

SIMPLE INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-SA under section 408(p) of the Internal Revenue Code.

FORM (Rev. April 2017)

The participant named on the application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The participant and the custodian make the following agreement:

ARTICLE I

The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the two-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the custodian.

ARTICLE II

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

ARTICLE III

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

ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70½. By that date, the participant may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:
 - (a) A single sum or
 - (b) Payments over a period not longer than the life of the participant or the joint lives of the participant and his or her designated beneficiary.
3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
 - (a) If the participant dies on or after the required beginning date and:
 - (i) the designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the

spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by one for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

- (ii) the designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by one for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by one for each subsequent year.
- (b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below:
 - (i) the remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70½. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
 - (ii) the remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.
 5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows:
 - (a) the required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70½, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.

- (b) the required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - (c) the required minimum distribution for the year the participant reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

ARTICLE V

1. The participant agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
2. The custodian agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.
3. The custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

- 8.01 **Definitions** – In this part of this agreement (Article VIII), the words "you" and "your" mean the participant. The words "we," "us," and "our" mean the custodian. The word "Code" means the Internal Revenue Code, and "regulations" means the Treasury regulations.
- 8.02 **Notices and Change of Address** – Any required notice regarding this SIMPLE IRA will be considered effective when we send it to the intended recipient at the last email address we have in our records. If no email address was provided, we will provide such notice by U.S. mail to the last address we have in our records. This notice will direct you to our website to view any new information pertaining to your SIMPLE IRA electronically unless you notify us that you prefer we provide you with paper copies of the same. You, or the intended recipient, must promptly notify us of any change of email or mailing address. Any notice to be given to us will be considered effective when we actually receive it.
- 8.03 **Representations and Responsibilities**
 - a. *In General.* You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be in compliance with applicable laws and proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from

you regarding any transaction, if we receive ambiguous directions regarding any transaction, or if we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We will not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, or for our exercising our right to take no action until we have received further clarification acceptable to us, and you agree to reimburse and indemnify us for any loss we may incur as a result of such directions, actions, or failures to act. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your SIMPLE IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, and investment manager); we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse and indemnify us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this agreement, or as required under the Code and the regulations promulgated thereunder with respect to SIMPLE IRAs. We may employ agents and organizations for the purpose of performing administrative or other custodial-related services with respect to your SIMPLE IRA for which we otherwise have responsibility under this agreement, and the limitations on our duties to you under this agreement or otherwise will also apply with respect to each agent or organization so employed. You represent to us that if a mandatory distribution arises, you will have the means through your SIMPLE IRA and/or other retirement accounts to meet any mandatory distribution requirements. You agree to release, indemnify, and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses (including, without limitation, attorneys' fees) arising from or in connection with this agreement.

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

- b. *Prohibited Transactions.* You understand that certain transactions are prohibited in SIMPLE IRA plans under the Code, and specifically Code section 4975. You further understand that the determination of a prohibited transaction

depends on the facts and circumstances that surround the particular transaction. You understand that we have no obligation or duty to make a determination, and accordingly will make no determination, as to whether any SIMPLE IRA investment is prohibited. You further understand that should your SIMPLE IRA engage in a prohibited transaction, you will incur a taxable distribution as well as possible penalties. You agree that we are not responsible for any losses, taxes, penalties, or any other consequences resulting from any investment or transaction that constitutes a prohibited transaction. You represent to us that you have consulted or will consult with your own tax or legal professional to ensure that none of your directions, instructions, transactions, or IRA investments will constitute a prohibited transaction and that your SIMPLE IRA investments will comply with all applicable federal and state laws, regulations, and requirements.

- c. *Unrelated Business Income Tax (UBIT)*. Since your SIMPLE IRA is a tax-exempt organization under the Code, if your SIMPLE IRA earns income from an investment that uses debt financing or that is derived from a business regarded as not related to the exempt purpose of your SIMPLE IRA, it may be subject to the so-called "unrelated business income tax" if it is in excess of permitted thresholds. For example, income from a SIMPLE IRA investment in a partnership generally will result in unrelated business taxable income. In the event that your investment of SIMPLE IRA assets results in taxable income (unrelated or debt-financed) under the Code (or other rules) for any taxable year, you agree to prepare or have prepared the applicable returns, an application for employer identification number (if not previously obtained), and any other documents that may be required, and to submit them to us for filing with the Internal Revenue Service (IRS) (or any other governmental entity), at least five days before the date on which the return is due for such taxable year, along with an appropriate payment directive authorizing us to execute the forms on behalf of your SIMPLE IRA and to pay the applicable unrelated business income tax from your SIMPLE IRA. You understand that we have no obligation or duty to prepare or have prepared such documents. You agree, however, that we may prepare any forms, returns, or other required documentation if you do not provide them in time. All taxes and the expenses incurred in preparing such documentation will be considered your SIMPLE IRA's expense and may be debited from your SIMPLE IRA. If your SIMPLE IRA has insufficient liquid assets to pay these expenses, you may pay them yourself. Certain SIMPLE IRA reimbursements are considered annual contributions. To ensure proper governmental reporting, you must inform us of any SIMPLE IRA expense that you pay for outside your SIMPLE IRA.
- d. *Listed Transactions and Reportable Transactions*. You understand that certain transactions are or may be identified by the IRS as abusive tax shelter schemes or transactions. You further understand that the determination of a listed or reportable transaction may depend upon the facts and circumstances that surround the particular transaction. We have no duty to make a determination as to whether any SIMPLE IRA investment constitutes a listed or reportable transaction. You represent to us that you have consulted or will consult with your own tax or legal professional to ensure that any listed or reportable transactions engaged in by your SIMPLE IRA are identified. You further represent and acknowledge to us that with respect to any listed or reportable transaction you are considered the entity manager who approved or caused your SIMPLE IRA to be a party to the transaction and that you are responsible for: reporting each such transaction to the IRS, using the applicable IRS form; paying any applicable excise taxes, using the applicable IRS

form; disclosing to us that such transaction was a prohibited tax shelter transaction; and directing us as to any necessary corrective action to be taken by your SIMPLE IRA.

- e. *Passive Custodian Provides No Investment Advice*. From time to time, we may provide general investment information regarding the products we offer through various media including webinars, newsletters, social media posts, our website, and other forums, which you acknowledge and agree is not intended to be investment advice. Similarly, you acknowledge and agree that we may participate in events with other organizations in our industry, which is not and should not be interpreted as our endorsement of any of the participating organizations. You further acknowledge and agree that we are strictly a passive custodian and as such do not provide legal or tax services or advice with respect to your SIMPLE IRA investments; and you release, indemnify, and agree to hold harmless and defend us in the event that any investment or sale of your SIMPLE IRA assets pursuant to a *Direction of Investment* form violates any federal or state law or regulation or otherwise results in a disqualification, penalty, fine, or tax imposed upon you, your SIMPLE IRA, or us.
- f. *Investment Conforms to All Applicable Securities Laws*. You represent to us that if any investment by your SIMPLE IRA is a security under applicable federal or state securities laws, such investment has been registered or is exempt from registration under federal and state securities laws; and you release and waive all claims against us for our role in carrying out your instructions with respect to such investment. You acknowledge that the foregoing representation is being relied upon by us in accepting your investment directions and you agree to indemnify us with respect to all costs, expenses (including attorneys' fees), fines, penalties, liabilities, damages, actions, judgments and claims arising out of such investment and/or a breach of the foregoing representation, including, without limitation, claims asserted by you.
- g. *Custodian Not Responsible for Insurance*. We will not bear or assume any responsibility to notify you about or to secure or maintain fire, casualty, liability, or other insurance coverage on /any personal or real property held by your SIMPLE IRA or that serves as collateral under any mortgage or other security instrument held by your IRA with respect to any promissory note or other evidence of indebtedness. It is incumbent upon you as the SIMPLE IRA owner to arrange for such insurance as you determine necessary or appropriate to protect your SIMPLE IRA assets and to direct us in writing as to the payment of any premiums therefore. Furthermore it is your responsibility to determine that payment has been made upon your written request by verifying same with your SIMPLE IRA statements. We will not be responsible for notification or payments of any insurance premiums, real estate taxes, utilities, or other charges with respect to any investment held in your SIMPLE IRA, unless you specifically direct us to pay the same in writing and sufficient funds are available to pay same from your SIMPLE IRA. Furthermore, it is your responsibility to determine that payment has been made from the SIMPLE IRA. You must use an appropriate *Payment Directive* form available from us within a sufficient period of time for such direction to be accomplished in accordance with our normal business practices (without regard to whether we have undertaken efforts to comply with such directive).
- h. *Fees*. We have the right to charge establishment, document, and custodial fees, as well as other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your SIMPLE IRA. In addition, and as described in more detail in Section 8.08, we have the right to collect or otherwise receive as an additional fee any interest or other income earned or generated from any Uninvested Cash Funds (as defined in

Section 8.08), and to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your SIMPLE IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your SIMPLE IRA at our discretion. We reserve the right to charge any additional, reasonable fee to you after giving you 30 days' notice. Fees such as sub-accounting and other service fees may be paid to us or an associated business by third parties for assistance in performing certain transactions with respect to this SIMPLE IRA. In addition, we or an associated business may receive other income from third parties in connection with performing such services or the purchase and sale of publicly traded securities, privately held securities, or any other assets that may or may not be deemed to be securities, which you may have directed us to purchase or sell.

Non-custodial fees and expenses (property management fees, property tax, etc.) associated with your SIMPLE IRA or SIMPLE IRA investments generally must be paid from the SIMPLE IRA. Based on facts and circumstances, certain fees may be paid outside of your SIMPLE IRA. We will not determine what fees may be paid outside of your SIMPLE IRA. If you choose to pay any SIMPLE IRA fees or expenses with assets outside of your SIMPLE IRA, you represent to us that you have consulted with your tax or legal professional to make this determination.

- i. *All Invoices Are Due and Payable Upon Receipt.* If such charge cannot be paid from your SIMPLE IRA assets (e.g., if your SIMPLE IRA does not contain sufficient cash assets), we will submit an invoice to you for all outstanding fees and expenses plus any applicable invoice costs and late charges. SIMPLE IRA expenses that you pay out of pocket may be considered regular SIMPLE IRA contributions, which are reported to the IRS and are subject to the annual contribution limitations. To collect such fees and/or expenses we may, and you expressly authorize us to, bill any credit card we have in our records related to your SIMPLE IRA, collect from any Uninvested Cash Funds held in your IRA, and/or liquidate sufficient investments in your SIMPLE IRA in accordance with Section 8.16 of this Article to pay such fees and expenses.

Any brokerage commissions attributable to the assets in your SIMPLE IRA will be charged to your SIMPLE IRA. Any reimbursements to your SIMPLE IRA for those commissions are considered SIMPLE IRA contributions and are subject to the annual SIMPLE IRA contribution limitations.

- j. *Interest and Earnings.* We may perform sub-accounting, recordkeeping, administrative or other services related to your SIMPLE IRA, and for these services we retain and receive interest and other income from assets that you have not directed us to invest. This income includes amounts generated on the Uninvested Cash Funds that we deposit with other financial institutions.

- 8.04 **Limitation on Damages** – You agree that the entire liability of us and our officers, directors, employees, members, agents, licensors, subsidiaries, affiliates, parents and representatives (collectively, "Custodian Parties"), and your exclusive remedy in any cause of action based on contract, tort, warranty, negligence, or otherwise in connection with any services rendered pursuant to this agreement or otherwise furnished by us to you, shall be limited to the total fees paid by you to us.

UNDER NO CIRCUMSTANCES ARE WE, OR ANY CUSTODIAN PARTIES, SUBJECT TO OR LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR SIMILAR DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, LOSS OF REVENUES AND/OR PROFITS,

WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH ANY SERVICES RENDERED PURSUANT TO THIS AGREEMENT OR OTHERWISE FURNISHED BY US TO YOU, REGARDLESS IF SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, OR OTHERWISE.

- 8.05 **TIME TO BRING LEGAL ACTION; TWO YEAR LIMITATIONS PERIOD** – An action for breach of this agreement, or any obligation arising therefrom, must be commenced within two years after the cause of action has accrued.
- 8.06 **Class Action Waiver – EACH PARTY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF, REPRESENTATIVE OR CLASS MEMBER IN ANY PUTATIVE CLASS OR REPRESENTATIVE PROCEEDING.** The judge will have no authority to try a class, collective, representative or group claim/action and will have no authority to make any determination as to the enforceability of this agreement's class/collective action waiver. Further, unless you and the Custodian agree otherwise, the judge will have no authority to consolidate your claims with any other claims, and may not otherwise preside over any form of a class or representative proceeding.
- 8.07 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your SIMPLE IRA. We may release nonpublic personal information regarding your SIMPLE IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.
- 8.08 **Investment of Amounts in the SIMPLE IRA**
 - a. *In General.* You have exclusive responsibility for and control over the investment of the assets of your SIMPLE IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearing house where the transaction is executed; our internal policies, standards, and practices; and this agreement. After your death, your beneficiaries will have the right to direct the investment of your SIMPLE IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 8.03). We will not exercise the voting rights and other shareholder rights with respect to investments in your SIMPLE IRA unless you provide timely written directions acceptable to us according to our then current policies and procedures. You will select the type of investment for your SIMPLE IRA assets, provided, however, that your selection of investments must be limited to those types of investments that comport with our internal policies, practices, and standards and are deemed administratively feasible by us. We may, or an associated business may, in our, or their, sole discretion, make available to you additional opportunities, which may include publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us, or an associated business, and that we, or such associated business, are capable of holding in the ordinary course of business.
 - b. *Custodian Acting in Passive Capacity Only.* We are acting as a passive, directed, and non-discretionary custodian in holding SIMPLE IRA assets. Accordingly, we are not a fiduciary (as this term is defined in the Code, ERISA, or any other applicable federal, state or local laws) with respect to your SIMPLE IRA, and you acknowledge and agree that we are not a fiduciary with respect to your SIMPLE IRA.

It is not our responsibility to review the prudence, merits, viability or suitability of any investment directed by you or your investment advisors or to determine whether the investment is acceptable under ERISA, the Code or any other applicable law. We do not offer any investment advice, nor do we endorse any investment, investment product or investment strategy; and we do not endorse any investment advisor, representative, broker, or other party selected by you. We have no responsibility to question or otherwise evaluate any investment directions given by you or by any investment advisor or representative appointed by you.

It is your responsibility to perform proper due diligence with regard to any such investment, representative, investment advisor, broker or other party. We will follow the directions of any such investment advisor, representative, broker or other party selected by you, provided you furnish us with written authorization and documentation acceptable to us, which may include a legal opinion. We will be entitled to all the same protections and indemnities in our reliance upon and execution of the directives of such investment advisor or other party as if such directives were given by you. We are under no obligation or duty to investigate, analyze, monitor, verify title to, or otherwise evaluate or perform due diligence for any investment directed by you or your investment advisor, representative or agent; nor are we responsible to notify you or take any action should there be any default or other obligation with regard to any investment. Any review performed by us with respect to an investment is solely for our own purposes of determining compliance with our internal policies, practices and standards, as we determine from time to time and the administrative feasibility of the investment and neither such review nor its acceptance should be construed in any way as an endorsement of any investment, investment company or investment strategy. We also have the right not to effect any transaction/investment that we deem to be beyond the scope of our administrative responsibilities, capabilities, or expertise or that we determine in our sole discretion does not comport with our internal policies, practices, or standards. We have no duty or obligation to notify you with respect to any information, knowledge, irregularities, or our concerns relating to your investment or your investment advisor, broker, agent, promoter, or representative, except as to civil pleadings or court orders received by us. We will use reasonable efforts to acquire or sell investments in accordance with your directions within a reasonable period of time after we have received an investment direction, and we will make reasonable efforts to notify you if we are unable or unwilling to comply with an investment direction. Subject to the foregoing, we will remit funds as directed, but have no responsibility to verify or ensure that such funds have been invested to purchase or acquire the asset selected by you.

- c. *Investment Documentation.* In directing us with respect to any investment, you must use our *Direction of Investment* form or such other form acceptable to us. We may act upon any instrument, certificate, paper or transmission believed to be genuine and that is signed or presented by the proper person or persons whether or not by facsimile or other form acceptable to us. We are under no duty to make any investigation or inquiry as to any statement contained in any such communication, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. You authorize and direct us to execute and deliver, on behalf of your SIMPLE IRA, any and all documents delivered to us in connection with your SIMPLE IRA investments; and we have no responsibility to verify or determine that any such documents are complete, accurate, or constitute the documents

necessary to comply with your investment direction. You authorize and direct us to correct errors in investment titling without notice to you and to correct other minor clerical errors with telephone or email consent from you upon verification of your identity. We will retain electronic copies of documents related to your SIMPLE IRA as described in Treasury Regulations section 1.408-2(e)(5)(vii) in our capacity as a recordkeeper and not as any type of safekeeping agent. See also, Nevada Revised Statutes (NRS) 719.240; NRS 719.290. However, please note that we require all original stock certificates titled in the name of your SIMPLE IRA to be held by us.

- d. *Uninvested Cash Funds.* From time to time you may deposit funds with us, or we may receive funds in settlement of trades, that are not subject to a current Direction of Investment (or are awaiting your direction) (collectively referred to as "Uninvested Cash Funds"). All cash deposits are initially placed in one or more demand deposit accounts maintained by us, and your account is credited with all Uninvested Cash Funds the same business day they are received. You agree that if we receive no other instructions, Uninvested Cash Funds from your SIMPLE IRA shall be invested in a stable value fund and various overnight deposits with next day availability (hereinafter cash sweep funds) using a formula designed to maintain liquidity of the Uninvested Cash Funds. The formula and the funds themselves are disclosed on our website at <https://trustprovident.com/self-directed-retirement/investment-options>.

Specifically, you authorize and direct us to sweep Uninvested Cash Funds automatically into these cash sweep funds until such time as further direction is received from you or your designated representative(s).

We may adjust the formula for investment between the cash sweep funds or replace any of the cash sweep funds from time to time, but only after providing you with at least a 30 day advance written notice of the change. You will be deemed to have consented to this change and the continued investment of any Uninvested Cash Funds in the updated cash sweep fund, unless you notify us in writing that you do not consent within the 30 day notice period, which begins on the day we mail, or electronically deliver, the notice to you.

You understand and agree that we are entitled to retain as part of our compensation for the services we provide under this Agreement the excess between the earnings credited to your account and any interest or other income earned or otherwise generated from the Uninvested Cash Funds deposited in such accounts. We will credit a percentage of these earnings back to your account. The amount credited back to your account will be calculated monthly and the rate you will receive will be posted on our website at <https://trustprovident.com/self-directed-retirement/investment-options>. You will be notified of any change in the rate in advance of that change. You will be deemed to have consented to this rate change, within 30 days from the date we send you notice of this rate change, which begins on the day we mail, or electronically deliver, the notice to you, unless you notify us in writing that you do not consent.

- e. *Float.* If we receive moneys to be used to fund disbursements that have not yet been presented for payment and moneys to be invested in any investments where the appropriate data or investment direction has not been provided to us (i.e. we have received the funds to be invested but have not received the corresponding investment data) those moneys may be retained by us in cash or invested temporarily. Moneys to be invested will generally be invested within three business days of receipt of funds and the correct corresponding investment data.

As additional compensation for our services, we shall retain any interest earned on amounts to be invested pending receipt of investment instructions and the amounts in our disbursement account until disbursements are presented for payment, and interest earned in our contribution account until the amounts are invested. This interest is commonly known as “float” and is paid by the financial institutions at which we maintain such accounts and/or the investments in which we invest in such accounts. Generally, funds are distributed within three days of the distribution request is received or when the distribution data is in good order. The assets on which float is earned are invested in a privately managed account that may include stable value fund(s) and various overnight deposits with next day availability. The upcoming month’s expected rate of return and historical actual rates of return for the assets on which float is earned are disclosed at <https://trustprovident.com/self-directed-retirement/investment-options>.

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

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

A spouse beneficiary will have all rights as granted under the Code or applicable regulations to treat your SIMPLE IRA as his or her own.

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

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

8.10 Required Minimum Distributions – Your required minimum distribution is calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if your spouse is your sole designated beneficiary and is more than 10 years younger than you, your required minimum distribution is calculated each year using the joint and last survivor table in Regulations section 1.401(a)(9)-9.

If you fail to request your required minimum distribution by your required beginning date, we can, at our complete and sole discretion, do any one of the following.

- Make no distribution until you give us a proper withdrawal request
- Distribute your entire SIMPLE IRA to you in a single sum payment
- Determine your required minimum distribution from your SIMPLE IRA each year based on your life expectancy, calculated using the uniform lifetime table in Regulations section 1.401(a)(9)-9, and pay those distributions to you until you direct otherwise

We will not be liable for any penalties or taxes related to your failure to take a required minimum distribution or to your receipt of an amount in excess of the required minimum distribution.

8.11 Termination of Agreement, Resignation, or Removal of Custodian – Either party may terminate this agreement at any time by giving written notice to the other. However, your termination of this agreement will not be effective until such time as all outstanding fees, costs, indemnities, penalties, expenses, or payments due to us are paid. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you through email (if an email address was provided, otherwise such notice will be sent to you through U.S. mail). Upon receipt of that notice, you must make arrangements to transfer your SIMPLE IRA to another financial organization. If you do not complete a transfer of your SIMPLE IRA within 30 days from the date we send the notice to you, we have the right to transfer your SIMPLE IRA assets to a successor SIMPLE IRA trustee or custodian that we choose in our sole discretion, or we may pay or distribute your SIMPLE IRA assets to you in a single sum or assignment. If we transfer your SIMPLE IRA, the existing SIMPLE IRA documents will govern your SIMPLE IRA relationship with the new custodian or trustee unless the successor custodian/trustee notifies you in writing of any changes and/or requires new SIMPLE IRA documents to be signed by you. We will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section. If we terminate this agreement, we reserve the right to distribute your SIMPLE IRA assets to you “in kind” instead of in cash. This will generally result in a taxable distribution and will be reported to the IRS and to you. If we distribute your SIMPLE IRA assets in kind, we will not withhold federal or state income taxes. Instead, you understand and agree that we may deem you to have waived all federal and state income tax withholding on the distribution. You will still be responsible for all tax implications resulting from the distribution, and you agree not to hold us accountable for any such income tax withholding.

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

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

- Any fees, expenses, or taxes chargeable against your SIMPLE IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your SIMPLE IRA. After your SIMPLE IRA with us is closed, if there are additional assets remaining in or subsequently credited to your SIMPLE IRA, we will seek to distribute or transfer such assets in accordance with your prior direction, but only after offsetting any applicable administrative expenses and custodial fees (according to our then operative fee schedule).

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

- 8.12 **Successor Custodian** – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your SIMPLE IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your SIMPLE IRA, but only if it is the type of organization authorized to serve as a SIMPLE IRA trustee or custodian.
- 8.13 **Amendments** – We have the right to amend this agreement at any time. Any amendment we make, including those made to comply with the Code and related regulations, does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.
- 8.14 **Withdrawals or Transfers** – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.
- 8.15 **Transfers From Other Plans** – We can receive amounts transferred to this SIMPLE IRA from the trustee or custodian of another SIMPLE IRA as permitted by the Code. In addition, we can accept rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer or direct rollover.
- 8.16 **Liquidation of Assets; Grant of Security Interest Upon Default**
- a. We have the right to liquidate assets in your SIMPLE IRA if necessary to make distributions or to pay fees, expenses, indemnities, taxes, federal tax levies, penalties, or surrender charges properly chargeable against your SIMPLE IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.
- b. If payment is not received on or before the due date listed on your invoice, a late fee will be assessed to your SIMPLE IRA and a *Past Due Notice* will be issued to you. In the event you fail to pay any fees, costs, indemnities, penalties, expenses, or payments due to us required by your Account Agreement or otherwise, and upon issuance of the *Past Due Notice*, we reserve the right to proceed with the process for establishing a lien on and security interest in all of your rights, title and interests in such portion of the SIMPLE IRA, the Uninvested Cash Funds and any other deposit, monies, accounts and other assets in such accounts or otherwise deposited with us at such time in an amount equal to the amounts necessary to pay in full such amounts then due to us, as collateral security for the prompt and complete payment of such unpaid fees or other amounts due and owing, to the maximum extent permitted by law or regulations, at our complete and sole discretion. Upon our providing you with notice through email (or through U.S. mail if no email address was provided) of our intent to pursue such security interest, you hereby authorize us to file all financing statements and other documents and take such other actions as may from time to time be necessary

or desirable in our complete and sole discretion to perfect and to maintain the perfection and priority of such security interest and/or authorize us to liquidate the asset(s) without your prior approval and without any further notice. You understand and agree that pursuant to Code section 408(e) the portion of any SIMPLE IRA funds pledged as collateral may be treated as distributed to you and subject to taxes, interest, and penalties, which you will be responsible for and agree to indemnify and hold us harmless therefrom. Such a deemed distribution may also trigger IRS Form 1099-R reporting, either when the lien is created or at some other required point.

We may, at our complete and sole discretion, liquidate sufficient asset(s) to cover outstanding fees plus one year's estimated fees, including the Account Termination Fee, and you agree not to hold us responsible for any adverse consequences that result from our decision. Upon receipt, such liquidated funds will first be applied to outstanding fees. Remaining balances, if any, will be placed into your SIMPLE IRA. We have no liability for any adverse tax or other financial consequences as a result of liquidating your SIMPLE IRA to cover the fees and charges. SIMPLE IRAs with past due fees, unfunded SIMPLE IRAs, and SIMPLE IRAs with zero value will continue to incur administration and maintenance fees until such time as you notify us in writing of your intent to close the SIMPLE IRA or of your wish that we resign. Should fees not be collected, we have the option to cease performing any functions, including, but not limited to, processing investment transactions, until such time as all fees charged against the SIMPLE IRA are fully paid. We may then close your SIMPLE IRA and distribute all assets to you, which will be reported to the IRS on Form 1099-R and may subject you to possible taxes and penalties. In the event of non-payment, we may employ a collection agency to recover any unpaid fees or expenses. You will be personally liable for all Re-registration Fees, Late Fees, Account Termination Fees, and any other fees related to collection of fees, including but not limited to, third party fees incurred.

- 8.17 **Restrictions on the Fund** – Neither you nor any beneficiary may sell, transfer, or pledge any interest in your SIMPLE IRA in any manner whatsoever, except as provided by law or this agreement.
- 8.18 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of the state in which we are chartered will govern.
- Each party hereby agrees that the federal courts located in the State of Nevada will have exclusive jurisdiction and venue over any claim or other action pertaining to or arising out of this agreement.
- If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.
- 8.19 **Summary Description Requirements** – Notwithstanding Article V above, we will be deemed to have satisfied our summary description reporting requirements under Code section 408(l)(2) if either
- a. we provide a summary description directly to you, or
- b. we provide our name, address and withdrawal procedures to you, and your employer provides you with all other required information.

8.20 **Valuations Policy** – Each year (and when you take SIMPLE IRA distributions), we are required to report the fair market value (“FMV”) of the assets within your SIMPLE IRA to the IRS. The IRS definition of FMV is the price at which the asset would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having a reasonable knowledge of the relevant facts. For additional guidance to determine FMV, please refer to the Code and to the Treasury Regulations.

You must provide us with a credible valuation of your SIMPLE IRA assets at least annually no later than 30 days after we request the valuation in order for us to generate accurate IRS reporting. You may also direct us in writing to accept and report a credible valuation of the assets provided by another party or directly from the investment provider (hereinafter designee). We may report the FMV of your SIMPLE IRA assets based on supporting documentation that you (or your designee) provide and that, in our sole discretion, we deem reasonable and applicable. We will not be responsible for verifying the accuracy of the FMV you or your designees provide to us. No material write-down of any prior valuation will be accepted without adequate supporting documentation and/or third-party valuation.

If you do not provide to us an acceptable SIMPLE IRA valuation when required, you agree that we may, but are not required to, seek a valuation determination. The expenses incurred in preparing such a valuation will be considered your SIMPLE IRA's expense and may be debited from your SIMPLE IRA. If your SIMPLE IRA has insufficient liquid assets to pay these expenses, you may pay them yourself. Certain SIMPLE IRA reimbursements may be considered annual contributions. To ensure proper governmental reporting, you must inform us of any SIMPLE IRA expense that you pay for outside your SIMPLE IRA. If we obtain a determination of the value of any asset in your SIMPLE IRA for recordkeeping or reporting purposes, we will use reasonable, good faith efforts. Illiquid assets can be difficult to value accurately, particularly without sometimes costly and time-consuming appraisals. Therefore, we neither guarantee the appropriateness of the appraisal techniques that we used, nor do we assume responsibility for the accuracy of the valuations obtained.

At any point after you, or your designee, fail to provide an acceptable valuation of an asset for a period exceeding 12 months, we may, but are not required to, distribute the asset to you and issue an IRS Form 1099-R using the last acceptable valuation you provided to us (or the valuation that was originally provided), as appropriate, and we shall have no responsibility or liability for the tax, legal, or other consequences related to that distribution.

We may receive documentation from investment providers or asset holders regarding assets in your SIMPLE IRA. We may, but are not obligated to, forward this information to you. It will remain your sole responsibility to request and ensure you receive all applicable documentation regarding your investments.

8.21 **Survival** – This Article VIII, and any other provisions necessary to interpret the respective rights and obligations of the parties under this agreement, shall survive the expiration or termination of this agreement and any resignation or removal of us as custodian.

GENERAL INSTRUCTIONS

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

PURPOSE OF FORM

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

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

For more information on SIMPLE IRAs, including the required disclosures the custodian must give the participant, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; Pub. 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and Pub. 560, *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)*.

DEFINITIONS

Participant – The participant is the person who establishes the custodial account.

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.

TRANSFER SIMPLE IRA

This SIMPLE IRA is a “transfer SIMPLE IRA” if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(l)(2) do not apply to transfer SIMPLE IRAs.

SPECIFIC INSTRUCTIONS

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

Article VIII – Article VIII and any that follow it may incorporate additional provisions that are agreed to by the participant 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 participant, etc. Attach additional pages if necessary.

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR SIMPLE IRA

You have the right to revoke your SIMPLE IRA within seven (7) days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your SIMPLE IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed on the application or by other electronic means mutually agreed upon and allowed by law.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date. If notice is received by fax or other electronic means, your revocation will be deemed delivered as of the date submitted.

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

REQUIREMENTS OF A SIMPLE IRA

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

B. **Maximum Contribution** – The only contributions that may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions, and other contributions allowed by the Code or related regulations, that are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals may not exceed the lesser of 100 percent of your compensation for the calendar year or \$16,000 (for 2024) and \$16,500 (for 2025) with possible cost-of-living adjustments each year thereafter. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code Section (IRC Sec.) 408(p). Your employer is required to provide you with information that describes the terms of its SIMPLE IRA plan.

If you are employed by an employer with no more than 25 employees who received at least \$5,000 in compensation the preceding year, your annual deferral and catch-up contribution limit is 110 percent of the contribution limit that would otherwise apply in 2024. The increased deferral limit is \$17,600 (for 2024 and 2025) and the increased catch-up contribution limit is \$3,850 (for 2024 and 2025) with possible cost-of-living adjustments each year thereafter.

Employers with 26 to 100 employees who received at least \$5,000 in compensation the preceding year may also elect to apply the increased deferral and catch-up contribution limits. Contact your employer to determine if the increased contribution limit applies to you.

C. **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 SIMPLE IRA. The maximum additional contribution is \$3,500 (for 2024 and 2025), with possible cost-of-living adjustments each year thereafter. Beginning in 2025 if you attain age 60, 61, 62, or 63 (but do not attain age 64) during the year, your catch-up contribution is the greater of \$5,000 or 150 percent of the 2025 catch-up contribution limit with possible cost-of-living adjustments each year thereafter.

D. **Nonforfeitable** – Your interest in your SIMPLE IRA is nonforfeitable.

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

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

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

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

I. **Required Minimum Distributions** – You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the SIMPLE IRA distribution rules.

1. **Applicable Age for RMDs** – You are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach the applicable age for RMDs and for each year thereafter. The applicable age for RMDs is age 70½ if you were born before July 1, 1949; age 72 if you were born on or after July 1, 1949, but before January 1, 1951; age 73 if you were born on or after January 1, 1951, but before January 1, 1960; and age 75 if you were born on or after January 1, 1960. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain the applicable age.

2. **Calculation** – The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the previous year by the applicable denominator. The applicable denominator generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the RMD is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy factor from the Uniform Lifetime Table.

We reserve the right to do any one of the following by your required beginning date.

- Make no distribution until you give us a proper withdrawal request
- Distribute your entire SIMPLE IRA to you in a single sum payment
- Determine your RMD each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

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

1. **Death of SIMPLE IRA Owner Before January 1, 2020** – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

If you die on or after your required beginning date, distributions must be made to your beneficiaries over the longer of the single life expectancy of your designated beneficiaries, or your remaining life expectancy. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution

period. If there is no designated beneficiary of your SIMPLE IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

If you die before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiaries, either

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

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

2. **Death of SIMPLE IRA Owner On or After January 1, 2020** – Upon your death, your SIMPLE IRA will be paid to your beneficiary. The beneficiary's options for payment will differ depending on whether the beneficiary is an eligible designated beneficiary, a designated beneficiary, or a nonperson beneficiary, and the timing of your death. The options described below assume that separate accounting for the inherited SIMPLE IRA is established by December 31 of the year following the year of your death. If separate accounting is not established by this date, your beneficiaries' options may be further limited, and payments may be accelerated. Beneficiaries should consult with their tax professional or attorney for a determination of their distribution options and payment calculations.

Designated Beneficiary. A designated beneficiary is an individual who is a beneficiary specified under the SIMPLE IRA. Certain see-through trusts may also qualify as a designated beneficiary under the SIMPLE IRA for purposes of determining available payment options and distribution calculations. For purposes of determining the RMD due after your death, a designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

Eligible Designated Beneficiary. An eligible designated beneficiary is any designated beneficiary who, as of the date of your death, is one of the following:

- your surviving spouse,
- your child who has not reached age 21,
- a disabled individual (a physician must determine that the impairment can be expected to result in death or to be of long, continued, and indefinite duration),
- an individual who is not more than 10 years younger than you, or

- a chronically ill individual (the individual must have been certified by a licensed health care practitioner that, as of the date of the certification, the individual is someone who
 1. is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period that is reasonably expected to be lengthy in nature due to a loss of functional capacity,
 2. has a level of disability similar to the level of disability described above requiring assistance with daily living based on a loss of functional capacity, or
 3. requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment).

(a) **Death Before Your Required Beginning Date.**

Designated Beneficiary. The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary, or you have no designated beneficiary for purposes of determining a distribution period. This 10-year rule is not subject to an annual distribution requirement.

Eligible Designated Beneficiary. If your beneficiary is an eligible designated beneficiary, the beneficiary may choose to distribute the entire amount remaining in your account by using either the:

- (i) 10-year rule: This option requires a total distribution of the entire account by December 31 of the year containing the tenth anniversary of your death. No annual payment is required under this option.
- (ii) Life expectancy payment option: Annual payments taken over the remaining life expectancy of the eligible designated beneficiary.

If your spouse is your sole eligible designated beneficiary, he or she must elect either the 10-year rule or life expectancy payments by the earlier of December 31 of the year containing the tenth anniversary of your death, or December 31 of the year you would have attained the applicable age for RMDs. If no election is made, distributions will be made in accordance with the life expectancy payment option. All other eligible designated beneficiaries must elect either the 10-year rule or life expectancy payment option by December 31 of the year following the year of your death. If no election is made by an eligible designated beneficiary, payments will be made using the life expectancy payment option.

A nonspouse eligible designated beneficiary's remaining life expectancy is determined by using the beneficiary's age in the year following the year of your death to determine the factor from the IRS Single Life Expectancy table, reducing it by one in each subsequent year. A spouse beneficiary's remaining life expectancy is determined using the spouse beneficiary's age and the Uniform Lifetime Table each year, as permitted under the Treasury Regulations.

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals, and certain see-through trusts) may take a distribution of the amount remaining in your account over the remaining life expectancy of the designated beneficiary of the trust. The trustee of the trust is responsible for determining whether the trust is a see-through trust, the trust beneficiary's options, and the minimum payment required for the year. No trust paperwork is required to be provided to the SIMPLE IRA trustee or custodian.

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of your death. However, if your

spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year you would have attained the applicable age for RMDs (as described in the *Required Minimum Distributions* section above), if later. If your eligible designated beneficiary is your minor child, life expectancy payments must begin by December 31 of the year following the year of your death and continue until the child reaches the age of majority (age 21). Once the age of majority is reached, the beneficiary will have 10 years to deplete the account with annual payments continuing each year.

No Designated Beneficiary. If a beneficiary other than a person (e.g., your estate, a charity, or a trust that is not a see-through trust) is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If you die before your required beginning date and there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

Hypothetical RMD. If your spouse beneficiary is using the ten-year rule and, before the tenth year, chooses to: 1) treat the SIMPLE IRA as his or her own SIMPLE IRA, 2) roll over the SIMPLE IRA to his or her own SIMPLE IRA, or 3) roll over the SIMPLE IRA to his or her own Traditional IRA or eligible employer-sponsored retirement plan (if two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer), a hypothetical RMD may need to be calculated and distributed. This amount is not eligible to roll over or be treated as the spouse's own SIMPLE IRA or Traditional IRA. If, in the year the spouse is treating the SIMPLE IRA as his or her own SIMPLE IRA or rolling over to his or her own SIMPLE IRA, Traditional IRA, or employer-sponsored retirement plan, the spouse beneficiary will attain the applicable age for RMDs or older, the spouse beneficiary must calculate and distribute a hypothetical RMD amount that would have been required had the life expectancy payment option applied instead of the ten-year option. This RMD amount must be calculated and distributed for each year, beginning with the later of the year the SIMPLE IRA owner or the spouse beneficiary would have attained the applicable age for RMDs and for each year until the year the transaction moving the SIMPLE IRA to the spouse beneficiary's own IRA or plan occurs. The amount is calculated using the spouse beneficiary's life expectancy in those years determined using the Uniform Lifetime Table. For additional information on hypothetical RMD requirements, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

(b) **Death On or After Your Required Beginning Date.**

Designated Beneficiary. A portion of your account must continue to be distributed annually to your designated beneficiary. The amount of the distribution must be determined using the longer of your single life expectancy in the year of death, reduced by one each year, or the beneficiary's single life expectancy in the year after the year of your death, reduced by one each year. In addition, the account must be depleted by the earlier of December 31 of the year containing the tenth anniversary of your death or December 31 of the year the single life expectancy factor is equal to, or less than, one.

Eligible Designated Beneficiary. If your beneficiary is a nonspouse eligible designated beneficiary, the beneficiary may continue to distribute the amount remaining in your account over the longer of your single life expectancy in the

year of death, reduced by one each year, or the beneficiary's single life expectancy in the year after the year of your death, reduced by one each year. Spouse beneficiaries may use the longer of your single life expectancy in the year of death, reduced by one each year, or the spouse beneficiary's life expectancy each year determined by using the Uniform Lifetime Table, as permitted under the Treasury Regulations. A minor child who is your beneficiary must continue the payments annually based upon the beneficiary's single life expectancy in the year after death, reduced by one, and must deplete the account by December 31 of the year the beneficiary attains age 31.

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals, and certain see-through trusts) may take a distribution of the amount remaining in your account over the longer of your single life expectancy or the remaining life expectancy of the beneficiary of the trust. The trustee of the trust is responsible for determining whether the trust is a see-through trust, the trust beneficiary's options, and the minimum payment required for the year. No trust paperwork is required to be provided to the SIMPLE IRA trustee or custodian.

No Designated Beneficiary. If you die on or after your required beginning date and there is no designated beneficiary of your SIMPLE IRA, distributions will continue to the beneficiary using your single life expectancy in the year of your death, reduced by one in each subsequent year.

Year of Death RMD. If you die before satisfying the RMD amount for the year, to avoid a 25 percent excess accumulation penalty tax a beneficiary must remove the remaining year-of death RMD no later than the tax-filing deadline (including extensions thereof) for the taxable year of that beneficiary that begins with or within that calendar year (or, if later, the last day of the calendar year following the year of your death).

- (c) **Special Rules for Spouse Beneficiaries.** A spouse who is the sole eligible designated beneficiary of your entire SIMPLE IRA will be deemed to elect to treat your SIMPLE IRA as his or her own by either (1) transferring it to a SIMPLE IRA in the spouse beneficiary's name, (2) making contributions to your SIMPLE IRA or (3) failing to timely remove an RMD, other than the year of death RMD, from your SIMPLE IRA. Regardless of whether the spouse is the sole eligible designated beneficiary of your IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own SIMPLE IRA. If two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer, the spouse beneficiary may also roll over to his or her own Traditional IRA or eligible employer-sponsored retirement plan.

A spouse beneficiary will have all rights as granted under the Code or applicable Treasury Regulations to treat your SIMPLE IRA as his or her own.

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

- K. **Missed RMD** – If you, or your beneficiary upon your death, fail to timely remove an RMD, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is reduced to 10 percent. You or your beneficiary upon your death, must file IRS Form 5329 along with the income tax return to report and remit any additional taxes to the IRS.

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

- L. **Qualifying Longevity Annuity Contracts and RMDs** – A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85.

When calculating your RMD, you may reduce the prior year end account value by the value of QLACs that your SIMPLE IRA holds as investments.

For more information on QLACs, you may wish to refer to the IRS website at www.irs.gov.

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

INCOME TAX CONSEQUENCES OF ESTABLISHING A SIMPLE IRA

- A. **Deductibility for SIMPLE IRA Contributions** – You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, employee elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you take a distribution from your SIMPLE IRA.

Participation in your employer's SIMPLE IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

- B. **Contribution Deadline** – SIMPLE IRA deferral contributions must be deposited into the SIMPLE IRA as soon as administratively possible, but in no event later than 30 days following the month in which you would have otherwise received the money. Employer matching or nonelective contributions must be deposited no later than the due date for filing the employer's tax return, including extensions.
- C. **Tax Credit for Contributions** – You may be eligible to receive a tax credit for your SIMPLE IRA deferrals. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are
- age 18 or older as of the close of the taxable year,
 - not a dependent of another taxpayer, and
 - not a full-time student.

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

2024 Adjusted Gross Income*						Applicable Percentage
Joint Return		Head of Household		All Other Cases		
Over	Not Over	Over	Not Over	Over	Not Over	
	\$46,000		\$34,500		\$23,000	50
\$46,000	\$50,000	\$34,500	\$37,500	\$23,000	\$25,000	20
\$50,000	\$76,500	\$37,500	\$57,375	\$25,000	\$38,250	10
\$76,500		\$57,375		\$38,250		0

2025 Adjusted Gross Income*						Applicable Percentage
Joint Return		Head of Household		All Other Cases		
Over	Not Over	Over	Not Over	Over	Not Over	
	\$47,500		\$35,625		\$23,750	50
\$47,500	\$51,000	\$35,625	\$38,250	\$23,750	\$25,500	20
\$51,000	\$79,000	\$38,250	\$59,250	\$25,500	\$39,500	10
\$79,000		\$59,250		\$39,500		0

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

- D. **Tax-Deferred Earnings** – The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- E. **Excess Contributions** – If you defer more than the maximum allowable limit for the tax year, you have an excess deferral and must correct it. Excess deferrals, adjusted for earnings, must be distributed from your SIMPLE IRA.

If your employer mistakenly contributes too much to your SIMPLE IRA as an employer contribution, your employer may effect distribution of the employer excess amount, adjusted for earnings through the date of distribution. The amount distributed to the employer is not includible in your gross income.

- F. **Income Tax Withholding** – Ten percent federal income tax withholding will be applied to a withdrawal from your SIMPLE IRA unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.
- G. **Early Distribution Penalty Tax** – If you receive a SIMPLE IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent (25 percent if less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer) will apply to the taxable amount of the distribution unless one of the following exceptions apply. **1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. **2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. **3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. **4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, *Distributions from Individual Retirement*

Arrangements (IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.

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

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

H. SIMPLE IRA Portability – Your SIMPLE IRA may be transferred to another SIMPLE IRA or Traditional IRA of yours, rolled over to another SIMPLE IRA, Traditional IRA, or an eligible employer-sponsored retirement plan of yours, may receive transfer or rollover

contributions, or may be converted to a Roth IRA, provided that all of the applicable rules are followed. Rollover is a term used to describe a movement of cash or other property to your SIMPLE IRA from another SIMPLE IRA, Traditional IRA, 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 provided a two-year period has been satisfied. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general portability rules are summarized below. These transactions are often complex. If you have any questions regarding a transfer, rollover, or conversion, please see a competent tax advisor.

- 1. SIMPLE IRA-to-SIMPLE IRA Transfers.** You may transfer your SIMPLE IRA to another SIMPLE IRA at any time with no limits on the number of transfers that may be completed in a 12-month period. A transfer is the movement of assets directly from one SIMPLE IRA to another and is not subject to taxation or the early distribution penalty tax. You may not transfer a SIMPLE IRA to a Roth IRA.
- 2. SIMPLE IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of IRC Sec. 408(d)(3) are met.
- 3. Traditional IRA-to-SIMPLE IRA Rollovers and Transfers.** Assets from your Traditional IRA may be rolled over or transferred to a SIMPLE IRA if the requirements of IRC Sec. 408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer.
- 4. SIMPLE IRA-to-Traditional IRA Rollovers and Transfers.** Assets from your SIMPLE IRA may be rolled over or transferred to a Traditional IRA provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer.
- 5. IRA-to-IRA Rollover Restrictions.** A distribution that is payable to you and is eligible to be rolled over from any IRA must be rolled over within 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days.

Only one distribution from any IRA (Traditional, Roth, or SIMPLE) may be rolled over to another IRA in a 12 month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover.

If you are required to take an RMD for the year, you must remove all of your RMDs for the year for all of your IRAs before rolling over a distribution from any Traditional or SIMPLE IRA. The first distribution taken from your IRA will go toward satisfying your RMD and may not be rolled over.

For more information on rollover limitations, you may obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

- 6. Employer-Sponsored Retirement Plan-to-SIMPLE IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to a SIMPLE IRA provided two years have passed since you first participated in the SIMPLE IRA plan sponsored by your employer. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess

deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of designated Roth account assets from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

If you elect to receive your rollover distribution prior to placing it in a SIMPLE IRA, thereby conducting an indirect rollover, your plan administrator generally will be required to withhold 20 percent of your distribution as a payment of income taxes. When completing the rollover, you may make up out of pocket the amount withheld and roll over the full amount distributed from your employer-sponsored retirement plan. To qualify as a rollover, your eligible rollover distribution generally must be rolled over to your SIMPLE IRA not later than 60 days after you receive the distribution. In the case of a plan loan offset due to plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs. 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 tax (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 over your employer-sponsored retirement plan balance to a SIMPLE IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the SIMPLE IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

7. SIMPLE IRA-to-Employer-Sponsored Retirement Plan Rollovers. You may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The employer-sponsored retirement plan, however, must allow for such rollover contributions.

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

9. Rollover of IRS Levy. If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

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

I. Repayments of Certain Distributions.

1. Qualified Birth or Adoption Distributions. If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to

a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.

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

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

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

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

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

J. Recharacterizations – You may not recharacterize a Roth IRA conversion back to a SIMPLE IRA.

LIMITATIONS AND RESTRICTIONS

A. Deduction of Rollovers and Transfers – A deduction is not allowed for rollover or transfer contributions.

B. Gift Tax – Transfers of your SIMPLE IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.

C. Special Tax Treatment – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to SIMPLE IRA distributions.

D. Prohibited Transactions – If you or your beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in IRC Sec. 4975, your SIMPLE IRA will lose its tax-deferred status, and you must include the value of your account in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your SIMPLE IRA. (1) Taking a loan from your SIMPLE IRA (2) Buying property for personal use (present or future) with SIMPLE IRA assets (3) Receiving certain bonuses or premiums because of your SIMPLE IRA.

E. Pledging – If you pledge any portion of your SIMPLE 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 that year.

OTHER

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

B. **Additional Information** – For further information on SIMPLE IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 800-TAX-FORM, or by visiting www.irs.gov on the Internet.

C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a SIMPLE IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

D. **Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your SIMPLE IRA or retirement plan, you may recontribute those amounts to an IRA generally within a two-year period from your date of return.

E. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, a federally-declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your SIMPLE IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more.

Qualified Disaster Recovery Distributions. If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

Repayments of Withdrawals for Home Purchase. If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

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

FINANCIAL DISCLOSURE

The value of your IRA will be dependent solely upon the performance of any investment instrument used to fund your SIMPLE IRA. Therefore, no projection of the growth of your SIMPLE IRA can reasonably be shown or guaranteed.

INVESTMENT OPTIONS

You may direct the investment of your funds within this SIMPLE IRA into any investment instrument offered by or through the custodian. The custodian will not exercise any investment discretion regarding your SIMPLE IRA, as this is solely your responsibility.

FEES

There are certain fees and charges connected with your SIMPLE IRA investments. These fees and charges may include the following.

- Account Fees
- Transaction Fees
- Processing Fees
- Miscellaneous Fees

To find out what fees may apply, refer to the Fee Schedule.

We reserve the right to change any of the above fees after notice to you, as provided in your SIMPLE IRA agreement.

EARNINGS

The method for computing and allocating annual earnings (e.g., interest, dividends) on your SIMPLE IRA will differ based on the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings.

VIP Services: (888) 855-9856 | info@trustprovident.com
8880 W. Sunset Rd., Suite 250, Las Vegas, NV 89148

Our Fees and Fee Schedule

The Custodian's Establishment and Custodial Fees are due at the time the account is established. The Establishment Fee is a one-time set-up fee charged to open the account. This fee is nonrefundable except in the occurrence of an account revocation. The Custodial Fee is initially charged at the time the Custodial Agreement ("Document") is provided to the client, and recurs every year thereafter upon the anniversary date of the account opening. The Custodial Fee is initially charged at the time the account is opened and represents the annual fee for custodial services. The Custodial Fee then recurs every year thereafter upon the anniversary date of the account opening. Transactional Fees are charged each time you either purchase, sell, or otherwise dispose of an asset in your account. Transactions are normally processed within five business days from the date we have sufficient funds in our possession and all of the properly executed investment paperwork. We make no representations or warranties with respect to the timing of our processing of your transaction if the investment paperwork is incomplete or in the event your account does not have sufficient funds. Transaction Fees are not charged for receipt of income or contributions. The fees designated as Miscellaneous Fees on the Fee Schedule are charged at the time services are provided. Distribution fees are charged each time you request funds or assets to be distributed from your account. Additional fees may apply for distribution of non-cash assets (such as Asset Re-registrations). Custodian reserves the right to charge and/or sweep the Account Termination Fee from your account at any time. To avoid delays in processing your request, please ensure you have sufficient cash in your account to pay your outstanding fees, including Account Termination Fees and Re-registration Fees. If cash is not available, an invoice will be sent to you. Any fee charged by a third party to re-register assets will be billed directly to an account holder's account or credit card. Custodian reserves the right to assess additional fees for other services. In the event that you provide clear, written instruction to Custodian to pay fees to third parties on your account's behalf, Custodian will so act and shall invoice you for payment of such fees; however, Custodian will not be responsible to pay any such fees without said written instruction. Under certain circumstances investment companies or financial advisors may offer to pay fees associated with your account with Custodian; regardless, you are personally responsible for payment of all fees.

Payment of Fees, Late Fees, Collection Procedures, and Liquidation of Assets for Non-Payment of Fees

Fees for all new accounts with us must accompany the Account Application at the time when the account is established (unless specified otherwise on the Account Application). All items subject to collection or to any right of rescission may be held until collection or expiration of any applicable rescission period. After account establishment, fees are billed annually. Regardless of whether or not the fee has been collected, an invoice will be generated detailing the fees due for your account. Invoicing for the fees associated with your account will be done 60 days prior to the anniversary date of your account opening. All fees are due and payable upon receipt of an invoice. Such fees may be charged to your credit card (Visa, American Express, or MasterCard) or deducted automatically from available cash in your account no earlier than the due date listed on your invoice. Credit card charges may be billed under the name of Provident Trust Group, LLC or Provident Trust Group. Rejected credit card charges are subject to a \$25 reprocessing fee. Account fees and charges are charged in advance or in connection with the applicable services and events and are non-refundable. If payment is not received on or before the due date listed on your invoice, a \$50 late fee will be assessed to your account and a Past Due Notice will be issued to you. In the event you fail to pay any fees, costs, indemnities, penalties, expenses, or payments due to Custodian required by your Account Agreement or otherwise, and upon issuance of the Past Due Notice, Custodian reserves the right to proceed with the process for establishing a lien on and security interest in all of your rights, title and interests in such portion of the custodial account, the Uninvested Cash Funds and any other deposit, monies, accounts and other assets in such accounts or otherwise deposited with Custodian at such time in an amount equal to the amounts necessary to pay in full such amounts then due to Custodian, as collateral security for the prompt and complete payment of such unpaid fees or other amounts due and owing, to the maximum extent permitted by law or regulations, at Custodian's complete and sole discretion. Upon Custodian providing you with notice through email (or through U.S. mail if no email address was provided) of Custodian's intent to pursue such security interest, you hereby authorize Custodian

to file all financing statements and other documents and take such other actions as may from time to time be necessary or desirable in Custodian's complete and sole discretion to perfect and to maintain the perfection and priority of such security interest and/or authorize Custodian to liquidate the asset(s) without your prior approval and without any further notice. You understand and agree that pursuant to Code section 408(e) the portion of any account funds pledged as collateral may be treated as distributed to you and subject to taxes, interest, and penalties, which you will be responsible for and agree to indemnify and hold Custodian harmless therefrom. Such a deemed distribution may also trigger IRS Form 1099-R reporting, either when the lien is created or at some other required point.

Custodian may, at its complete and sole discretion, liquidate sufficient asset(s) to cover outstanding fees plus one year's estimated fees, including the Account Termination Fee, and you agree not to hold Custodian liable for any adverse consequences that result from Custodian's decision. Upon receipt, such liquidated funds will first be applied to outstanding fees. Remaining balances, if any, will be placed into your account. Custodian has no liability for any adverse tax or other financial consequences as a result of liquidating your account to cover the fees and charges. Accounts with past due fees, unfunded accounts, and accounts with zero value will continue to incur administration and maintenance fees until such time as you notify Custodian in writing of your intent to close the account or of your wish that Custodian resigns. Should fees not be collected, Custodian has the option to cease performing any functions, including, but not limited to, processing investment transactions, until such time as all fees charged against the account are fully paid. Custodian may then close your account and distribute all assets to you, which will be reported to the IRS on Form 1099-R and may subject you to possible taxes and penalties. In the event of non-payment, Custodian may employ a collection agency to recover any unpaid fees or expenses. You will be personally liable for all Re-registration Fees, Late Fees, Account Termination Fees, and any other fees related to collection of fees, including but not limited to, third party fees incurred.

Minimum Account Balance Required and Termination

A minimum cash balance of \$500 must be maintained in your account at all times. This cash balance is part of your account and must originate from a contribution, rollover, or transfer from another qualified plan or earnings or liquidations from within your account. Failure to maintain this balance may result in the distribution of the account to you. This distribution will be reported to the IRS on Form 1099-R and may subject you to possible taxes and penalties. Custodian reserves the right to withdraw \$250 of the minimum account balance at any time as a pre-payment of the Account Termination Fee, as disclosed in the Fee Schedule, plus any applicable fees to facilitate the termination as set forth in the Fee Schedule. A transfer of assets from your account to a third party, including to another individual retirement account for your benefit is considered a termination for purposes of the imposition of the Account Termination Fee. A lump sum distribution is considered a termination for purposes of the Account Termination Fee. Please note that your decision to terminate your account will not be effective until such time as all outstanding fees, costs, indemnities, penalties, expenses or payments due to Custodian are paid. Please refer to your Account Agreement for more information on termination.

Right to Make Adjustments to the Fee Schedule and Fees

Custodian reserves the right to make any adjustments in our fees for our services when such adjustments are warranted. Such instances include, but are not limited to, changes in governing laws regulations, or operating technology; non-payment of fees; the occurrence of activities which are not contemplated in your Fee Schedule; or economic conditions. Custodian reserves the right to adjust the Fee Schedule at any time and agrees to provide you with notice through email (if an email address was provided, otherwise such notice will be sent to you through U.S. mail) within thirty days in advance of the effective date of change. This notice will direct you to Custodian's website to view such adjustments electronically unless you notify us that you prefer we provide you with paper copies of the same.

Custodial Agreement and Disclosure Information

Additional fee disclosures are made in your Custodial Agreement and such disclosures shall also apply to your account. Please keep a copy of the Custodial Agreement and disclosure information for your records.

FACTS

WHAT DOES PROVIDENT TRUST GROUP DO WITH YOUR PERSONAL INFORMATION?



Why?

Financial companies choose how they share your personal information. Privacy laws give individuals the right to limit some but not all sharing. Privacy laws also require us to tell you how Provident Trust Group collects, shares, and protects your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number, name, date of birth, address, email, and account balances
- account transactions and transaction history
- retirement assets and wire transfer instructions

When you are *no longer* our customer, we may continue to share your information as described in this notice.

How?

Financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Provident Trust Group chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Provident Trust Group share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our marketing purposes— to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Who we are

Who is providing this notice?	Provident Trust Group
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What we do

How does Provident Trust Group protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with U.S. data privacy law. These measures include computer safeguards and secured files and buildings.
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How does Provident Trust Group collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or make deposits or withdrawals ■ provide account information or give us your contact information ■ provide your government-issued ID <p>We also collect your personal information from our affiliates, or other companies.</p>
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Why can't I limit all sharing?	<p>Applicable privacy law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
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Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies under the ownership of Ascensus.</i>
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Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Provident Trust Group does not share with nonaffiliates so they can market to you.</i>
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Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Provident Trust Group does not jointly market.</i>
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Questions?

Call 888-855-9856

For additional information about Ascensus' privacy practices, and to view our updates, please visit our privacy management page at www2.ascensus.com/privacy-management/