

# Roth IRA Application



- For additional information, please call **(800) 539-FUND**
- Send completed Roth IRA Application with check made payable to: **Victory Funds**, P. O. Box 182593, Columbus, OH 43218-2593.

## Part 1. Depositor Information

PRINT FULL NAME \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_ SOCIAL SECURITY NO. \_\_\_\_\_

RESIDENCE ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

DAYTIME PHONE \_\_\_\_\_ EVENING PHONE \_\_\_\_\_

FOREIGN COUNTRY OF PERMANENT RESIDENCE (IF APPLICABLE) \_\_\_\_\_

Would you like to receive your mail at some other address?

- No  Yes, please indicate:

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

- I am a U.S. Citizen (including a resident alien)
- I am a non-resident alien and have attached IRS Form W-8BEN
- I am/was a participant in a qualified retirement plan that had investments in Victory Funds. As such, my rollover dollars are entitled to Victory Fund A shares at net asset value.

## Part 1a. Employment Information

- Retired  Employed  I am a current or retired employee of Victory Funds or a family member of an employee.

EMPLOYER NAME \_\_\_\_\_

EMPLOYER ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

- I am an associated person of a FINRA member firm.

## Part 2. IRA Election

- A. By checking this box, I designate my Account as a ROTH IRA under Code Section 408A.
- B. By checking this box, I designate my account as a Beneficiary Roth IRA.

SHAREHOLDER NAME \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_ DATE OF DEATH \_\_\_\_\_

## Part 3. Investments\* (Please check the appropriate box(es) below indicating type of contribution.)

| SHARE CLASS | CONTRIBUTION FOR TAX YEAR | TRANSFER                 | ROLLOVER                 | CONVERSION/ RECHARACTERIZATION | PERCENT/DOLLAR |
|-------------|---------------------------|--------------------------|--------------------------|--------------------------------|----------------|
| _____       | 20 _____                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>       | _____%/\$      |
| _____       | 20 _____                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>       | _____%/\$      |
| _____       | 20 _____                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>       | _____%/\$      |
| _____       | 20 _____                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>       | _____%/\$      |

\*Generally if share class is not specified, A Shares will be purchased.

Total 100%/\$

## Part 3a. Telephone Authorization

I will automatically receive telephone authorization privileges unless I check the appropriate box below. By accepting the telephone authorization privilege, I agree that neither the Fund, the Custodian, nor any of their agents will be liable for any loss, injury, damage or expense as a result of acting upon, and will not be responsible for the authenticity of, any telephone instructions. I agree to hold the Fund, Custodian and their agents harmless from any loss, claims or liability arising from its or their compliance with these instructions. I understand that this option is subject to the terms and conditions set forth in the prospectus, and that all telephone calls may be tape recorded.

- No, I do not want Telephone Authorization privileges

## Part 3b. Dividend Reinvestment

Each Fund's distribution will automatically be reinvested into the same Fund. If you would like other options, please call 1-800-539-FUND.

### Part 3c. Systematic Investment Plan

Yes, I authorize my bank to accept withdrawals initiated by the Fund's servicing agent to my account for the amount I have designated, without responsibility for the correctness of the agreement or for the existence of any further authorization relating to this contract. I agree to indemnify and hold harmless my bank, the Victory Funds and its agents for any loss, liability or expense incurred from action of these instructions.

I would like to invest the following amount(s) (minimum \$50 per fund) on the day indicated (any day, 1st through 28th) into the following fund(s). Please circle frequency per Fund; **Monthly**, **Quarterly**, **Annually**. Please note: your contributions will be recorded as current year.

|           |           |     |             |   |   |
|-----------|-----------|-----|-------------|---|---|
|           |           |     | Select One: |   |   |
| _____     | \$ AMOUNT | DAY | M           | Q | A |
| FUND NAME |           |     |             |   |   |
| _____     | \$ AMOUNT | DAY | M           | Q | A |
| FUND NAME |           |     |             |   |   |
| _____     | \$ AMOUNT | DAY | M           | Q | A |
| FUND NAME |           |     |             |   |   |

### Subsequent Investments (for online investing)

NAME(S) ON BANK ACCOUNT \_\_\_\_\_

BANK ACCOUNT NUMBER \_\_\_\_\_

BANK NAME \_\_\_\_\_ BANK ABA CODE (9 DIGITS) \_\_\_\_\_

*Note: Attach a voided check to establish either the Systematic Investment Plan or for Subsequent Investments.*

### Part 3d. Letter of Intent

Complete if you qualify for reduced sales charges. See the prospectus for qualifications.

I agree to the terms of the Letter of Intent set forth in the prospectus. Although I am not obligated to do so, it is my intention to invest over a 13-month period in shares of one or more of the funds (except for money market funds) an aggregate amount at least equal to that which is checked below:

- \$50,000 - \$99,999     \$100,000 - \$249,999  
 \$250,000 - \$499,999     \$500,000 - \$999,999  
 \$1,000,000 and above

### Part 3e. Rights of Accumulation

To qualify for reduced sales charges, please list the account numbers below of all shares of Victory (except for money market) funds that you or your immediate family (spouse and children under age 21) already own:

ACCOUNT NAME \_\_\_\_\_

ACCOUNT # \_\_\_\_\_

ACCOUNT NAME \_\_\_\_\_

ACCOUNT # \_\_\_\_\_

In order for this cumulative quantity discount to be made available, the shareholder or his or her securities advisor must notify the Fund of the total holdings in Victory each time an order is placed.

### Part 4. Beneficiaries

I hereby designate the following person(s) named below as my primary and secondary beneficiary(ies) to receive the balance of my Roth IRA Account(s) upon my death. If I have designated more than one person, the amount distributed is to be divided equally among designated persons unless otherwise indicated by a "percentage of distribution." I understand that if no beneficiary is designated, the assets in my account will be paid according to the Custodial Account Agreement in effect at my death. If I designate a beneficiary which is a trust, I have indicated the name of the trust, trustee's name, address and date of the trust. If any primary or secondary beneficiary dies before me, the interest of his or her heirs shall terminate completely, and any remaining beneficiary share shall be increased on a pro rata basis.

Beneficiaries:

|                     |                                  |                                    |
|---------------------|----------------------------------|------------------------------------|
| NAME _____          | <input type="checkbox"/> PRIMARY | <input type="checkbox"/> SECONDARY |
| RELATIONSHIP _____  | % OF DISTRIBUTION _____          |                                    |
| DATE OF BIRTH _____ | SS#/TAX ID NUMBER _____          |                                    |
| NAME _____          | <input type="checkbox"/> PRIMARY | <input type="checkbox"/> SECONDARY |
| RELATIONSHIP _____  | % OF DISTRIBUTION _____          |                                    |
| DATE OF BIRTH _____ | SS#/TAX ID NUMBER _____          |                                    |
| NAME _____          | <input type="checkbox"/> PRIMARY | <input type="checkbox"/> SECONDARY |
| RELATIONSHIP _____  | % OF DISTRIBUTION _____          |                                    |
| DATE OF BIRTH _____ | SS#/TAX ID NUMBER _____          |                                    |

### Spousal Consent

*Spousal consent should be considered if either the trust or the residence of the Roth IRA owner is located in a community or marital property state.*

### CURRENT MARITAL STATUS

- I Am Not Married** - I understand that if I become married in the future, I should review the requirements for spousal consent.  
 **I Am Married** - I understand that if I choose to designate a primary beneficiary other than or in addition to my spouse, my spouse should sign below.

### CONSENT OF SPOUSE

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

I hereby give the Roth IRA owner my interest in the assets or property deposited in this Roth IRA and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result.

**X** \_\_\_\_\_  
Signature of Spouse Date (mm/dd/yyyy)

**X** \_\_\_\_\_  
Signature of Witness Date (mm/dd/yyyy)

## Part 5. Certifications and Signatures

I hereby consent to the terms of the Victory Funds Roth IRA described herein and on the accompanying Customer Agreement on this page, the Custodial Account Agreement and Disclosure Statement and to the beneficiaries I have designated in this Roth IRA Application. If the Depositor is a minor under the laws of the Depositor's state of residence, a parent or guardian must also sign this Roth IRA Application.

\_\_\_\_\_  
SIGNATURE OF DEPOSITOR DATE

\_\_\_\_\_  
SIGNATURE OF PARENT OR GUARDIAN DATE

## Part 6. Customer Agreement

By signing this application, I understand and certify that:

- I, the person signing this Roth IRA Application (hereinafter called the "Depositor"), establish an Individual Retirement Account (IRA), which is either a Roth IRA as indicated on Page 1 of this agreement, (the "Account") with Victory Funds, UMB Bank National Association as Custodian ("Bank"). A Roth IRA operates under Internal Revenue Code Section 408A. I agree to the terms of my Account, which are contained in the applicable provisions of the Custodial Account Agreement and this Roth IRA Application. I certify the accuracy of the information in the Roth IRA Application. My Account will be effective upon acceptance by Bank.
- I acknowledge receipt of the Custodial Account Agreement, Disclosure Statement, Financial Disclosure and Victory Funds Privacy Policy at least 7 days before the date inscribed on this page and acknowledge that I have no further right of revocation,
- Depositor acknowledges that it is his/her sole responsibility to report all contributions to or withdrawals from the Account correctly on his/her tax returns, and to keep necessary records of all the Depositor's IRAs (including any that may be held by another custodian or trustee) for tax purposes, All forms must be acceptable to the Custodian and dated and signed by the Depositor.
- I have received and read the prospectus for the fund(s) in which I am Investing, which contains more complete information about

the fund(s), including charges and expenses. I have the authority and legal capacity to purchase mutual funds, am of legal age and believe each investment is suitable for me. It is my responsibility to read the prospectus of any fund into which I exchange.

- **I understand that shares of the Victory Funds are not insured by the FDIC; not deposits or other obligations of, or guaranteed by, any UMB bank, its affiliates or any other bank; subject to investment risks, including possible loss of the principal amount invested.**
- The Victory Funds are distributed by Victory Capital Advisers, Inc. ("VCA"), member FINRA and SIPC. Victory Capital Management, Inc., an affiliate of VCA, is the investment advisor to the Funds and receives a fee from the Funds for its services.
- I understand that all information provided in Sections 1, 2, 4 and 5 will apply to any new fund into which my shares may be exchanged.
- Until the Depositor reaches the age of majority the parent or guardian will exercise the powers and duties of the Depositor.
- If I am a U.S. citizen or resident alien, I certify under penalties of perjury that the Social Security or taxpayer identification number provided is correct.

**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 institutions to obtain, verify and record information that identifies each person who opens an account. When you open an account, we will ask you for your name, address, and identification number, and in the case of an individual, your date of birth. We will return your application if any of this information is missing, and we may request additional information from you for verification purposes. In the rare event that we are unable to verify your identity, The Victory Funds reserve the right to redeem your account as an age-appropriate distribution at the current day's net asset value. In all cases, Victory Funds is committed to protecting the privacy and identity of each of its customers.**

**RETAIN A PHOTOCOPY OF THE COMPLETED ROTH IRA APPLICATION FOR YOUR RECORDS.**

**Office Use Only.** We hereby submit this application for the purchase of shares of the Fund(s) indicated in accordance with the terms of our selling agreement with the prospectus for the Fund.

\_\_\_\_\_  
Securities Dealer Name Dealer No.

\_\_\_\_\_  
Representative Name Representative No.

\_\_\_\_\_  
Representative Branch Address Dealer No.

\_\_\_\_\_  
Principal Approval Date

# Transfer of Assets Form



- Use this form to transfer your existing IRA to a Victory Funds Retirement Account with UMB Bank National Association as Custodian.
- Send completed form to: Victory Funds, P. O. Box 182593, Columbus, OH 43218-2593
- For use with Traditional IRA, Roth IRA, SEP IRA and SIMPLE IRA Victory Fund Retirement Accounts.

## Part 1. Please Tell Us About Yourself

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SOCIAL SECURITY NO. \_\_\_\_\_

DAYTIME PHONE \_\_\_\_\_

## Part 2. Type of Account You Would Like To Transfer

- Choose one:**  Traditional IRA  Rollover IRA  Qualified Plan\*\*  
 SEP IRA  Roth IRA\*  SIMPLE IRA\*\*\*  
 Inherited/Beneficiary Roth IRA

\*Transfers from a Roth IRA into a Traditional IRA, a Rollover IRA or a Simplified Employee Pension (SEP) IRA are not allowed.

\*\*Qualified Plans are 401(k), 403b and 457 Plans.

\*\*\*Transfers from a SIMPLE IRA may be made only to another SIMPLE IRA. After two years, transfers may be made from a SIMPLE IRA to a Traditional IRA or Roth IRA.

**Tax Withholding Election** (complete only for transfer from another type of IRA to a Roth IRA). Under IRS rules, a transfer of a Traditional IRA, SEP IRA or SIMPLE IRA to a Roth IRA is treated for income tax purposes as a distribution of taxable amounts in the other IRA. IRS rules also require the custodian to withhold 10% of the amount transferred for federal income taxes unless no withholding has been elected. See IRS Publication 505, "Tax Withholding and Estimated Tax" for more information. State tax withholding may also apply if federal income tax is withheld.

**Caution:** Withholding income taxes from the amount transferred (instead of paying applicable income taxes from another source) may adversely impact the expected financial benefits of transferring from another IRA to a Roth IRA (consult your financial advisor if you have a question). Because of this impact, by electing to convert to a Roth IRA, you are deemed to elect no withholding unless you check the box below. In so doing, by signing this form, you acknowledge that you may be required to pay estimated tax and that insufficient payments of estimated tax may result in penalties.

- Withhold 10% for federal income taxes  
(if you want a greater percentage, put it here: \_\_\_\_\_ %.)

## Part 3. Investment Into an Existing IRA Account

If you are transferring into an existing Victory Funds Traditional IRA, SEP IRA or Roth IRA, indicate the Account Numbers and Fund Names:

ACCOUNT NUMBER \_\_\_\_\_ FUND NAME \_\_\_\_\_

ACCOUNT NUMBER \_\_\_\_\_ FUND NAME \_\_\_\_\_

## Part 4. New Victory Funds Investment Instructions

**Depositor:** check one box and complete if necessary.

- Invest\* the transferred amount in accordance with the attached investment instructions in the Roth IRA Application for my Victory Funds Individual Retirement Account.
- Invest\* the transferred amount as follows: AMOUNT \_\_\_\_\_  
\$ \_\_\_\_\_

FUND NAME \_\_\_\_\_  
\$ \_\_\_\_\_  
FUND NAME \_\_\_\_\_

## Part 5. Instructions to Present IRA Custodian or Trustee - Completed by Depositor

NAME OF CUSTODIAN/TRUSTEE \_\_\_\_\_

ATTN: MR./MS. \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

Please transfer assets to the Victory Funds in cash according to the following instructions.

- Transfer my entire Account # \_\_\_\_\_  
**OR**  
 Transfer \$ \_\_\_\_\_ and retain the balance.

Indicate which funds should be liquidated: AMOUNT

\_\_\_\_\_ \$ \_\_\_\_\_  
FUND NAME \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
FUND NAME \_\_\_\_\_  
Total \$ \_\_\_\_\_

Make check payable to: For overnight delivery  
The Victory Funds The Victory Funds  
P.O. Box 182593 c/o FIS Investor Services LLC  
Columbus, OH 43218-2593 4249 Easton Way, Suite 400  
Columbus, OH 43219

## Part 6. Signature of Depositor

The undersigned certifies to the present IRA custodian or trustee that the undersigned has established a successor Victory Funds Individual Retirement Account meeting the requirements of Internal Revenue Code Section 408(a) or 408A (as the case may be) to which assets will be transferred, and certifies to the Victory Funds and UMB Bank National Association that the IRA from which assets are being transferred meets the requirements of Internal Revenue Code Section 408(a), 408(p) or 408A (as the case may be).

I understand that the requirements for a valid transfer to a Traditional IRA, SEP IRA or Roth IRA are complex and that I have the responsibility for complying with all requirements and for the tax results of any such transfer.

SIGNATURE OF DEPOSITOR \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE GUARANTEED BY: NAME OF BANK OR DEALER FIRM \_\_\_\_\_

SIGNATURE OF OFFICER AND TITLE \_\_\_\_\_

## Part 7. Acceptance by New Custodian

FIS Investor Services LLC, as agent for UMB Bank National Association, agrees to accept transfer of the above amount for deposit to the Depositor's Victory Funds Individual Retirement Account, and requests the liquidation and transfer of assets as indicated above.

BY \_\_\_\_\_  
DATE \_\_\_\_\_

\*Generally, if share class is not specified, A shares will be purchased.

# Rollover Certification/Direct Rollover Request



- Send completed form to: Victory Funds, P. O. Box 182593, Columbus, OH 43218-2593
- For use with Traditional IRA, Roth IRA, SEP IRA and SIMPLE IRA Victory Fund Retirement Accounts.

**Social Security Number:** \_\_\_\_\_

## Account Holder Information

NAME \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

HOME PHONE \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

## Former Employer

COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PLAN ACCOUNT NUMBER \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

## Rollover Instructions

Please liquidate:

- all, or  
 part (\$ \_\_\_\_\_ )

of my retirement assets and make check payable to:

Victory Funds, FBO: \_\_\_\_\_ IRA

and send to: Victory Funds  
P.O. Box 182593  
Columbus, OH 43218-2593

Description of asset to be liquidated:

## Required Minimum Distribution Restriction

**Age 70½ Restrictions** – If this rollover is being made during or after the year in which you turn age 70½, you cannot roll over any distribution which would constitute a required minimum distribution. Please check with your Plan Administrator or former Custodian for more information.

I understand the rules and conditions applicable to rollovers and certify that I qualify for a rollover of the funds to be accepted by UMB Bank as Custodian. Due to the important tax consequences of rolling funds over to an IRA or other qualified plan, I have been advised to see a tax advisor.

I hereby irrevocably designate this contribution of the funds indicated above as a rollover contribution.

ACCOUNT HOLDER \_\_\_\_\_ DATE \_\_\_\_\_

## Direct Rollover Request

I hereby request payment from the plan designated above in the form of a direct rollover. I assume full responsibility for this direct rollover transaction and will not hold the Plan Administrator, Trustee, Custodian or Issuer of either the distributing or receiving plans liable for any adverse consequences that may result.

ACCOUNT HOLDER \_\_\_\_\_ DATE \_\_\_\_\_

## Custodial Acceptance

FIS Investor Services LLC, as agent for UMB Bank agrees to serve as the new Custodian for the account of the above-named individual, and as Custodian, we agree to accept the assets as specified on this form.

AUTHORIZED UMB BANK SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

# ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

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

FORM (Rev. April 2017)

The depositor named on the application is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

## ARTICLE I

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

## ARTICLE II

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

## ARTICLE III

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

## ARTICLE IV

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

## ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

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

## ARTICLE VI

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

## ARTICLE VII

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

## ARTICLE VIII

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

## ARTICLE IX

- 9.01 **Definitions** – In this part of this agreement (Article IX), the words “you” and “your” mean the depositor. The words “we,” “us,” and “our” mean the custodian. The word “Code” means the Internal Revenue Code, and “regulations” means the Treasury regulations.
- 9.02 **Notices and Change of Address** – Any required notice regarding this Roth IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 9.03 **Representations and Responsibilities** – You represent and warrant to us that any information you have given or will give us with respect to this agreement is complete and accurate. Further, you agree that any directions you give us or action you take will be proper under this agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, 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, and you agree to reimburse 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 Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but 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 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. In determining the taxable amount of a distribution, you shall rely on your annual federal income tax return and not on any reports from us. We shall withhold federal income tax from any distribution from the custodial account as required by the Code: a) we shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this agreement or such matters unless agreed upon by us and you or said legal representatives (or beneficiary) and unless fully indemnified for so doing to our satisfaction. 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 Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement. The Custodian, and its affiliates shall not be responsible for any losses, penalties, or other consequences to you or to any other person arising out of the making of any contribution or withdrawal.

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.

**9.04 Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your Roth IRA. We may release nonpublic personal information regarding your Roth 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.

**9.05 Service Fees** – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA.

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

**9.06 Investment of Amounts in the Roth IRA** – You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this agreement. You acknowledge that the Custodian does not make warranties or in any way represent that earnings of the account will be exempt from taxation, or that any rollover contribution will be excludable from gross income for tax purposes, or that you will be free of any penalty taxes you may incur as a result of your failure to comply with the laws and regulations applicable to Roth IRAs. After your death, your beneficiaries will have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this agreement (including, without limitation, Section 9.03 of this article). We will have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we will have the right to hold any uninvested amounts in cash, and we will have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you provide timely written directions acceptable to us. However, as to any shares we have not received timely instructions in proper form from you (or the beneficiary following your death), we are hereby directed to, and shall, vote such shares as present for the purpose of establishing the presence of a quorum and, further vote such shares for or against any proposition in the same proportion as all shares of the designated investment company held in Victory Funds Roth IRAs for which instructions in proper form have been timely received by the Custodian.

You will select the investment for your Roth IRA assets from those investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for Roth IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.) We may in our sole discretion make available to you additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

**9.07 Beneficiaries** – If you die before you receive all of the amounts in your Roth IRA, payments from your Roth 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 Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. 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 Roth IRA. . If, at the time of your death, either (i) no such designation is in effect or (ii) there is no beneficiary who survives you, the beneficiary shall be your surviving spouse or, if there is no surviving spouse, then your estate. The last designation received and accepted by the Custodian prior to your death (the “designation of record”) shall be controlling and, whether or not it fully disposes of the custodial account, shall revoke all other such designations previously made by you and received by the Custodian. If the designation of record on file with the Custodian does not appear to fully dispose of the custodial account, your surviving spouse or, if there is no surviving spouse, then your estate shall be the beneficiary of any undisposed of portion of the custodial account or of any portion of the custodial account for which the identity of the beneficiary is, in the opinion of the Custodian, unclear. If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited Roth IRA at the time of your death) to name successor beneficiaries for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary’s lifetime. Each beneficiary designation form that the original Roth IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original Roth IRA beneficiary to revoke a successor beneficiary designation. If the original Roth 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 Roth 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 Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

**9.08 Termination of Agreement, Resignation, or Removal of Custodian –**

Either party may terminate this agreement at any time by giving written notice to the other. This agreement shall also terminate upon the complete distribution of the assets of the custodial account. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we send the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA trustee or custodian that we choose in our sole discretion, or we may pay your Roth IRA to you in a single sum. 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 this agreement is terminated, we may charge to your Roth IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against your Roth IRA

- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

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

**9.09 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 Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

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

**9.11 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.



We shall, from time to time, in accordance with instructions received in a form and manner acceptable to us from you (or the beneficiary following the death of the Depositor), make distributions out of the custodial account in the manner and amounts specified in such instructions. All such instructions shall be deemed to constitute a certification by you (or the beneficiary following your death) that the distribution directed is one that you (or the beneficiary following your death) is permitted to receive. Notwithstanding any other provision of this agreement, we assume (and shall have) no responsibility to make any distribution to you (or the beneficiary) unless and until such instructions specify the occasion for such distribution. Prior to making any such distribution from the custodial account, we shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by us, but we shall not be liable for complying with instructions which appear to be genuine, or for refusing to comply if not satisfied such instructions are genuine, and assumes (and shall have) no duty of further inquiry. In the event of a dispute as to the capacity of the Depositor or of the your agent (or a dispute as to the capacity, status, or designation of a beneficiary following your death), we shall be furnished with any and all court orders, agreements, or other documents deemed necessary or advisable by us in our sole and complete discretion, and we shall not be required to make any distribution while such dispute is ongoing or unresolved in our sole and complete judgment, nor shall we be liable in any way for damages or losses, including, but not limited to, market losses, caused by the refusal to make distributions while such dispute is ongoing or unresolved in our sole and complete judgment; provided, however, nothing herein shall require us to make any inquiry or affirmatively seek relief or initiate any proceeding in any court or tribunal. You (or the beneficiary following your death) shall provide such instructions within a reasonable period prior to the date the distribution is requested to be made. After receipt of proper instructions as required above, we shall cause the assets of the custodial account to be distributed in cash and/or in kind, as specified in such order; provided, however, that any beneficiary may be required to submit any form or application deemed necessary or proper by us, including, but not limited to, an application to open any IRA account in the name of the beneficiary or in other name deemed appropriate by us. We shall have the right, but not the obligation, to require that any distribution to a beneficiary be made to an IRA account opened in the beneficiary's name with us. You are not required to take a distribution from your Roth IRA during your lifetime. At your death, however, your beneficiaries must begin taking distributions in accordance with Article V and section 9.07 of this article. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

9.12 **Transfers From Other Plans** – We can receive amounts transferred to this Roth IRA from the trustee or custodian of another Roth IRA as permitted by the Code. If you indicate on the IRA application that the contribution to the custodial account is a “rollover contribution” then you warrant and certify that such amount qualifies as a “rollover contribution”. You shall assume the obligation to ascertain whether such a rollover contribution is proper pursuant to the Code or the provisions of any other plan or custodial account. 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.

9.13 **Liquidation of Assets** – We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

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

The assets in your Roth IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

9.15 **What Law Applies** – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern. Distributions will be made in accords with federal law, and the Delaware Uniform Transfer on Death Securities Registration Act.

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.

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## GENERAL INSTRUCTIONS

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

### PURPOSE OF FORM

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

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

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after five years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Pub. 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

### DEFINITIONS

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

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

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## SPECIFIC INSTRUCTIONS

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

**Article V** – This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph three of Article V, the depositor's

spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary and not the owner, an overriding provision should be added to Article IX.

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

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## DISCLOSURE STATEMENT

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### RIGHT TO REVOKE YOUR ROTH IRA

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

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

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

### REQUIREMENTS OF A ROTH IRA

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

B. **Maximum Contribution** – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$6,500 for 2023, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$218,000 (for 2023) if you are a married individual filing a joint income tax return, or equals or exceeds \$138,000 (for 2023) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$228,000 (for 2023) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$153,000 (for 2023) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2023.

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

or older. For example, if you are age 30 with MAGI of \$223,000, your maximum Roth IRA contribution for 2023 is \$3,250 ([\$228,000 minus \$223,000] divided by \$10,000 and multiplied by \$6,500).

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$141,000, your maximum Roth IRA contribution for 2023 is \$5,200 ([\$153,000 minus \$141,000] divided by \$15,000 and multiplied by \$6,500).

- C. **Contribution Eligibility** – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation for the taxable year for which the contribution is made and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.
- D. **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 Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024.
- E. **Nonforfeitable** – Your interest in your Roth IRA is nonforfeitable.
- F. **Eligible Custodians** – The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.
- I. **Collectibles** – You may not invest the assets of your Roth 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)) are also permitted as Roth IRA investments.

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 Roth 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. 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 required minimum distribution (RMD) age (as described below), 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 Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

**RMD Age** – If you were born in 1951 or later, you will attain RMD age in the year that you reach age 73. If you were born before July 1, 1949, you attained RMD age in the year you attained age 70½. If you were born on or after July 1, 1949, but before January 1, 1951, you attained RMD age in the year you attained age 72.

2. **Death of Roth IRA Owner On or After January 1, 2020** – 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.

If your beneficiary is an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over the remaining life expectancy of your eligible designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary).

An eligible designated beneficiary is any designated beneficiary who is

- your surviving spouse,
- your child who has not reached the age of majority,
- disabled (A physician must determine that your 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
- chronically ill (A chronically ill 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 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 loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.)

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals) may take distribution of the entire amount remaining in your account over the remaining life expectancy of the trust beneficiary.

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 RMD age (as described 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. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

If a beneficiary other than a person (e.g., your estate, a charity, or a certain type of trust) is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

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 Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

If your beneficiary fails to remove an RMD after your death, 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 further reduced to 10 percent. Your beneficiary must file IRS Form 5329 along with his or her 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 (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, whichever is earlier.

K. **Waiver of 2020 RMD** – Life expectancy payments for beneficiaries were waived for calendar year 2020. In addition, if the five-year rule applies to a Roth 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 Roth IRA owner died in 2019, the beneficiary's five-year period ends in 2025 instead of 2024.

## **INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA**

A. **Contributions Not Deducted** – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.

**B. Contribution Deadline** – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year's tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

**C. Tax Credit for Contributions** – You may be eligible to receive a tax credit for your Roth IRA contributions. 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 contributions made to your Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

| 2023 Adjusted Gross Income* |          |                   |          |                 |          | Applicable Percentage |
|-----------------------------|----------|-------------------|----------|-----------------|----------|-----------------------|
| Joint Return                |          | Head of Household |          | All Other Cases |          |                       |
| Over                        | Not Over | Over              | Not Over | Over            | Not Over |                       |
|                             | \$43,500 |                   | \$32,625 |                 | \$21,750 | 50                    |
| \$43,500                    | \$47,500 | \$32,625          | \$35,625 | \$21,750        | \$23,750 | 20                    |
| \$47,500                    | \$73,000 | \$35,625          | \$54,750 | \$23,750        | \$36,500 | 10                    |
| \$73,000                    |          | \$54,750          |          | \$36,500        |          | 0                     |

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

**D. Excess Contributions** – The making of a contribution by you shall be deemed a statement by you that such contribution does not exceed the limitations on contributions set forth in this agreement or the Internal Revenue Code. An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. The Custodian shall have no duty to determine whether there has been an excess contribution. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

**1. Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in

which the contribution was made. The six percent excess contribution penalty tax will be avoided.

**2. Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.

**3. Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

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

**E. Tax-Deferred Earnings** – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

**F. Taxation of Distributions** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

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

- Attainment of age 59½
- Disability
- First-time homebuyer purchase
- Death

For example, if you made a contribution to your Roth IRA for 2015, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2020.

**2. Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.

**G. Income Tax Withholding** – Ten percent federal income tax withholding will be applied to a withdrawal from your Roth 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.

**H. Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution

penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth IRA without incurring the 10 percent early distribution penalty tax. **13) Domestic abuse.** Beginning in 2024, 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 Roth IRA balance, whichever is less, within one year of the abuse without incurring the 10 percent early distribution penalty tax. **14) Emergency personal expenses.** Beginning in 2024, 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 Roth 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 Roth 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.

- I. **Required Minimum Distributions** – You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this disclosure statement regarding beneficiaries' required minimum distributions.
- J. **Rollovers and Conversions** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA-to-Roth IRA Rollovers.** Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. 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. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) 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. For more information on rollover limitations, 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](http://www.irs.gov).

2. **Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional 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 a required minimum distribution for the year, you must remove your required minimum distribution before converting your Traditional IRA.
3. **SIMPLE IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. 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 a required minimum distribution for the year, you must remove your required minimum distribution before converting your SIMPLE IRA.
4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.
5. **Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. 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, or the cost of life insurance coverage.

If you are conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth 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.

If you are a spouse or nonspouse beneficiary of a deceased employer-sponsored retirement plan participant, or the trustee of an eligible type of trust named as beneficiary of such participant, you may directly roll over inherited assets from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse beneficiary, nonspouse beneficiary, or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
  7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.
  8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.
  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. **Qualified Tuition Program to Roth IRA.** Beginning in 2024, funds from a qualified tuition program of a designated beneficiary that has been maintained for 15 or more years may be paid in a direct trustee-to-trustee transfer to a designated beneficiary's Roth IRA if the funds have been in the qualified tuition program for at least five years. The designated beneficiary must be eligible to make a Roth IRA contribution and the amount of the rollover counts toward the Roth IRA contribution limit for the year. The total that a designated beneficiary may roll over from a qualified tuition program during his or her lifetime may not exceed \$35,000.
  11. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.
- K. **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 Roth 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 Roth 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.** Beginning in 2024, 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 Roth 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.** Beginning in 2024, 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 Roth 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 Roth 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](http://www.irs.gov).

- L. **Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse) and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- M. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

## LIMITATIONS AND RESTRICTIONS

- A. **Spousal Roth IRA** – If you are married and have compensation for the taxable year for which the contribution is made, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$13,000 for 2023. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in 2024.

- B. **Gift Tax** – Transfers of your Roth 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 Roth IRA distributions.
- D. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. **Pledging** – Any pledging of assets in the custodial account as security for a loan, or any loan or other extension of credit from the custodial account to you shall be prohibited.

## OTHER

- A. **IRS Plan Approval** – Articles I through VIII of the agreement used to establish this Roth 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 Roth 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](http://www.irs.gov) on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth 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 Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.
- E. **Qualified Charitable Distributions** – If you are age 70½ or older, you may be eligible to take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024. A qualified charitable distribution also includes a one-time charitable distribution of up to \$50,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). Special tax rules may apply. For further detailed information and effective dates 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](http://www.irs.gov).
- F. **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 Roth 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 Roth 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](http://www.irs.gov).

- G. **Coronavirus-Related Distributions (CRDs)** – If you qualified in 2020, you were able to withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You were a qualified individual if you (or your spouse or dependent) was diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must have been made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elected otherwise, and may be repaid over three years beginning with the day following the day a CRD is made. Repayments may be made to an eligible retirement plan or IRA.

An eligible retirement plan is defined as a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or an IRA.





**METHOD II Growth can be projected**

The financial projections below show the amount that would be available if you were to withdraw your IRA assets at the indicated times. These projections are based on the following assumptions.

**CONTRIBUTION** *(Select one)*

- Regular.** An annual \$1,000 deposit is made on the first day of each year.
- Rollover, Transfer, or Conversion.\*** A one-time \$1,000 deposit is made on the first day of the first year.

Your Age on Your Birth Date in Contribution Year \_\_\_\_\_

Investment Instrument \_\_\_\_\_

Length of Time Deposit \_\_\_\_\_

Rate of Interest \_\_\_\_\_%

Compounding Method \_\_\_\_\_

**FINANCIAL PROJECTIONS**

| Number of Years in IRA Program | Total Accumulation of IRA Dollars | Amount After Fees and Penalties |
|--------------------------------|-----------------------------------|---------------------------------|
| 1 Year                         | \$ _____                          | \$ _____                        |
| 2 Years                        | \$ _____                          | \$ _____                        |
| 3 Years                        | \$ _____                          | \$ _____                        |
| 4 Years                        | \$ _____                          | \$ _____                        |
| 5 Years                        | \$ _____                          | \$ _____                        |

  

| End of the Year You Reach Age | Total Accumulation of IRA Dollars | Amount After Fees and Penalties |
|-------------------------------|-----------------------------------|---------------------------------|
| 60                            | \$ _____                          | \$ _____                        |
| 65                            | \$ _____                          | \$ _____                        |
| 70                            | \$ _____                          | \$ _____                        |

**ADDITIONAL FINANCIAL DISCLOSURE INFORMATION**

The account values shown are projections based on many assumptions. These projections have been reduced by any applicable fees. They are not guaranteed, but depend upon many factors, including the interest rates and terms of future funding instruments.

We may charge you an annual service fee or other fees in connection with your IRA. If we do not charge these fees now, we may do so in the future after giving you notice. If you do not pay these fees separately, they may be paid from the assets of your IRA.

**CURRENT FEES**

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\*Conversion applies to Roth IRAs only

**METHOD III Growth cannot be projected**

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

Terms and conditions of the IRA that affect your investment are listed below.

**INVESTMENT OPTIONS**

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

**FEES**

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

- Sales Commissions
- Investment Management Fees
- Distribution Fees
- Set Up Fees
- Annual Maintenance Fees
- Surrender or Termination Fees

To find out what fees apply, refer to the investment prospectus or contract.

There may be certain fees and charges connected with the IRA itself. *(Select and complete as applicable.)*

- Annual Service Fee \$ \_\_\_\_\_
- Transfer Fee \$ \_\_\_\_\_
- Rollover Fee \$ \_\_\_\_\_
- Termination Fee \$ \_\_\_\_\_
- Other *(Explain)* \_\_\_\_\_

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

**EARNINGS**

The method for computing and allocating annual earnings (e.g., interest, dividends) on your 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.

**OTHER**

Other terms or conditions that apply to your IRA include the following.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

|              |   |
|--------------|---|
| <b>FACTS</b> | <b>WHAT DOES VICTORY DO WITH YOUR PERSONAL INFORMATION?</b> |
|--------------|---|

|             |  |
|-------------|--|
| <b>Why?</b> | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do. |
|-------------|--|

|              |  |
|--------------|--|
| <b>What?</b> | <p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and income.</li> <li>■ Account balances and account transactions.</li> <li>■ Data from public sources and third-party data services.</li> </ul> |
|--------------|--|

|             |   |
|-------------|---|
| <b>How?</b> | All financial companies need to share customers' personal information to run their everyday business as permitted by law. For example, we share with print and mail companies that assist us in sending mail. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Victory chooses to share and whether you can limit this sharing. |
|-------------|---|

| Reasons we can share your personal information   | Does Victory share? | Can you limit this sharing? |
|--|---------------------|-----------------------------|
| <b>For our everyday business purposes —</b><br>such as to process your transactions, maintain your accounts, respond to court orders and legal investigations, or report to credit bureaus | <b>Yes</b>          | <b>No</b>                   |
| <b>For our marketing purposes —</b><br>to offer products and services provided by Victory  | <b>Yes</b>          | <b>No</b>                   |
| <b>For joint marketing —</b><br>sharing with other financial companies to jointly market the other company's products or services  | <b>No</b>           | <b>We do not share</b>      |
| <b>For everyday business purposes of the Victory family of companies —</b><br>this can include information about your Victory transactions and experiences                                 | <b>Yes</b>          | <b>No</b>                   |
| <b>For everyday business purposes of the Victory family of companies —</b><br>this can include information about your creditworthiness or insurability                                     | <b>No</b>           | <b>We do not share</b>      |
| <b>For non-Victory companies to market to you</b>  | <b>No</b>           | <b>We do not share</b>      |

|                             |  |
|-----------------------------|--|
| <b>To limit our sharing</b> | <ul style="list-style-type: none"> <li>■ Visit us online: <a href="http://vcm.com/optout">vcm.com/optout</a></li> <li>■ Call (877) 660-4400 – our menu will prompt you through your choices.</li> </ul> <p><b>Please note:</b><br/>If you are a <i>new</i> customer, we can begin sharing this information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share and protect your information as described in this notice. However, you can contact us at any time to limit our sharing.</p> |
|-----------------------------|--|

|                   |   |
|-------------------|---|
| <b>Questions?</b> | Call your account representative or <b>(877) 660-4400</b> and ask to speak to a representative. |
|-------------------|---|

## Who we are

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| <b>Who is providing this notice?</b> | Victory Capital Holdings, Inc. and its family of companies, including companies identified with the Victory Capital name as described in the affiliates section below. |
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## What we do

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| <b>How does Victory protect my personal information?</b>                                  | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.   |
| <b>How does Victory collect my personal information?</b>                                  | <p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>■ Open an account, or make deposits or withdrawals from your account.</li> <li>■ Give us your contact or account information.</li> <li>■ Direct us to buy or sell securities.</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>   |
| <b>Why can't I limit all sharing?</b>   | <p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>■ Sharing among affiliated companies for everyday business purposes — information about your creditworthiness and insurability.</li> <li>■ Affiliates from using your information to market to you.</li> <li>■ Sharing for nonaffiliates to market to you.</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p> |
| <b>What happens when I limit sharing for an account I hold jointly with someone else?</b> | Your choices will apply to everyone on your account.  |

## Definitions

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| <b>Victory family of companies (affiliates)</b> | <p>Companies owned or controlled by Victory Capital Holdings, Inc. They can be financial and nonfinancial companies in the Victory family of companies.</p> <ul style="list-style-type: none"> <li>■ The Victory family of companies includes: companies with a Victory Capital name, including without limitation Victory Capital Services, Inc., Victory Capital Transfer Agency, Inc., Victory Capital Management Inc. and its subsidiaries, RS Investments (UK) Limited, RS Investments (Hong Kong) Limited, and RS Investment Management (Singapore) Pte. Ltd., as well as pooled vehicles managed or administered by Victory Capital Management Inc., from time to time.</li> </ul> |
| <b>Non-Victory companies (nonaffiliates)</b>    | <p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ We only share with non-Victory companies to service transactions you request or as necessary to provide our services.</li> <li>■ We do not share with non-Victory companies so they can market their products to you.</li> </ul>  |

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| <b>Joint Marketing</b> | A formal agreement between a Victory company and a non-Victory financial company to market the non-Victory company's products or services to you. <ul style="list-style-type: none"><li>■ We do not share with any non-Victory financial company for joint marketing.</li></ul> |
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| <b>Other important information</b>   |
| <p><b>For Nevada Residents:</b> Nevada law requires that we tell you about the option to be placed on our internal do-not-call list. If you'd rather not receive sales calls from us, please call <b>(877) 660-4400</b> and ask to speak to a representative so we can place you on our do-not-call list.</p> <p>You may also contact: Bureau of Consumer Protection Office of the Nevada Attorney General, 555 E. Washington Ave., Ste. 3900, Las Vegas, NV 89101, call 1-702-486-3132 or Email: BCPINFO@ag.state.nv.us.</p> <p><b>For Vermont Residents:</b> In accordance with Vermont law, we will not share information we collect about you with companies who are not affiliates, except as permitted by law, such as with your consent or to service your accounts. We will not share information about your creditworthiness with our affiliates without your authorization or consent, but we may share information about our transactions or experiences with you with our affiliates as permitted by law.</p> <p><b>For California Residents:</b> In accordance with California law, we will not share information we collect about you with nonaffiliates, except as allowed by law. For example, we may share information with your consent or to service your accounts. Among our affiliates, we will limit information sharing to the extent required by California law.</p> |