agreement that has been approved by the IRS and has been issued a favorable opinion letter. This amended agreement, as described herein, has been submitted to the IRS for a favorable opinion letter. 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 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 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.

D. *QUALIFIED RESERVIST DISTRIBUTIONS* – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, Individual Retirement Arrangements from the IRS.

E. *HEARTLAND DISASTER RELATED TAX RELIEF* – If you are an individual who has sustained an economic loss due to, or are otherwise considered affected by, the severe storms, tornadoes and flooding that occurred in the Midwestern disaster area, you may be eligible for favorable tax treatment on distributions and rollovers from your IRA. Qualified disaster recovery assistance distributions include IRA distributions made on or after specified dates for each disaster, and before January 1, 2010 to a qualified individual. For more information on this tax relief, refer to IRS Publication 4492-B, *Information for Affected Taxpayers in the Midwestern Disaster Area*.

1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified disaster recovery assistance distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first $100,000 of qualified distributions to each individual.

2. **Taxation May be Spread Over Three Years** – If you received qualified disaster recovery assistance distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.

3. **Repayment of Qualified Disaster Recovery Assistance Distributions** – You may roll over qualified disaster recovery assistance distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.