



# INHERITED IRA APPLICATION TO PARTICIPATE - ROTH

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Fax Number: 866-699-2969

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Ally Bank Retirement Services  
1100 Virginia Drive, Suite 150  
Fort Washington, PA 19034-3276

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 - ROTH

## 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	



# INHERITED IRA APPLICATION TO PARTICIPATE - ROTH

## 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

### NO DESIGNATED BENEFICIARY (BENEFICIARY IS NOT AN INDIVIDUAL)

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

### ELIGIBLE DESIGNATED BENEFICIARY

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

I'll withdraw all assets by December 31 of the tenth year after the year the Roth 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 Roth IRA owner would have attained age 73 or (2) the year following the year the Roth IRA owner died. My life expectancy will be recalculated each year.

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

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

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

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

Note: If the Roth 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.

## Signature

I, the undersigned Inherited IRA Owner, hereby designate the above persons/entities as my primary and contingent beneficiary(ies) for this Inherited Roth 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.



# INHERITED IRA APPLICATION TO PARTICIPATE - ROTH

## Signature (continued)

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 Roth 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 Roth 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

## 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 Roth 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: \_\_\_\_\_

# Roth Individual Retirement Custodial Account

(Under Section 408A of the Internal Revenue Code)

## Introduction

The Depositor whose name appears on the Application to Participate is establishing a Roth Individual Retirement Account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the Application to Participate has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor has assigned the Custodial Account the sum indicated on the Application to Participate.

The Depositor and the Custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

## ARTICLE III

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

## ARTICLE IV

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

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

## ARTICLE V

1. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:

- The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.
- The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

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

3. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

## General Instructions

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

## Purpose of Form

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

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

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the Depositor's gross income; and distributions after 5 years that are made when the Depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includable in gross income. For more information on Roth

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

## Definitions

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

**Depositor.** The Depositor is the person who establishes the Custodial Account.

## Specific Instructions

**Article I.** The Depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, (2) the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

## ARTICLE VI

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

2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

1. **Spouse Beneficiary**—If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is the designated beneficiary, as an alternative to Article V, subparagraph 3, the surviving spouse may choose one of the options of Article V, subparagraph 1. If option (a) is chosen, such distributions may be delayed until December 31 of the year the Depositor would have attained age 70½.

2. **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.

3. **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 Roth 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 Roth IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this Roth IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying any death distribution amount. 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.

4. **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 Roth IRA, the resigning Custodian has the right to appoint a successor Custodian of the Roth IRA or, at its sole discretion, the resigning Custodian may transfer the Roth IRA to a successor custodian or distribute the Roth IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Roth IRA.

5. **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.

6. **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.

**Article V.** This article describes how distributions will be made from the Roth IRA after the Depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Depositor's intent. Under paragraph 3 of Article V, the Depositor's spouse is treated as the owner of the Roth IRA upon the death of the Depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

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

## Congratulations

Contributions to a Roth IRA were not deductible, and, therefore, are not taxable when distributed. In addition, if the funds are distributed in a “qualified distribution,” the entire distribution is tax-free; therefore, the earnings on the inherited Roth IRA are generally tax-free.

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

Thank you for allowing us to maintain your inherited Roth 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 Roth IRA. It is important that all of the information be completed.

## Roth IRA Custodial Agreement

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

## Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this inherited Roth IRA. It is easy to understand, because it’s written in layman’s language. However, it is not all-inclusive and cannot be used as a substitute for tax advice.

# Inherited Roth IRA Custodial Disclosure Statement

## Introduction

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

Because of the complexity of the rules, you should consult with your tax advisor if you have any questions regarding this material. Additional information concerning Roth 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 Roth IRA described in this statement provides for delivery of the required disclosure statement at the time the inherited Roth IRA is established. Accordingly, you are entitled to revoke your inherited Roth 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 Organization at the address indicated on your Application to Participate. If mailed, your 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 your inherited Roth IRA without adjustment for administrative expenses, penalties, commissions, or fluctuations in market value.

If you have any questions about revoking your inherited Roth IRA, please call the Custodian’s contact person at the phone number on your Application to Participate.

## Qualifications

**The Inherited Roth IRA.** A Custodial inherited Roth IRA is a Custodial account organized in the United States that allows certain eligible individuals to accumulate funds for retirement under favorable tax conditions. Contributions to a Roth IRA made by the deceased Roth IRA owner were not deductible, but if the funds are distributed in a “qualified distribution,” they are tax-free; therefore, the earnings on the inherited Roth IRA are generally tax-free.

**Qualified Custodial Account.** This Roth IRA Custodial Account uses the precise language of Form 5305-RA provided by the Internal Revenue Service (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.

## Converting to an Inherited Roth IRA

You may be allowed to directly roll over (convert) an inherited workplace retirement plan (WRP) (other than a designated Roth Account) to an inherited Roth IRA. The conversion amount is subject to federal income taxation (but no 10% penalty tax).

**Taxation of Conversion.** The taxable portion of the WRP distribution is included in your income for the year distributed from an inherited WRP that is directly rolled over to an inherited Roth IRA.

## Rollovers

**Inherited Designated Roth Account-to-Inherited Roth IRA Rollovers.** Generally, you are allowed to directly roll over an inherited designated Roth account to an inherited Roth IRA. For the purpose of determining the taxation of subsequent inherited Roth IRA distributions, the nontaxable portion of an inherited designated Roth account distribution that is rolled over to an inherited Roth IRA is treated as a regular Roth IRA contribution for distribution purposes. The taxable portion of an inherited designated

Roth account distribution that is rolled over to an inherited Roth IRA is treated as earnings in the Roth IRA. See the section titled, “Converting to an Inherited Roth IRA” for the rules for rolling over from an inherited WRP (other than an inherited designated Roth account) to another inherited Roth IRA.

## Transfers

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

## Distributions

**Aggregation and Ordering Rules.** When you take a distribution from an inherited Roth IRA, that inherited Roth IRA is aggregated with all the other inherited Roth IRAs (but not inherited Traditional IRAs) you inherited from the same deceased individual for taxation and penalty purposes.

Also, distributions from inherited Roth IRAs are aggregated and special ordering rules are designed to determine taxation and penalties.

Distributions from inherited Roth IRAs are treated as paid in the following order:

1. Regular and spousal Roth IRA contributions, then
2. Conversion contributions, in first-in, first-out order, (within which a distribution is treated as first being paid from funds that were includible in income as a result of the conversion, then from funds that were not includible in income as a result of the conversion (i.e., nondeductible contributions to the Traditional IRA), then
3. Earnings.

**Qualified Distributions.** A distribution from an inherited Roth IRA is a qualified distribution, and therefore the entire distribution, including the earnings, are tax- and penalty-free, if it is paid after the five-taxable-year period that begins with the first taxable year for which the deceased Roth IRA owner made any Roth IRA contribution, including a conversion from a Traditional IRA.

**Nonqualified Distributions.** A distribution that is not a “qualified distribution” is considered a nonqualified distribution and the earnings portion, if any, is taxable as ordinary income.

**Distributions of Contributions are Tax- and Penalty-Free.** A distribution of regular or spousal contributions in an inherited Roth IRA is always tax- and penalty-free, regardless of whether the distribution is a qualified or nonqualified distribution.

## Death Distribution Options

### If the Deceased Roth IRA Owner (or Employer-Plan Participant) Died Before 2020:

You should first seek the advice of your own tax advisor as to the tax consequences of each option available. For deaths before 2020, you may generally 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 Roth IRA owner's death (the five-year rule), or 2) to receive equal or substantially equal payments over a period not exceeding your life expectancy (the life-expectancy rule). If you are a nonspouse beneficiary, you should elect one of these methods of distribution by December 31 of the year following the year of the deceased Roth IRA owner's death. If you are the deceased Roth IRA owner's spouse, you should elect one of these methods of distribution by the earlier of (1) December 31 of the fifth year following the year of the deceased Roth IRA owner's death, or (2) December 31 of the year the deceased Roth IRA owner would have attained age 73 (increases to age 75 in 2033). If an election is not timely made, distributions will be made under the life-expectancy rule. If you are not an individual, the Roth IRA must generally be closed using the five-year rule. However, a special rule applies if you are a trust that satisfies certain conditions. In that case, the Roth IRA could be paid to the trust under the life-expectancy rule.

If distributions are made under the life-expectancy rule, they must commence by December 31 of the year following the year of the deceased Roth IRA owner's death. However, if you are the deceased Roth IRA owner's surviving spouse, distributions do not have to commence until December 31 of the year the deceased Roth IRA owner would have attained age 73 (increases to age 75 in 2033), if later. If you are the deceased Roth IRA owner's surviving spouse, your life expectancy will be based on your attained age on your birthday each year. For deceased IRA owners who would have reached their RMD age in 2024 or later, a surviving spouse beneficiary can elect to be treated as the deceased spouse. If this treatment applies, the surviving spouse will calculate death RMDs using the Uniform Lifetime Table. If you are an individual who is not the deceased Roth IRA owner's surviving spouse, your single life expectancy will be determined using your attained age on your birthday in the year following the year of the deceased Roth IRA owner's 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) generally must receive the entire balance in the account by December 31 of the tenth year following the year of your death.

**Additional Options Available to the Surviving Spouse.** In addition to the options available above, if you are the deceased Roth IRA owner's surviving spouse, you may elect to treat the inherited Roth IRA as your own Roth IRA. The result of such an election is that you will then be considered the Roth IRA owner. The election may be made by redesignating the inherited Roth IRA in your own name as the Roth 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 Roth IRA owner's death, or 2) you make any additional contributions to the inherited Roth IRA.

#### **If the Deceased Roth IRA Owner (or Employer-Plan Participant) Died After 2019:**

You should first seek the advice of your own tax advisor as to the tax consequences of each option available. For deaths after 2019, the options available to you depend on whether you are 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 Roth IRA owner's surviving spouse or minor child, or if you are a disabled individual, a chronically ill individual, or an individual who is not more than ten years younger than the deceased Roth IRA owner).

**Not a Designated Beneficiary.** Generally, you (and any successor beneficiary) must receive the entire balance in the account by December 31 of the fifth year following the year of the deceased Roth IRA owner's death.

**Designated Beneficiary Who is not an Eligible Designated Beneficiary.** You (or any successor beneficiary) must receive the entire balance in the account by December 31 of the tenth year following the year of the deceased Roth IRA owner's death.

**Eligible Designated Beneficiary.** You may choose 1) to receive the entire balance in the account by December 31 of the tenth year following the year of the deceased Roth IRA owner's death, or 2) to have the remaining funds distributed in accordance with the life-expectancy rule. If you are the deceased Roth IRA owner's surviving spouse, your life expectancy is based on your attained age in the year for which the distribution is being paid. The distributions to you must begin by the end of the year the deceased Roth IRA owner would have attained age 73 (increases to age 75 in 2033), or December 31 of the year following the year of the deceased Roth IRA owner's death, whichever is later. For deceased IRA owners who would have reached the applicable age (i.e., age 73 or age 75) in 2024 or later, a surviving spouse beneficiary can elect to be treated as the deceased spouse. If this treatment applies, the surviving spouse will calculate death RMDs using the Uniform Lifetime Table. If you are an individual who is not the deceased Roth IRA owner's surviving spouse, your single life expectancy is based on your attained age in the year following the year of the deceased Roth 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 Roth IRA owner's death. If the eligible designated beneficiary is the deceased Roth IRA owner's minor child, the single life expectancy distributions may continue until the year they reach age 30, then they must receive the entire balance in the account by December 31 of the year they reach age 31. Upon the death of the eligible designated beneficiary subject to the life-expectancy rule, the successor beneficiary(ies) generally must continue taking the death RMDs and 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, if you are the deceased Roth IRA owner's surviving spouse, you may elect to treat the inherited Roth IRA as your own Roth IRA. The result of such an election is that you will then be considered the Roth IRA owner. The election may be made by redesignating the inherited Roth IRA in your own name as the Roth 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 Roth IRA owner's death, or 2) you make any additional contributions to the inherited Roth IRA.

#### **Transactions Subject to Excise Taxes and/or Disqualification**

**Prohibited Transactions.** The plan prohibits you, your spouse, or beneficiaries from engaging in a prohibited transaction (within the meaning of the Internal Revenue Code

section 4975) with respect to the inherited Roth IRA. In addition, the Custodian or any other disqualified party may not engage in a prohibited transaction with respect to the inherited Roth IRA. If such a transaction is engaged in, the inherited Roth IRA will cease to be qualified, and will lose its exemption from taxation. The full inherited Roth IRA balance will be treated as having been distributed to you, subject to the income and penalty taxes discussed above.

**Pledging Plan Assets Prohibited.** You may not pledge the assets of this inherited Roth IRA as security for a loan.

**Borrowing Plan Assets Prohibited.** You may not borrow money from this inherited Roth IRA.

**Penalty for Excess Accumulations.** If the distributions described in the section titled "Death Distribution 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.

#### **Investment**

**Investment of Contributions.** Contributions under the Plan are held in a Custodial account for your exclusive benefit, or that of your 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, or to certain gold, silver, platinum, and palladium bullion.

#### **Financial Disclosure**

**Projection of Future Balance.** The balance in a Roth IRA increases as a direct result of the investment return. The table on the last page provides a projection of the amount of money that would be available for withdrawal from your inherited Roth 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 Roth IRA and cannot be guaranteed at a constant rate.*

**Time Deposit Account.** If your inherited Roth IRA funds are invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if your funds were withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if your funds were withdrawn from your inherited Roth IRA. The table on the last 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 your inherited Roth IRA funds are invested.

**Variable Rate Account.** If your inherited Roth IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of your inherited Roth IRA in future years cannot be reasonably made. The growth in the value of your inherited Roth 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 inherited Roth IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this inherited Roth 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 Roth IRA Projection**

This table has been prepared assuming the initial and only deposit to your inherited Roth 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 establish your inherited Roth 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 your 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 your inherited Roth 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 Roth 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	\$ _____		