



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:	<input type="text"/>	Primary	<input type="checkbox"/>	Contingent	<input type="checkbox"/>
SSN:	<input type="text"/>	Date of Birth:	<input type="text"/>	Relationship:	<input type="text"/>
				Percentage:	<input type="text"/>

Name:	<input type="text"/>	Primary	<input type="checkbox"/>	Contingent	<input type="checkbox"/>
SSN:	<input type="text"/>	Date of Birth:	<input type="text"/>	Relationship:	<input type="text"/>
				Percentage:	<input type="text"/>

Name:	<input type="text"/>	Primary	<input type="checkbox"/>	Contingent	<input type="checkbox"/>
SSN:	<input type="text"/>	Date of Birth:	<input type="text"/>	Relationship:	<input type="text"/>
				Percentage:	<input type="text"/>

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: _____



SELF-DIRECTED IRA APPLICATION & ADOPTION AGREEMENT

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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).

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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:** _____



Important Update: Due to the CARES Act, the requirement to take RMDs in 2020 is waived.

The Internal Revenue Code (Code) requires that Horizon Trust Company (Custodian) provide individuals establishing an Individual Retirement Account (IRA) with information which is contained in this Disclosure statement. You should read and complete the Traditional IRA Account Application (Application) which includes the Account Agreement provisions above along with the Traditional IRA Custodial Agreement, Disclosure Statement, and the Fee Schedule together as one which have been presented to the Account Owner prior to executing the Application.

RIGHT TO REVOKE YOUR IRA

You have the right to revoke your SEP 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 SEP 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 SEP IRA, please call the custodian at the telephone number listed on the application.

REQUIREMENTS OF A N IRA

- A. Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution or a policy approved in-kind asset contribution.
- B. Maximum Contribution** – The total amount you may contribute to an IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$6,000 (\$7,000 for taxpayers aged 50 or over at the end of the tax year, see below Section D) for 2019, with possible cost-of-living adjustments each year thereafter. If you also maintain a Roth IRA (i.e., an IRA subject to the limits of Internal Revenue Code Section (IRC Sec.) 408A), the maximum contribution to your Traditional IRAs is reduced by any contributions you make to your Roth IRAs. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.
- C. Contribution Eligibility** – Only your employer may contribute to your SEP IRA* (with the exception of Salary Reduction Simplified Employee Pension (SARSEP) plans established before 1997, which are entitled to make elective salary deferral contributions. For these plans that are still in operation, a participant's elective deferral contributions are limited to \$19,500 in 2020 (\$19,000 in 2019) or 25% of their compensation). *You may make contributions to the same account that your employer contributes to under the SEP plan, but are subject to the same contribution limits, catch-up contributions, and tax deduction limits as a traditional IRA. You can simply use the same account as if you had opened a separate Traditional IRA.
- C. Contribution Eligibility** – You are eligible to make a regular contribution to your IRA if you have compensation by the end of the taxable year for which the contribution is made.
- 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 IRA. The maximum additional contribution is \$1,000 per year.
- E. Nonforfeitable** – Your interest in your IRA is nonforfeitable.
- F. Eligible Custodians** – The custodian of your IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. Commingling Assets** – The assets of your IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. Life Insurance** – No portion of your IRA may be invested in life insurance contracts.
- I. Collectibles** – You may not invest the assets of your 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 IRA investments.
- J. Required Minimum Distributions** – You are required to take minimum distributions from your IRA at certain times in accordance with



with Treasury Regulation 1.408-8. Below is a summary of the IRA distribution rules.

You are required to take a minimum distribution from your 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. Under the SECURE Act of 2019 provides the change from 70½ to 72 only applies to individuals who reach age 70½ after 2019. The RMD age for individuals who reached age 70½ before 2020 remains 70½.

The applicable divisor generally is determined using the Uniform Lifetime Table provided by the IRS. If your spouse is your so 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. With respect to deaths after 2019, generally benefits should be distributed in full within 10 years. An Eligible Designated Beneficiary, which includes a surviving spouse, a child of the IRA owner under the age of majority, a disabled or chronically ill beneficiary and a beneficiary who is not more than ten years younger than the IRA Owner, has the option of taking distributions (which must begin in the year after death) based on his or her life expectancy. For beneficiaries who are minor children of the IRA account holder, the 10-year period to fully distribute the account starts when they reach the age of majority.

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 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.

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

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 IRA for purposes of determining the distribution period. If there is no designated beneficiary of your IRA, the entire IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.



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

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 IRA owner take total distribution of all 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.

K. Qualifying Longevity Annuity Contracts and RMDs – A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85. The total premiums paid to QLACs in your IRAs must not exceed 25 percent (up to \$125,000) of the combined value of your IRAs (excluding Roth IRAs). The \$125,000 limit is subject to cost-of-living adjustments each year.

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

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

INCOME TAX CONSEQUENCES OF ESTABLISHING AN IRA

A. IRA Deductibility – If you are eligible to contribute to your IRA, the amount of the contribution for which you may take a tax deduction will depend upon whether you (or, in some cases, your spouse) are an active participant in an employer-sponsored retirement plan. If you (and your spouse, if married) are not an active participant, your entire IRA contribution will be deductible. If you are an active participant (or are married to an active participant), the deductibility of your IRA contribution will depend on your modified adjusted gross income (MAGI) and your tax filing status for the tax year for which the contribution was made. MAGI is determined on your income tax return using your adjusted gross income but disregarding any deductible IRA contribution and certain other deductions and exclusions.

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

1. Qualified pension, profit sharing, 401(k), or stock bonus plan
2. Qualified annuity plan of an employer
3. Simplified employee pension (SEP) plan
4. Retirement plan established by the federal government, a state, or a political subdivision (except certain unfunded deferred compensation plans under IRC Sec. 457)
5. Tax-sheltered annuity for employees of certain tax-exempt organizations or public schools
6. Plan meeting the requirements of IRC Sec. 501(c)(18)
7. Savings incentive match plan for employees of small employers (SIMPLE) IRA plan or a SIMPLE 401(k) plan

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

If you are an active participant, are single, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out range maximum for the applicable year (specified below) and subtract your MAGI; (2) divide this total by the difference between the phase-out maximum and minimum; 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. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$63,000 in 2017, your maximum deductible contribution is \$4,950 (the 2017 phase-out range maximum

of \$72,000 minus your MAGI of \$63,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$5,500).

If you are an active participant, are married to an active participant and you file a joint income tax return, and have MAGI within the applicable phase-out range listed below, the deductible amount of your contribution is determined as follows. (1) Begin with the appropriate phase-out maximum for the applicable year (specified below) and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; 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. The resulting figure will be the maximum IRA deduction you may take. For example, if you are age 30 with MAGI of \$103,000 in 2017, your maximum deductible contribution is \$4,400 (the 2017 phase-out maximum of \$119,000 minus your MAGI of \$103,000, divided by the difference between the maximum and minimum phase-out limits of \$20,000, and multiplied by the contribution limit of \$5,500).

If you are an active participant, are married and you file a separate income tax return, your MAGI phase-out range is generally \$0–\$10,000. However, if you lived apart for the entire tax year, you are treated as a single filer.

Tax Year	Joint Filers Phase-Out Range*	Single Taxpayers Phase-Out Range*
	(minimum)(maximum)	(minimum)(maximum)
2013	\$95,000 - 115,000	\$59,000 - 69,000
2014	\$96,000 - 116,000	\$60,000 - 70,000
2015	\$98,000 - 118,000	\$61,000 - 71,000
2016	\$98,000 - 118,000	\$61,000 - 71,000
2017	\$99,000 - 119,000	\$62,000 - 72,000
2018	\$101,000 - 121,000	\$63,000 - 73,000
2019	\$103,000 - 123,000	\$64,000 - 74,000
2020	\$104,000 - 124,000	\$65,000 - 75,000

*MAGI limits are subject to cost-of-living adjustments each year.

The MAGI phase-out range for an individual that is not an active participant, but is married to an active participant, is \$186,000–\$196,000 (for 2017) and \$189,000–\$199,000 (for 2018). This limit is also subject to cost-of-living increases for tax years after 2018. If you are not an active participant in an employer-sponsored retirement plan, are married to someone who is an active participant, and you file a joint income tax return with MAGI between the applicable phase-out range for the year, your maximum deductible contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the 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. The resulting figure will be the maximum IRA deduction you may take.

You must round the resulting deduction to the next highest \$10 if the number is not a multiple of 10. If your resulting deduction is between \$0 and \$200, you may round up to \$200.

B. Contribution Deadline – The deadline for making an 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 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 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 Traditional IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are
 age 18 or older as of the close of the taxable year,
 not a dependent of another taxpayer, and
 not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional 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.

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

*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 – An excess contribution is any amount that is contributed to your IRA that exceeds the amount that you are eligible to contribute. 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 IRA. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit.
- 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 IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

F. Nondeductible Contributions – You may make nondeductible contributions to your IRA to the extent that deductible contributions are not allowed. The sum of your deductible and nondeductible IRA contributions cannot exceed your contribution limit (the lesser of the allowable contribution limit described previously, or 100 percent of compensation). You may elect to treat deductible IRA contributions as nondeductible contributions.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty.

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

G. Taxation of Distributions – The taxation of IRA distributions depends on whether or not you have ever made nondeductible IRA contributions. If you have only made deductible contributions, all IRA distribution amounts will be included in income.

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

Aggregate Nondeductible		Amount	
Contributions	x	Withdrawn	
Aggregate IRA Balance			= Amount Excluded from Income

NOTE: Aggregate nondeductible contributions include all nondeductible contributions made by you through the end of the year of the distribution that have not previously been withdrawn and excluded from income. Also note that the aggregate IRA balance includes the total balance of all of your Traditional and SIMPLE IRAs as of the end of the year of distribution and any distributions occurring during the year.

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

I. Early Distribution Penalty Tax – If you receive an IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent will apply to the taxable amount of the distribution unless one of the following exceptions apply. 1) **Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. 2) **Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. 3) **Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. 4) **Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. 5) **Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your 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 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 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 IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. 10) **Qualified birth or adoption distributions.** Distributions are permitted from IRAs for distributions made after December 31, 2019. Distributions must be taken within one year of birth or adoption and are limited to adoption of anyone over 18 (other than an individual physically or mentally incapable of self-support) or the adoption of a spouse's child does not qualify. Distributions can later be rolled back into an IRA. It will be up to the IRA owner to substantiate to the tax authorities that the distributions are a qualified birth or adoption distribution.

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.

J. Rollovers and Conversions – Your IRA may be rolled over to another IRA, SIMPLE IRA, or an eligible employer-sponsored retirement plan of yours, may receive rollover contributions, or may be converted to a Roth IRA, provided that all of the

the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your IRA from another 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. 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 Traditional 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. Traditional IRA-to-Traditional IRA Rollovers.** Assets distributed from your Traditional IRA may be rolled over to the same Traditional IRA or another Traditional IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper IRA-to-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.

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.

- 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 Traditional IRA-to-Traditional IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SIMPLE IRA-to-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 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.

- 3. Employer-Sponsored Retirement Plan-to-Traditional IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

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

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

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



5. **Traditional IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your Traditional IRA may be rolled over to a SIMPLE IRA if the requirements of IRC Sec.408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper Traditional 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. 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.

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 obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.

6. **Traditional IRA-to-Employer-Sponsored Retirement Plan Rollovers.** You may roll over, directly or indirectly, any taxable eligible rollover distribution from an IRA to your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan as long as the employer-sponsored retirement plan accepts such rollover contributions.
7. **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 penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your Traditional 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 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. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court, you are allowed to roll over up to 90 percent of the proceeds into your Traditional IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. If you make such a rollover contribution, you may exclude the amount rolled over from your gross income in the taxable year in which the airline settlement payment was paid to you. For further detailed information and effective dates you may obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.
10. **Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.
11. **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.
12. **Written Election.** At the time you make a rollover to an 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.

K. Transfer Due to Divorce, Levys and Similar Court Directives – If all or any part of your IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Traditional IRA to another. In some instances, such as a levy or a court order, the Custodian may make a distribution from the IRA without instruction from the Account Owner. In those cases, the distribution may be reportable to the IRS as a taxable event.

L. 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. For tax years beginning before January 1, 2018, if you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back 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 or conversion completed. However, effective for tax years beginning after December 31, 2017, you may not recharacterize a Roth IRA conversion.

LIMITATIONS AND RESTRICTIONS

A. SEP Plans – Under a simplified employee pension (SEP) plan that meets the requirements of IRC Sec. 408(k), your employer may make contributions to your IRA. Your employer is required to provide you with information that describes the terms of your employer's SEP plan.

B. Spousal IRA – If you are married and have compensation, you may contribute to an IRA established for the benefit of your spouse for any year prior to the year your spouse turns age 72, regardless of whether or not your spouse has compensation. You may make these spousal contributions even if you are age 72 or older. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined eligible compensation or \$11,000. 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 IRA.

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

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

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

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

F. Prohibited Transactions – If you or your beneficiary engage in a prohibited transaction with your IRA, as described in IRC Sec. 4975, your 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 IRA. (1) Taking a loan from your IRA (2) Buying property for personal use (present or future) with IRA assets (3) Receiving certain bonuses or premiums because of your IRA.

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

OTHER

A. IRS Plan Approval – Articles I through VII of the agreement used to establish this 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 IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 800-TAX-FORM, or by visiting www.irs.gov on the Internet.

C. Important Information About Procedures for Opening a New Account – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open an 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.



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- D. Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your IRA or retirement plan, you may recontribute those amounts to an 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 take tax-free IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. If you have both IRA contributions and QCDs in the same year, the \$100,000 is reduced if you are making deductible IRA contributions after age 70½. Special tax rules may apply. For further detailed information 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.
- F. 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-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at www.irs.gov.
- G. Investments** – We shall have no duty or responsibility to review any investment held in the IRA Account or any investment under consideration by you or any purchase directed by you with respect to any issue, including but not limited to, its safety, risk, suitability or whether or not it should be registered as a security with the appropriate government agencies and shall have no liability with respect to its safety, risk, suitability or whether or not it should be registered as a security with the appropriate government agencies. We shall not be responsible to investigate or perform any due diligence on any investment, investment sponsor or any principal involved with any investment. Further, we have no duty to monitor any investment held in the IRA Account. Acting on your Investment Direction in no way implies endorsement by the Custodian of the assets selected by you. We have no responsibility, authority, or discretion for the selection, purchase, sale, monitoring, or continued holding of any investment in the IRA Account. At its sole discretion, we can refuse to act as Custodian on any asset selected by you.
- H. No Tax, Legal or Investment Advice** – In its role as Custodian, Horizon Trust does not provide any tax, legal or investment advice. It is your responsibility as the Account Owner to consult with your investment or tax advisor. The Custodian shall act on your directions for transfers, investments and distributions of Fiat when you have submitted directions in the manner required by Custodian. We are not responsible for losses or damages resulting from the delay of acting on a direction if the direction is unclear, incomplete and not in acceptable form to the Custodian. Additionally, we are not responsible for the performance of the assets selected by you. Under this agreement the Custodian provides Custody Services for the assets selected by you. We act on the Investment Directions provided by you and have no responsibility for the performance or suitability of the assets selected by you.