RealTrust
IRA ALTERNATIVES, LLC

SELF-DIRECTED IRA APPLICATION & ADOPTION AGREEMENT

Real Choice. Real Control. Real Wealth.

1. IRA PARTICIPANT INFORMATION

Legal Name:

Address:

City, State, Zip: **Phone Number:**

Mailing Address: (if different)

Social Security #: **Marital Status:** **Date of Birth:**

Email Address: **Occupation:**

PLEASE INCLUDE A LEGIBLE COPY OF YOUR CURRENT DRIVER'S LICENSE OR PASSPORT WITH APPLICATION

2. ACCOUNT TYPE

○ **Traditional IRA** ☐ **This is an Inherited IRA Account (Additional Documentation is required)**

○ **Roth IRA** **Deceased's Name:**

○ **SEP IRA** **Employer Name:**

○ **Simple IRA** **Employer Name:**

3A. BENEFICIARY DESIGNATION

Name: **Primary** ○ **Contingent** ○

SSN: **Date of Birth:** **Relationship:** **Percentage:**

Name: **Primary** ○ **Contingent** ○

SSN: **Date of Birth:** **Relationship:** **Percentage:**

Name: **Primary** ○ **Contingent** ○

SSN: **Date of Birth:** **Relationship:** **Percentage:**

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal shares (or in the specified percentage shares, if indicated). If the Primary or Contingent Beneficiary box is not checked for a beneficiary, the beneficiary will be deemed to be a Primary Beneficiary. If none of the Primary Beneficiary (ies) survive me, the balance in the account shall be paid to the Contingent Beneficiary (s) who survive me in equal shares (or in the specified percentage shares, if indicated).

3B. CONSENT OF SPOUSE

I consent to the above Beneficiary Designation. Note: Consent of the IRA Participant's Spouse may be required in a community property or marital property state to effectively designate a beneficiary other than or in addition to the IRA Participant's Spouse. Disclaimer For Community and Marital Property States: The IRA Participant's Spouse may have a property interest in the account and the right to dispose of the interest by will. Therefore, Administrator and Custodian disclaim any warranty as to the effectiveness of the IRA Participant's Beneficiary Designation or as to the ownership of the account after the death of the IRA Participant's Spouse. For additional information, please consult your legal and/or tax advisor.

Spouse's Signature: ____ Date: ______________

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4. METHOD OF PAYMENT

A. Please refer to our current Fee Agreement & Schedule of Charges. Fees and Charges are subject to change.

◯ Option A (Fee assessed per Asset) OR ◯ Option B (Fee assessed on Aggregate Value of Account)

B. I agree to pay the fees and charges owing hereunder according to the following method (choose one option box):

◯ Debit this IRA Account ◯ Invoice Me ◯ Charge my Credit Card (per CC authorization below)

The Fee Agreement & Schedule of Charges attached hereto is hereby incorporated herein by this reference.

C. Credit Card Authorization. (Please complete this section to authorize fees and charges to be paid by credit card.)

Name of Cardholder:

Credit Card Number:

Expiration Date: Security Code:

Cardholder Billing Address:

5. INTERESTED 3rd PARTY AUTHORIZATION

I hereby authorize Administrator and Custodian (as identified in Paragraph 8 below) to provide the individual named herein access to information contained in my account. I understand that this authorization is for informational purposes only and that the named individual may not conduct transactions on my behalf (unless I have also granted such individual my power of attorney. I understand that I may revoke this authorization by providing written notice to Administrator at any time.

Interested Party Name: Phone Number:

Address:

Fax Number: Email Address:

6. PRIVACY POLICY STATEMENT

RealTrust IRA Alternatives, LLC (RIA) and Horizon Trust Company, LLC (HTC) take your privacy seriously. This privacy statement provides information about the personal information that RIA and/or FTC collects, and the ways in which RIA and/or FTC uses that personal information.

Collection of Personal Information. RIA and/or HTC may collect and use the following kinds of personal information: information about your use of our website and forms; information that you provide for the purpose of applying for an account; information about transactions carried out utilizing our services; and any other information that you provide to RIA and/or HTC.

Using Personal Information. RIA and/or HTC may use your personal information to: open and administer your account; provide on-line access to your account; deliver products or services to you; send you statements and invoices; collect payments from you; and send you informative communications. Where RIA and/or HTC discloses your personal information to its principals, employees, agents or sub-contractors for these purposes, the given principal, employee, agent or sub-contractor shall be obligated to use that personal information in accordance with the terms of this privacy statement and applicable law. In addition to the disclosures reasonably necessary for the purposes identified elsewhere above, RIA and/or HTC may disclose your personal information to the extent that it is required to do so by law, in connection with any legal proceedings or prospective legal proceedings, and in order to establish, exercise or defend its legal rights.

Securing your Personal Information. RIA and/or HTC will take commercially reasonable technical and organizational measures to prevent the loss, misuse or alteration of your personal information and will store all the personal information you provide on its secure servers.

USA Patriot Act. To cooperate with the US Government's efforts to combat 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. Accordingly, when you open an account with RIA and/or HTC we will request your name, address, date of birth, driver's license/passport, and other information that will enable us to identify you with reasonable certainty.

Updating this Statement. RIA and/or HTC may update this privacy policy by periodically posting a new version on its website (www.realtrustgroup.com).

FEE AGREEMENT & SCHEDULE OF CHARGES

RealTrust IRA ALTERNATIVES, LLC

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INITIAL ACCOUNT ESTABLISHMENT FEE (one time charge when account is opened): $50

MINIMUM CASH REQUIREMENT (Amount that must be maintained in the account at all times): $500

ALTERNATIVE INVESTMENT ADMINISTRATION FEE

○ **OPTION "A": Fee assessed per asset held in the account. Fee applies annually to each asset held in account; Debt–Financing associated with an investment is charged as a separate asset. Example: One Investment = $250 or Four Investments (including debt-financing) = $1,000. Fees are assessed at time of account establishment, on the anniversary date thereof and at time of asset acquisition. The Minimum Fee is assessed at time of account establishment.**

○ **OPTION "B": Fee Assessed on Aggregate Value of Account. Fee is calculated on highest aggregate value of account during annual term. Minimum Annual Administration Fee: $150. Fees are calculated on a tiered basis. For example: if value equals $20,000 the annual fee will total $170; if value equals $70,000 the annual fee will total $505. Maximum annual fee: $1,950. Fees are assessed at time of account establishment, on the anniversary date thereof and at time of asset acquisition.**

If the account value is between:	Multiply value by:
$1 to $25,000	0.0085
$25,001 to $80,000	0.0065
$80,001 to $180,000	0.0055

If the account value is between:	Multiply value by:
$180,001 to $300,000	0.0045
$300,001 to $500,000	0.0035
$500,001 and up	0.0030

ADDITIONAL SERVICES FEE SCHEDULE

Transaction Processing Fees: $150
(Purchase, Sale, Exchange, Transfer of Asset, Additional Funding. Fee assessed at time of transaction.)

MISCELLANEOUS FEES:

Overnight Courier	$30
Overnight Courier (Int'l)	$20 + cost
Roth Conversion/Recharacterization	$150
Re-registration of Assets (plus costs)	$150
In-Kind Distribution (+ 3rd party costs)	$300
Reprocessing Fee	$50
Special Handling Fee	$150
Partial Termination	$150 + $50 per asset
Full Termination	$250 + $50 per asset
Late Charge on Past Due Fair Market Valuation	$75
Paper Invoice	$5

FINANCIAL TRANSACTIONS:

Custodial Account Check:	$10
Cashiers Check:	$30
Wire Transfer: (In/Out)	$30
Wire Transfer: (International)	$60
ACH Transfer:	$10
Return Item	$30
Stop Payment Fee	$30
Late Charge on Past Due Statements	$30
(Plus 1.5% per month on past due amount)	
Required Minimum Distribution (by check)	$10
Declined Credit Card	$30

Unless an alternate payment method is selected in section 4(B) above, funds will be deducted from your account to pay applicable fees and/or charges to the extent there is cash available therein. In the event your account has insufficient funds to pay fees and/or charges when due, you will be invoiced and the Paper Invoice charge will be assessed. The balance that appears on invoices or statements shall be payable in full no later than ten (10) days from the date of the invoice or statement. All past due sums shall incur a late charge of $30.00 and bear interest at the rate of eighteen percent (18%) per annum (1.5% per month) until paid in full. Failure to make payment in full constitutes a default under this Agreement. Assets may be liquidated to pay for such fees and/or charges, as outlined in the pertinent Custodial Account Agreement. Reasonable fees for services not listed above may be charged at the discretion of Administrator (e.g. "expedited processing fee"). Fees are not prorated. Credit card transactions will be assessed a 3.5% convenience charge. I understand and agree to this Fee Agreement and Schedule of Charges.

IRA PARTICIPANT'S SIGNATURE: ______________________________ **DATE:**____________

RIGHT TO REVOKE YOUR ROTH IRA

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

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 SIMPLE IRA, please call the custodian at the telephone number listed on the application.

REQUIREMENTS OF A SIMPLE IRA

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

B. Maximum Contribution – The only contributions that may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions, and other contributions allowed by the Code or related regulations, that are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals may not exceed the lesser of 100 percent of your compensation for the calendar year or $13,500 for 2020 with possible cost-of-living adjustments each year thereafter. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code Section (IRC Sec.) 408(p). Your employer is required to provide you with information that describes the terms of its SIMPLE IRA plan.

C. Catch-Up Contributions – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your SIMPLE IRA. The maximum additional contribution is $3,000 for 2020 with possible cost-of-living adjustments each year thereafter.

D. Nonforfeitability – Your interest in your SIMPLE IRA is nonforfeitable.

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

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

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

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

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

1. **Under the CARES Act, the requirement to take a required minimum distribution in 2020 is waived*

   You are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach age 72* and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 72*. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor. **If you turned age 70½ prior to January 1, 2020 the Required Minimum Distribution is based on 70½.*

2. The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your sole designated beneficiary for the entire calendar year, and is more than 10 years younger than you, the required minimum distribution is determined each year using the actual joint life expectancy of you and your spouse obtained from the Joint Life Expectancy Table provided by the IRS, rather than the life expectancy divisor from the Uniform Lifetime Table.

   We reserve the right to do any one of the following by April 1 of the year following the year in which you turn age 72.

(a) Make no distribution until you give us a proper withdrawal request

(b) Distribute your entire SIMPLE IRA to you in a single sum payment

(c) Determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

If you fail to remove a required minimum distribution, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

3. Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death,who remain your beneficiaries as of September 30 of the year following the year of your death.

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

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

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

(b) be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (b). In the case of distributions under option (b), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 72, if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

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

If your beneficiary fails to remove a required minimum distribution after your death, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. 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.

INCOME TAX CONSEQUENCES OF ESTABLISHING A SIMPLE IRA

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

B. **Contribution Deadline** – SIMPLE IRA deferral contributions must be deposited into the SIMPLE IRA as 30 days following the month in which you would have otherwise received the money. Employer matching or nonelective contributions must be deposited no later than the due date for filing the employer's tax return, including extensions.

C. **Tax Credit for Contributions** – You may be eligible to receive a tax credit for your SIMPLE IRA deferrals. This credit may not exceed $1,000 in a given year. You may be eligible for this tax credit if you are:

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

* not a dependent of another taxpayer, and

* not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the deferrals made to your SIMPLE IRA and reduce these contributions by any distributions that you may have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that donot exceed $2,000.

2019 Adjusted Gross Income*			
Joint Return	Head of Household	All Other Cases	Applicable Percentage
$1 - 38,500	$1 - 28,875	$1 - 19,250	50
$38,501 - 41,500	$28,876 - 31,125	$19,251 - 20,750	20
$41,501 - 64,000	$31,126 - 48,000	$20,751 - 32,000	10
Over $64,000	Over $48,000	Over $32,000	0

2020 Adjusted Gross Income*			
Joint Return	Head of Household	All Other Cases	Applicable Percentage
$1 - 39,000	$1 - 29,500	$1 - 19,500	50
$39,001 - 42,500	$29,250 - 31,875	$19,501 - 21,250	20
$42,501 - 65,000	$31,876 - 48,750	$21,251 - 32,500	10
Over $65,000	Over $48,750	Over $32,500	0

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*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. **Tax-Deferred Earnings** – The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. **Excess Contributions** – If you defer more than the maximum allowable limit for the tax year, you have an excess deferral and must correct it. Excess deferrals, adjusted for earnings, must be distributed from your SIMPLE IRA.

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

F. **Income Tax Withholding** – Any withdrawal from your SIMPLE IRA is subject to federal income tax withholding. You may, however, elect not to have withholding apply to your SIMPLE IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

G. **Early Distribution Penalty Tax** – If you receive a SIMPLE IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent (25 percent if less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer) will apply to the taxable amount of the distribution unless one of the following exceptions apply. 1) Death. After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. 2) Disability. If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. 3) Substantially equal periodic payments. You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. 4) Unreimbursed medical expenses. If you take payments to pay for unreimbursed medical expenses exceeding 7.5 percent of your adjusted gross income (increasing to 10 percent of adjusted gross income beginning in 2013), you will not be subject to the 10 percent early distribution penalty tax. 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

6) Higher education expenses. Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. 7) First-time homebuyer. You may take payments from your SIMPLE IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of $10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. 8) IRS levy. Payments from your SIMPLE IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. 9) Qualified reservist distributions. If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your SIMPLE IRA during the active duty period are not subject to the 10 percent early distribution penalty tax.

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

H. Rollovers and Conversions – Your SIMPLE IRA may be rolled over to another SIMPLE IRA or Traditional IRA of yours, may receive rollover contributions from another SIMPLE IRA, or may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property from your SIMPLE IRA to either a Traditional IRA or another SIMPLE IRA, or from your SIMPLE IRA to your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan after a two-year period has been satisfied. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general 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. **SIMPLE IRA to SIMPLE IRA Rollovers**. Assets distributed from your SIMPLE IRA may be rolled over to a SIMPLE IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper SIMPLE IRA to SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another SIMPLE IRA to SIMPLE IRA rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. 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.
2. **SIMPLE IRA to Traditional IRA Rollovers**. Assets distributed from your SIMPLE IRA may be rolled over to your Traditional IRA without IRS penalty tax, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. As with SIMPLE IRA to SIMPLE IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA to Traditional IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not havecompleted another SIMPLE IRA to Traditional IRA (or SIMPLE IRA to SIMPLE IRA) rollover from the distributing SIMPLE IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months.
3. **SIMPLE IRA to Employer-Sponsored Retirement Plan Rollovers**. You may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The employer-sponsored retirement plan, however, must allow for such rollover contributions. A SIMPLE IRA may not receive rollovers from employer-sponsored retirement plans.
4. **SIMPLE IRA to Roth IRA Conversions**. You are eligible to convert all or any portion of your existing SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. If you convert to a Roth IRA, the amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are age 72 or older you must remove your required minimum distribution before converting your SIMPLE IRA.
5. **Written Election**. At the time you make a rollover to a SIMPLE IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

I. Recharacterizations – If you have converted from a SIMPLE IRA to a Roth IRA, you may recharacterize the conversion along with net income attributable back to the SIMPLE IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year in which the conversion was completed.

LIMITATIONS AND RESTRICTIONS

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

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

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

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

E. Pledging – If you pledge any portion of your SIMPLE IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

OTHER

A. IRS Plan Approval – The agreement used to establish this SIMPLE IRA has 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 – You may obtain further information on SIMPLE IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements (IRAs), by calling 1-800-TAX-FORM, or by visiting www. irs.gov on the Internet.

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

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

E. Disaster Related Relief – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief 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. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590, Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.

SUMMARY DESCRIPTION FOR NON-DESIGNATED FINANCIAL INSTITUTION

Employer must complete the following:

ELIGIBILITY REQUIREMENTS

All Employees of the Employer shall be eligible to participate under the Plan except:

☐ Employees included in a unit of employees covered under a collective bargaining agreement described in Section 2.02(a) of the Plan.
☐ Non-resident alien employees who did not receive US source income described in Section 2.02(b) of the Plan.
☐ Employees who are not reasonably expected to earn $_______ (not to exceed $5,000) during the Plan Year for which the contribution is being made.
☐ There are no eligibility requirements. All Employees are eligible to participate upon the later of the plan's effective date or the employee's date of hire.

Each Eligible Employee will be eligible to become a Participant after having worked for the Employer during any _________ prior years (not to exceed 2) and received at least $ _________ in compensation (not to exceed $5,000), during each of such prior years.

WRITTEN ALLOCATION FORMULA

The Employer has agreed to provide contributions for the __________________ Plan Year as follows (complete only one choice):

○ a). Matching Contribution - The amount of the Participant's Elective Deferral not in excess of 3% of such Participant's Compensation (not to exceed $12,500 for 2017 and 2018).

○ b). Matching Contribution - The amount of the Participant's Elective Deferral not in excess of _____% (not less than 1% nor more than 3%) of each Participant's Compensation (not to exceed $12,500 for 2017 and 2018).

○ c). Nonelective Employer Contribution - 2% of each Participant's Compensation.

The Employer has designated ____ (insert Name & Title) to provide additional information to participants about the Employer's SIMPLE Plan.

GENERAL DISCLOSURE INFORMATION

The following information explains what a Savings Incentive Match Plan for Employees ("SIMPLE") is, how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the employer's SIMPLE Retirement Plan document itself. For a calendar year, you may make or modify a salary reduction election during the 60-day period immediately preceding January 1 of that year. However, for the year in which you first become eligible to make salary reduction contributions, the period during which you may make or modify the election is a 60-day period that includes either the date you become eligible or the day before. If indicated in your employer's SIMPLE plan, you may have additional opportunities during a calendar year to make or modify your salary reduction election.

I. SIMPLE Retirement Plan and SIMPLE IRA Defined

A SIMPLE Retirement Plan is a retirement income arrangement established by your employer. Under this SIMPLE Plan, you may choose to defer compensation to your own Individual Retirement Account or Annuity ("IRA"). You may base these "elective deferrals" on a salary reduction basis that, at your election, may be contributed to an IRA or received in cash. This type of plan is available only to an employer with 100 or fewer employees who earned at least $5,000 during the prior calendar year. A SIMPLE IRA is a separate IRA plan that you establish with an eligible financial institution for the purpose of receiving contributions under this SIMPLE Retirement Plan. Your employer must provide you with a copy of the SIMPLE agreement containing eligibility requirements and a description of the basis upon which contributions may be made. All amounts contributed to your IRA belong to you, even after you quit working for your employer.

II. Elective Deferrals - Not Required

You are not required to make elective deferrals under this SIMPLE Retirement Plan. However, if the Employer is matching your elective deferrals, no Employer contribution will be made on your behalf unless you elect to defer under the plan.

III. Elective Deferrals - Annual Limitation

The maximum amount that you may defer under this SIMPLE Plan for any calendar year is limited to the lesser of the percentage of your compensation that you select or $12,500 (for 2017 and 2018), subject to cost-of-living increases. If you work for other employers (unrelated to this Employer) who also maintain a salary deferral plan, there is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs, cash or deferred arrangements under section 401(k) of the Code, other SIMPLE plans and 403(b) plans regardless of how many employers you may have worked for during the year. This limitation is referred to as the section 402(g) limit. The section 402(g) limit on elective deferrals is currently $18,000 for 2017 and $18,500 for 2018 and is indexed according to the cost of living. If you attain age 50 or over by the end of a calendar year, you can elect to have your compensation reduced by an additional "catch-up" amount of $3,000 for 2017 and 2018, subject to cost-of-living adjustments.

IV. Elective Deferrals - Tax Treatment

The amount that you may elect to contribute to your SIMPLE IRA is excludible from gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA taxes.

V. Elective Deferrals - Excess Amounts Contributed

When "excess elective deferrals" (i.e., amounts in excess of the SIMPLE elective deferral limit or the section 402(g) limit) are made, you are responsible for calculating whether you have exceeded these limits in the calendar year. For 2018, the section 402(g) limit for contributions made to all elective deferral plans is $18,500. Excess elective deferrals are calculated on the basis of the calendar year.

VI. Excess Elective Deferrals - How to Avoid Adverse Tax Consequences

Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your income in the year of withdrawal from the IRA. You should withdraw excess elective deferrals and any allocable income, from your SIMPLE IRA by April 15th following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another SIMPLE IRA. If you fail to withdraw excess elective deferrals, and any allocable income, by the following April 15th, the excess elective deferrals will be subject to the IRA contribution limitations of sections 219 and 408 of the Code and thus may be considered an excess contribution to your IRA. Such excess deferrals may be subject to a 6% excise tax for each year they remain in your SIMPLE IRA. Income on excess elective deferrals is includible in your gross income in the year you withdraw it from your IRA and must be withdrawn by April 15 following the calendar year to which the deferrals relate. Income withdrawn from the IRA after that date may be subject to a 10% tax (or 25% if withdrawn within the first 2 years of participation) on early distributions.

VII. Income Allocable To Excess Amounts
The rules for determining and allocating income attributable to excess elective deferrals and other excess SIMPLE contributions are the same as those governing regular IRA excess contributions. The trustee or Custodian of your SIMPLE IRA will inform you of the income allocable to such excess amounts.

VIII. Availability of Regular IRA Contribution Deduction
In addition to any SIMPLE contribution, you may contribute to a separate IRA the lesser of 100% of compensation or the regular IRA contribution dollar limit to an IRA as a regular IRA contribution. However, the amount that you may deduct is subject to various limitations since you will be considered an "active participant" in an employer-sponsored plan. See Pub. 590-A, "Individual Retirement Arrangement", for more specific information.

IX. SIMPLE IRA Amounts - Rollover or Transfer to Another IRA
You may not roll over or transfer from your SIMPLE IRA any SIMPLE contributions (or income on these contributions) made during the plan year to another IRA (other than a SIMPLE IRA) until the 2 years following the date you first participated in the SIMPLE plan. Also, any distribution made before this time will be includible in your gross income and may also be subject to a 25% percent additional income tax for early withdrawal. You may, however, remove excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA before this time, but you may not roll over or transfer these amounts to another IRA.

After the 2-year restriction no longer applies, you may withdraw, or receive, funds from your SIMPLE IRA, and no more than 60 days later, place such funds in another IRA or SIMPLE IRA. This is called a "rollover" and may not be done without penalty more frequently than at one-year intervals. Effective December 19, 2015, if your Employer's Plan permits, you may also roll over from a qualified plan, qualified annuity, 403(b) Plan, governmental 457(b) or from an IRA to your SIMPLE IRA as long as the 2-year restrict is satisfied. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the Custodians so that you never have possession of the funds. You may not, however, roll over or transfer excess elective deferrals and income allocable to such excess amounts from your SIMPLE IRA to another IRA. These excess amounts may be reduced only by a distribution to you.

X. Filing Requirements
You do not need to file any additional forms with the IRS because of your participation in your employer's SIMPLE Plan.

XI. Employer to Provide Information
Your employer must provide you with a copy of the executed SIMPLE agreement, a Summary Description, the form you should use to elect to defer amounts to your SIMPLE IRA, and a statement for each taxable year showing any contribution to your SIMPLE IRA.

XII. Financial Institution Where IRA is established to Provide Information
The financial institution must provide you with a disclosure statement that contains information described in section 1.408-6 of the regulations. The Disclosure Statement that is a part of this Custodian's SIMPLE IRA account documentation must be read in conjunction with this Summary Description for Non-Designated Financial Institutions. The Disclosure Statement contains important information about the SIMPLE plan rules and the contents of such Disclosure Statement are incorporated herein by reference.

See Publications 590-A and 590-B, "Individual Retirement Arrangements", which is available at most IRS offices, for a more complete explanation of the disclosure requirements. In addition to the disclosure statement, the financial institution is required to provide you with a financial statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of your IRA and in order that you will know how to report IRA distributions for tax purposes.

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