

# Trust Agreement for Self-Directed Roth Individual Retirement Accounts

The following Articles I through IX of this Individual Retirement Trust Account Agreement are in the form promulgated by the Internal Revenue Service in Form 5305-R (Rev. April 2017), updated in Article IX in accordance with the Setting Every Community Up for Retirement Enhancement (“SECURE”) Act of 2019. We reserve the right to amend Article IX and, whether or not amended, administer this Agreement in accordance with applicable Treasury Regulations, revisions to Form 5305-R, and other IRS guidance on the SECURE Act.

The individual (“Grantor”) whose name appears on the TIAA Individual Retirement Agreement (the “Adoption Agreement”) is establishing a Roth individual retirement account (“trust account”) under section 408(a) of the Internal Revenue Code, to provide for his or her retirement and for the support of Grantor’s beneficiaries after death.

The Trustee of the trust account is TIAA, FSB and its successors or assigns (“Trustee”), with its principal place of business in Jacksonville, Florida. The Grantor has assigned to the trust account the property referred to in the Adoption Agreement. The respective signatures of the Grantor and the Trustee on the Adoption Agreement shall constitute the Grantor’s agreement to the following provisions.

## ARTICLE I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Trustee will accept only cash contributions up to \$6,000 per year for tax year 2020. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$7,000 per year for tax year 2020. For tax years after 2020, these limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a Grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$124,000 and \$139,000; for a married grantor filing jointly, between AGI of \$196,000 and \$206,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000.

These phase-out ranges are for 2020. For years after 2020, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

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

## ARTICLE III

The Grantor’s interest in the balance in the Trust Account is nonforfeitable.

## ARTICLE IV

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

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

### ARTICLE V

1. If the Grantor dies before his or her entire interest is distributed to him or her and the Grantor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.
  - a. The remaining interest will be distributed, starting at the end of the calendar year following the year of the Grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Grantor.
  - b. The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Grantor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Grantor's death and subtracting 1 from the divisor for each subsequent year.
3. If the Grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Grantor.

### ARTICLE VI

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

2. The Trustee agrees to submit to the IRS and Grantor the reports prescribed by the IRS.

### ARTICLE VII

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

### ARTICLE VIII

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

### ARTICLE IX

All of the provisions set forth in this document entitled "Additional Provisions Applicable to TIAA Self-Directed IRAs" shall also apply to this Agreement and are incorporated herein by this reference for all purposes, unless otherwise stated therein.

### ADDITIONAL PROVISIONS APPLICABLE TO TIAA SELF-DIRECTED IRAS

#### 1. Definitions

- a. "Account," "Trust Account," or "IRA" shall mean the Self-Directed Roth Individual Retirement Trust Account established hereunder for the benefit of the Grantor and/or his or her Beneficiary or Beneficiaries.
- b. "Account Application," "Application," or "Adoption Agreement" shall mean the Application by which this Account is established by the agreement between the Grantor and the Trustee. The statements contained therein shall be incorporated into this Agreement.
- c. "Agreement" shall mean the Self-Directed Roth Individual Retirement Account Trust Agreement and the TIAA Disclosure Statement, including the information and provisions set forth in any Application for the IRA, as the same may be

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amended from time to time. This Agreement, including the Application and the Designation of Beneficiary filed with the Trustee, may be provided either by an original copy or a reproduced copy thereof, including, without limitation, a copy reproduced by photocopying, facsimile transmission, electronic imaging, or other means of electronic transmission.

- d. **“Beneficiary”** shall mean the person(s), or entity(ies), (for instance, a trust), designated from time to time by a Grantor or Grantor’s surviving spouse to receive benefits by reason of the death of the Grantor or of such spouse, or the person or persons described in Article IX, Section 6(b), of the IRA who would otherwise be entitled to receive such benefits.
- e. **“Code”** or **“Internal Revenue Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time.
- f. **“Grantor”** shall mean the Grantor and an individual who adopts the IRA and who makes contributions or on whose behalf contributions are made to his or her Trust Account pursuant to the IRA.
- g. **“Rollover Account”** shall mean an Account established by a Grantor in which amounts are deposited in accordance with Article IX, Section 4(b), of the IRA.
- h. **“Spouse”** shall mean a person who meets the definition of spouse under federal law. IRS guidance provides that civil unions and domestic partnerships that may be recognized under state law are not marriages unless denominated as such.
- i. **“Simplified Employee Pension Account”** shall mean an Account established by a Grantor whose employer has adopted a simplified employee pension IRA pursuant to Section 408(k) of the Code.
- j. **“Trustee”** shall mean TIAA, FSB and any successor Trustee qualified to serve in such capacity with respect to IRA assets under applicable law and regulations, which has accepted to serve as trustee of the Trust Account.

**2. Grantor’s Representations.** The Grantor acknowledges and represents to the Trustee as follows:

- a. The Grantor has been advised that the entirety of this Agreement has not been approved by the Internal Revenue Service (“IRS”).
- b. The Grantor has been advised that the Trustee does not make warranties or in any way represent that earnings of the Trust Account will be exempt from taxation, that any rollover contribution will be excludable from gross income for tax purposes, or that the Grantor will be free of any penalty taxes which may be incurred as a result of his or her failure to comply with the laws and regulations applicable to Roth IRAs.
- c. The Grantor is eligible for a Roth IRA and the contributions to be made thereto will be made in accordance with applicable laws and regulations. The Grantor is responsible for all fines and assessments, and for any adverse tax consequences, which may be imposed on the Grantor by applicable law. The Trustee assumes no liability whatsoever for tax implications associated with this Agreement.
- d. Any information the Grantor has provided or will provide to the Trustee with respect to this Agreement is complete and accurate. The Grantor will inform the Trustee of any change in any such information that could affect the efficient administration of the Trust Account. Such information includes, but is not limited to, a change in mailing or residence address, a change in beneficiary, and a change in the Grantor’s tax year for contributions. Any direction given by the Grantor to the Trustee, or any action taken by the Grantor, will be proper under this Agreement and applicable law. The Trustee shall have the right to rely upon any information furnished by the Grantor (or any Beneficiary following the Grantor’s death). The Grantor hereby agrees that the Trustee will not be liable for any loss or expense resulting from any action taken or determination made in reliance on such information. The Trustee will not be responsible for the Grantor’s actions or

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failures to act. Likewise, the Grantor will not be responsible for the Trustee's actions or failures to act; provided, however, that the Trustee's duties and responsibilities under this Agreement are limited to those specifically stated in the Agreement, and no other or further duties or responsibilities will be implied.

**3. Notices and Change of Address.** Any required notice by the Trustee regarding this Account will be considered effective when sent by the Trustee to the last address of the intended recipient that is on the records of the Trustee. The last address of the Grantor on the records of the Trustee will be the address used for any tax withholding, disbursement, and reporting required by taxing authorities. Any notice to be given to the Trustee will be effective when actually received by the Trustee and following the Trustee's reasonable opportunity to act thereon. The Grantor will notify the Trustee of any change of address.

### 4. Contributions

**a. Excess Contributions.** The Grantor is responsible for the determination of any excess contributions and the timely withdrawal thereof. If the IRS or the Grantor notifies the Trustee in writing that the contributions to the Account have exceeded the contribution limitations described in Article I of the IRA, or the Grantor has exceeded the applicable income limits described in Article II, the Trustee shall distribute from the Account to the Grantor the amount of such excess contribution and, as determined by the Grantor, any income attributable thereto. The Grantor may revoke such notice in writing if the IRS has not notified the Trustee of the IRS' determination that the excess contribution was willfully made by the Grantor. The Trustee, at the request of the Grantor, may credit as a contribution for the current taxable year, the amount shown in the notice of the Grantor revoking his or her prior notification.

### b. Rollover Contributions.

i. If directed by the Grantor, the Trustee shall open and maintain a separate Account for each rollover contribution described in

Section 408A(e) of the Code, or any other applicable section of the Code.

- ii. If a Grantor desires to roll over or transfer assets other than cash to his or her IRA, the Trustee shall accept such assets only if they are compatible with the Trustee's administrative or operational requirements and regular business practices. Unless otherwise directed by the Grantor, any rollover contribution made by a Grantor may be combined with any other of the Grantor's Accounts and further contributions may be made to that Account.
- iii. If the Grantor indicates in the Adoption Agreement that the initial contribution to the Trust Account is a rollover contribution, then the Grantor warrants and certifies that such amount qualifies as a rollover contribution. The Grantor shall assume the obligation to ascertain whether such a rollover contribution is proper pursuant to the Code or the provisions of any other IRA or account.

**c. Regular IRA Contributions Deadlines.** The last day to make annual IRA contributions for a particular tax year is the deadline for filing the Grantor's federal income tax return, not including extensions, or such later date as may be determined by the Department of Treasury or the IRS for the taxable year for which the contribution relates. The Grantor shall designate, in a form and manner acceptable to the Trustee, the taxable year for which such contribution is made.

### 5. Investment of Contributions

**a. Direction by Grantor.** Each Grantor shall direct the Trustee with respect to the investment of all contributions to his or her Account and the earnings thereon. Such directed investments shall be limited to publicly traded securities, covered call options, covered put options, debit spreads, long put and long call options, mutual funds, money market instruments, and other investments, to the extent that they are obtainable through

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and subject to the custody of the Trustee in the Trustee's regular course of business, and subject to such other limitations as may be agreed to by the Grantor and introducing broker-dealer. All transactions directed by the Grantor shall be subject to the rules, regulations, customs, and usages of the exchange, market, or clearing house where executed, and to all applicable federal and state laws and regulations, and to internal policies of the Trustee. The Trustee reserves the right not to accept assets intended for deposit to the Account and may at any time require liquidation or transfer of any asset held in the Trust Account if the Trustee determines that maintaining custody of any such asset is not in accordance with the Trustee's policies, administrative or operational requirements or regular business practices.

The Grantor understands that the Trustee shall attribute earnings only to assets held in the Account while in the custody of the Trustee. The Grantor understands that the income from, and gain or loss on, each investment the Grantor selects for the Account will affect the value of the Account, and that the growth in value of an Account cannot be guaranteed or projected.

- b. Direction by Beneficiary.** Subject to the standard practices of the Trustee, if the Grantor dies before part or all of his or her interest in this Account is distributed to him or her, the remaining assets in the Account shall be invested as directed by the Grantor's Beneficiary or Beneficiaries; provided, however, that (1) if the Beneficiary is a trust, such investment directions shall be given by the trustee of such trust, and (2) if the Beneficiary is the Grantor's estate, such investment directions shall be given by the personal representative of such estate. In such event, the Beneficiary or Beneficiaries shall be treated as the Grantor for all purposes as though he or she were the signatory to the Agreement.
- c. No Duty to Review.** The Trustee shall not be under any duty to review or question any direction of the Grantor with respect to investments, to review any securities or other property held in trust, or

to make suggestions to the Grantor with respect to investments. The Trustee will not be liable for any loss that may result by reason of investments made by the Trustee in accordance with the directions of the Grantor.

- d. Delegation of Investment Responsibility.** Regardless of any other provision of this Agreement to the contrary, the Grantor may also appoint an investment professional or other person to act as the Grantor's representative with authority to direct the Trustee with respect to the investment of assets in the Trust Account. The appointment, however, will be effective only if (1) the Trustee has received an executed copy of an agreement between the Grantor and the representative in a form and manner acceptable to the Trustee that specifies the authority of the representative to act on behalf of the Grantor, and (2) the Trustee does not object to acting on the direction of that person, which objection the Trustee may assert for any reason at any time. If the Grantor appoints a representative, as provided for above, references to the Grantor in this section ("Investment of Contributions") of this Agreement and in the "Powers, Duties, and Obligations of Trustee" section (Article IX, Section 8) of this Agreement (insofar as pertinent to securities with respect to which the representative has investment authority) are also to that representative. However, all references in this Agreement to the individual whose Trust Account is involved and to the making of contributions and the receipt of distributions are only to the Grantor. The Grantor may revoke the authority of any representative at any time by notifying the Trustee in a form and manner acceptable to the Trustee and the Trustee shall not be liable in any way for the transactions initiated prior to its receipt of such notice.
- e. Investment of Cash Balances.** Your Account includes a sweep program feature which automatically transfers available uninvested cash balances in your Account at the end of each business day to a money market mutual fund

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sweep or bank sweep deposit account (each a “Sweep Vehicle” and together the “Sweep Program”) and facilitates the redemption of available shares of any such money market mutual funds sweep or the transfer of available cash balances from any such bank sweep deposit accounts to your Account to cover purchases of securities and other debits in your Account. Available Sweep Vehicles vary based on account type. Grantor directs us to use the Sweep Vehicle indicated on your Account Application as the Sweep Vehicle for your Account and, if Grantor fails to indicate a Sweep Vehicle, Grantor directs us to use the default Sweep Vehicle indicated therein. If your Account type includes only one Sweep Vehicle, Grantor acknowledges that the Sweep Vehicle set forth in your Account Application will serve as the sweep option in which all available uninvested cash balances in your Account will be allocated at the end of each Business Day. The Grantor authorizes the Trustee to deposit uninvested cash balances in demand deposits, savings deposits or similar accounts maintained in the commercial or savings department of any bank or savings association, the deposits of which are insured by the Federal Deposit Insurance Corporation (“**FDIC**”), including those of the Trustee (TIAA, FSB, Member FDIC, Equal Housing Lender) or any bank or savings association that is an affiliate of the Trustee; provided that any such deposits bear a reasonable rate of interest. The Grantor directs and authorizes the Trustee to withdraw, transfer in-kind or liquidate out of any discontinued Sweep Vehicle Grantor’s funds or shares and deposit or transfer such funds or shares into any other Sweep Vehicle then offered by the Trustee. Different Sweep Vehicles may have different rates of return and different terms and conditions, including but not limited to, requiring minimum cash balances in your Account before such balances may be swept to a Sweep Vehicle. Money market mutual funds are securities that are registered with the U.S. Securities and Exchange Commission (SEC) under

the Investment Company Act of 1940 and the Securities Act of 1933. Although money market funds attempt to maintain a stable net asset value of \$1 per share, there is no guarantee that the fund will in fact maintain a \$1 per share stable net asset value. Money market funds are not insured by the FDIC. Money market funds are, however, securities subject to protection by the Securities Investor Protection Corporation (SIPC) in the event of insolvency of TIAA Brokerage or Pershing, LLC as the brokerage firm holding your Account and cash or securities are owed to you. SIPC is a non-profit member corporation funded primarily by member securities brokerage firms registered with the SEC which protects customers up to certain limits in the event of the failure of a brokerage firm where cash and securities are owed to customers. See the TIAA Brokerage SIPC Asset Protection Guide for more information. SIPC does not protect against loss due to market fluctuation or failure of the issuer of a money market fund. More specific information about a particular money market mutual fund, including applicable fund restrictions, fees and expenses and other important information, can be found in the fund’s prospectus. Bank sweep options are deposit accounts held at one or more banks. Deposit accounts pay interest on deposits pursuant to the terms and conditions in the disclosure document for the applicable bank sweep option. Interest rates may fluctuate and may vary among banks. Deposit accounts are not subject to SIPC protection. They are subject to FDIC insurance up to applicable limits. FDIC insurance protects against loss of deposit amounts in the event the bank holding the deposits fails. More specific information about particular bank sweep options, including applicable FDIC insurance limits, interest amounts and other important information can be found in the applicable bank sweep disclosure document. Prospectuses or similar disclosure documents for the Sweep Vehicle option(s) available for your Account are available by calling **800-927-3059**. Grantor agrees to review these

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disclosure documents prior to opening your Account. The Trustee may change the terms and conditions of the Sweep Program and the Sweep Vehicle options available for your Account, in its sole discretion. The Trustee will provide Grantor with written notice in advance of adding, changing or deleting Sweep Vehicle options for your account or making other changes to the Sweep Program to the extent required by applicable law.

### 6. Withdrawals

The Grantor (and the Beneficiaries after the Grantor's death) may withdraw all or part of his or her Trust Account balance at any time. All requests for withdrawal (i) shall be in a form and manner provided by or acceptable to the Trustee; (ii) shall be deemed to constitute a certification by the Grantor that the Grantor is permitted to receive the funds directed to be withdrawn; and (iii) shall be subject to all applicable tax and other laws and regulations, including possible early withdrawal penalties and withholding requirements. Notwithstanding any other provision of this Agreement to the contrary, the Trustee assumes (and shall have) no responsibility to make any distribution to the Grantor unless and until such instructions specify the occasion for such requested withdrawal. Prior to effectuating any such withdrawal from the Trust Account, the Trustee shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Trustee. The Trustee shall not be liable for complying with instructions which appear to be genuine, or for refusing to comply if the Trustee is not satisfied that such instructions are genuine, and assumes (and shall have) no duty of further inquiry. The Grantor shall provide such instructions within a reasonable period prior to the date the withdrawal is requested to be made. After receipt of proper instructions as required above and a reasonable opportunity to act thereon, the Trustee shall cause the assets of the Trust Account to be distributed in cash and/or in kind, as specified in such order. If payment is made outside of the United

States, special federal income tax withholding rules may apply. Distributions to the Grantor from the IRA may be made in a single sum, periodic payment, or a combination of both.

- a. **Required Distributions.** The Trustee shall, if requested by the Grantor, be responsible for computing the required minimum distribution amount in accordance with Article IV of the IRA, and for notifying the Grantor accordingly. The Grantor shall be responsible for causing the required minimum distribution amount to be withdrawn from his or her Account each year. Notwithstanding anything in Article IV to the contrary, the Trustee shall not, without the consent of the Grantor, distribute the value of the required minimum distribution where the Grantor fails to choose any method of distribution by April 1st of the year following the year the Grantor reaches age 72.
- b. **Beneficiaries.** Following the death of the Grantor, the balance of the Grantor's Trust Account shall be distributed to the Grantor's designated Beneficiary or Beneficiaries, if any, in accordance with the provisions of Article IV of the IRA and in accordance with the Trustee's administrative or operational requirements and regular business practices. A Grantor may designate a Beneficiary or Beneficiaries of the Trust Account at any time, and any such designation may be changed or revoked at any time, by written designation executed by the Grantor in a form and manner prescribed by or acceptable to, and filed with, the Trustee.

A surviving spouse beneficiary will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

Such designation, change, or revocation shall be effective only upon receipt by the Trustee and only if such receipt shall be during the Grantor's lifetime. The latest such designation, change, or revocation shall control. If there is no Beneficiary designation on file with the Trustee, or if the

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designated Beneficiary(ies) has (have) not survived the Grantor, the Trustee shall distribute the Trust Account to the survivors of the Grantor in the following order of preference.

- i. The Grantor's surviving spouse, if any
- ii. The Grantor's children, if any, in equal shares per stirpes
- iii. The Grantor's estate

If the Grantor designates more than one primary or contingent Beneficiary but does not specify the percentages to which such Beneficiary or Beneficiaries are entitled, payment will be made to the surviving Beneficiary or Beneficiaries in equal shares. Unless otherwise designated by the Grantor in a form and manner acceptable to the Trustee (i) if a primary or contingent Beneficiary designated by the Grantor predeceases the Grantor, the Account will be divided equally among the surviving Beneficiary or Beneficiaries; (ii) if there is no primary Beneficiary or Beneficiaries living at the time of the Grantor's death, payment of the Grantor's Account upon his or her death will be made to the surviving contingent Beneficiary or Beneficiaries designated by the Grantor; (iii) if a Beneficiary does not predecease the Grantor but dies before receiving his or her entire interest in the Trust Account, his or her remaining interest in the Trust Account shall be paid to the Beneficiary or Beneficiaries designated by the deceased Beneficiary. If there is no Beneficiary designation of the deceased Beneficiary on file with the Trustee, the Trustee shall distribute the Trust Account to the survivors of the deceased Beneficiary in the following order of preference.

- i. The deceased Beneficiary's surviving spouse, if any
- ii. The deceased Beneficiary's children, if any, in equal shares per stirpes
- iii. The deceased Beneficiary's estate

If the Trustee is unable to make a distribution to a Grantor, a Beneficiary, or other distributee because the last known mailing address of such

individual shown on the Trustee's records, if any, is no longer valid, the Trustee may hold the proceeds in a noninterest-bearing account until such funds escheat by operation of law, and shall incur no liability for so doing. Under no circumstances shall the Trustee be required to ascertain the whereabouts of the Beneficiary or Beneficiaries. The Beneficiary or Beneficiaries are responsible to ensure that distributions are made in accordance with the provisions of Article V of the IRA.

- c. **Account Only Source of Benefits.** The only source of benefit for the Grantor, Spouse, or Beneficiary of the Account under this IRA shall be the Trust Account.
- d. **Qualifying Terminable Interest Property ("QTIP") and Qualified Domestic Trust ("QDOT").** The provisions of this Section 6(d) of Article IX of the IRA shall apply if the Grantor has designated a QTIP or a QDOT for the benefit of his or her spouse (which trust is intended to satisfy the conditions of Section 2056(b)(7) or 2056A of the Code) as Beneficiary of this IRA (hereafter referred to as the "Spousal Trust"), but only if the Grantor, the trustee of the Spousal Trust, or the executor of the estate of the deceased Grantor notifies the Trustee in a written document acceptable to the Trustee of such individual's intention to have this Section apply. After the death of the Grantor, and upon written direction of the trustee of the Spousal Trust, the Trustee shall distribute to the trustee of the Spousal Trust an amount equal to the greater of (1) all of the income of the Account for the year or (2) the amount required to be distributed under Section 401(a)(9) of the Code and the regulations thereunder annually or at more frequent intervals. No person shall have the power to appoint any part of the Account to any person other than the Spousal Trust.

If requested by the trustee of the Spousal Trust, the Trustee shall pay additional amounts from the Account's principal to the Spousal Trust. The trustee of the Spousal Trust or the Grantor's surviving spouse has the right to direct the Trustee to convert nonproductive property



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into productive property. After the death of the Grantor's surviving spouse, the Trustee shall pay any amounts remaining in the Account in accordance with written instructions given to the Trustee by the trustee of the Spousal Trust.

The Trustee shall have no responsibility to determine whether such treatment is appropriate.

- e. The Trustee shall not be responsible for the purpose, sufficiency, or propriety of any distribution. The Trustee is only authorized to make distributions in accordance with instructions of the Grantor, or after the Grantor's death, of his or her Beneficiary, or as otherwise provided for in this Agreement. Such instructions must be given in a form and manner acceptable to the Trustee.

### 7. Transfer

- a. **Transfer.** If the Grantor terminates his or her Trust Account, the Trustee shall distribute or transfer the Account balance in accordance with the Grantor's written instructions and in accordance with this Agreement. The Grantor authorizes the Trustee to retain such sums as the Trustee may deem necessary for payment of all the Trustee's fees, compensation, costs, and any expenses, including, but not limited to, annual maintenance fees and account termination fees, or for payment of any other liabilities which might constitute a charge to either the Account or the Trustee; provided, however, that notwithstanding the foregoing, any securities and other property held in the Grantor's Account may only be used to satisfy your indebtedness or other obligations to the Trustee related to such Account. The balance of any such reserve remaining after the payment of the above items shall be paid, distributed, or transferred upon satisfaction of any such charge. The Trustee shall have no duty to ascertain whether any payment, distribution, or transfer as directed by the Grantor is proper under the provisions of the Code, this Agreement, or otherwise.
- b. **Dissolution of Marriage.** A Grantor may transfer any portion or all of his or her interest in an

Account to a former spouse under a written instrument incident to divorce or under a divorce decree containing transfer instructions acceptable to the Trustee and compliant with the Trustee's administrative or operational requirements and regular business practices, whereupon such Account, or the transferred portion of such Account, shall be held for the benefit of such former spouse subject to the terms and conditions of the IRA.

### 8. Powers, Duties, and Obligations of Trustee

- a. **No Investment Discretion.** The Trustee shall have no discretion to direct any investments of an Account and is merely authorized to acquire and hold the particular investments specified by the Grantor. The Trustee will not act as investment advisor or counselor to a Grantor and will not advise a Grantor or offer any opinion or judgment on any matter pertaining to the nature, value, potential value, or suitability of any investment or potential investment by a Grantor.
- b. **Administrative Powers.** The Trustee may hold any securities acquired hereunder in the name of the Trustee without qualification or description or in the name of any nominee. Pursuant to the Grantor's direction, the Trustee shall have the following powers and authority with respect to the administration of each Account.
  - i. To invest and reinvest the assets of the Account without any duty to diversify and without regard to whether such investment is authorized by the laws of any jurisdiction for fiduciary investments.
  - ii. To exercise or sell options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.
  - iii. To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers, re-registrations of securities, or other changes affecting securities held by the Trustee.
  - iv. To make, execute, and deliver as Trustee any

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and all contracts, waivers, releases, or other instruments in writing necessary or proper for the exercise of any of the foregoing powers.

- v. To grant options to purchase securities held by the Trustee or to repurchase options previously granted with respect to securities held by the Trustee.
- vi. In general, to take such other actions and execute such other documents as may be necessary or desirable to exercise the powers conferred on the Trustee in this Agreement.

The Trustee may perform any of its administrative powers and other duties under this Agreement through such other persons or entities as may be designated by the Trustee from time to time. No such designation or change thereof shall be considered an amendment of this Agreement.

- c. **Proxies.** All proxy and solicitation materials, notices of shareholders' meetings, current prospectuses, and other annual or regular shareholder reports shall, to the extent furnished to the Trustee by the issuers of the securities in the Account, be sent by the Trustee or the Trustee's delegee to the Grantor. The Trustee shall not be responsible for taking any action pursuant to any such materials.
- d. **Records and Reports.** The Trustee shall keep accurate records of all contributions, receipts, investments, distributions, disbursements, and all other transactions of the Account. Within 120 days (or such other deadline imposed by applicable law) after the close of each calendar year (or after a distribution or transfer of a Grantor's Account or upon the Trustee's resignation or removal), the Trustee shall file with the Grantor a written report (which may consist of copies of the Trustee's regularly issued Account statements) reflecting all transactions affecting the Account for the period in question and including a statement of the assets in the Account and their fair market values. Unless the Grantor files a written statement of exceptions or objections to the report with the Trustee within

60 days after mailing of the report, the Grantor shall be deemed to have approved such report and the Trustee shall be released from all liability to anyone (including any Grantor's spouse or Beneficiary) with respect to all matters set forth in the report. No person other than a Grantor, the spouse of a Grantor, or Beneficiary may require an accounting.

- e. **Legal Proceedings.** The Trustee shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of the Trustee's accounts or for determination of any questions of construction, which may arise, or for instructions. The only necessary party defendant to any such action shall be the Grantor, but the Trustee may join any other person or persons as a party defendant. The cost, including the Trustee's attorney's fees, of any such proceeding shall be charged as an administrative expense under Article IX, Section 11, of this Agreement.
- f. **Scope of Trustee's Duties.** The Trustee shall only have the duties that are specifically set forth in this IRA. The Trustee shall not make any investments or dispose of any investments held in an Account, except upon the direction of the Grantor or in accordance with Article IX, Section 12(d), of the IRA. The Trustee shall not question any such directions of the Grantor, review any securities or other property held in an Account, or make suggestions to the Grantor with respect to the investment, retention, or disposition of any assets held in an Account.
- g. **Scope of Trustee's Liability.** The Trustee shall not be liable for any loss of any kind that may result from any action taken by the Trustee in accordance with the directions of the Grantor or his or her designated agent or attorney in fact or from any failure to act because of the absence of any such directions. The Trustee shall not be responsible for determining whether any contribution or rollover contribution satisfies the requirements of the Code. The Trustee shall not be liable for any taxes (or interest thereon) or penalties incurred by the Grantor in connection with any Account or in

## Trust Agreement for Self-Directed Roth Individual Retirement Accounts

connection with any contribution to or distribution from the Account. The Trustee is entitled to act upon any instrument, certificate, or form the Trustee believes in good faith is genuine and is executed or presented by the proper person or persons, and the Trustee need not investigate or inquire as to any statement contained in such document but may accept it as true and accurate. The Trustee is not liable for any losses directly or indirectly caused by an act of God, usually severe weather conditions, fire, flood, natural calamity, civil or labor disturbance, epidemic, pandemic, acts of war, acts of catastrophic accident, exchange, or market issues, including the suspension of trading, market volatility, trade volume, or act of any governmental authority, malfunction of equipment or software (except where such malfunction is primarily attributable to the Trustee's gross negligence or willful misconduct in selecting, operating or maintaining the equipment or software), failure of or the effect of rules or operations of any external funds transfer system, inability to obtain or interruption of external communications facilities, or any cause beyond the Trustee's reasonable control.

The Grantor, the Grantor's legal representatives, and the Beneficiaries following the Grantor's death shall release and fully indemnify and hold harmless the Trustee and its affiliates and their respective officers, directors, shareholders, employees and other agents from any liability which may arise hereunder, including any liability in connection with the establishment or maintenance of the Trust Account and the Trustee's obligations under this Agreement, except liability arising from the Trustee's own acts of gross negligence or willful misconduct. This indemnification will survive the termination of this Agreement and the Trust Account.

### 9. Resignation or Removal of Trustee

**a. Resignation.** The Trustee may resign as Trustee hereunder as to any Account by providing thirty (30) days' prior written notice thereof to the

Grantor (or any Beneficiary following the Grantor's death). Upon the Trustee's resignation, the Trustee may, but shall not be required to, appoint a corporation or other organization as the successor Trustee under this Agreement. Each Grantor, after the receipt of the resignation, shall have 30 days to appoint an alternative successor Trustee. If no alternate is chosen within such time period, the Grantor will be deemed to have accepted the Trustee's appointed successor Trustee. Upon acceptance of appointment by the successor, the Trustee shall assign, transfer, and deliver to the successor all assets held in the Account to which such resignation or removal relates. The Trustee is authorized, however, to reserve such amounts the Trustee deems advisable to provide for the payment of expenses and fees then due or to be incurred in connection with the settlement of the Trustee's account, and any balance remaining after the settlement of the Trustee's account shall be paid to the successor Trustee or trustee. At the sole discretion of the Trustee, any successor Trustee appointed by the Trustee may, with the approval of the Trustee, amend the Agreement by giving notice to the Grantor.

If the Trustee does not choose to appoint a successor, the Grantor has 30 days after receiving notification of the Trustee's resignation to appoint a qualifying successor Trustee and provide transfer instructions to the Trustee. If the Grantor fails to appoint a successor Trustee and provide transfer instructions within such time period, the Trustee shall have the right to terminate the Trust Account, liquidate all Assets in the Account and mail a check to the Grantor for any net proceeds. If the Account is liquidated, the Grantor agrees to be liable for any resulting losses and expenses of liquidation incurred by the Trustee, which expenses the Trustee may deduct from the net proceeds in the Account. Upon transfer of the Assets following the termination of the Account and this Agreement, the Trustee will be discharged and released from any further liability under this Agreement.

**b. Removal.** The Grantor shall substitute another

## Trust Agreement for Self-Directed Roth Individual Retirement Accounts

Trustee in place of the Trustee upon notification by the IRS that such substitution is required because the Trustee has failed to comply with the requirement of Treasury Regulation Section 1.408-2(e), or is not keeping such records, or making such returns, or rendering such statements as are required by that regulation.

- c. The Trustee shall not be liable for the acts or omissions of any predecessor Trustee and shall have no obligation to review or audit the acts of any predecessor Trustee.

### 10. Amendment and Termination of the IRA

- a. **Amendment or Termination.** The Trustee may amend or terminate this IRA or this Account at any time consistent with the provisions of applicable law without obtaining the consent of the Grantor, the spouse of the Grantor, or Beneficiary or beneficiaries. No amendment of the IRA, however, shall deprive any Grantor, spouse of a Grantor, or Beneficiary or Beneficiaries of any benefit to which he or she was entitled under the IRA from contributions made prior to the amendment unless the amendment is necessary to conform the IRA to the current or future requirements of Section 408 of the Code, or other applicable law, regulation, or ruling, in which case the Trustee is expressly authorized to make amendments that are necessary for such purposes retroactively to the later of the effective date of the IRA or the effective date of any future legal requirements. A Grantor may change an election or designation made with respect to the Adoption Agreement, provided such change is made in a form and manner prescribed by and acceptable to the Trustee.
- b. **Termination.** The Trustee may terminate this IRA or this Trust Account at any time upon thirty (30) days' prior written notice to the Grantor (or the Beneficiary following the Grantor's death). If the Trustee terminates the Trust Account for any reason, the balance held in each Trust Account for the benefit of a Grantor or Beneficiary(ies) shall be distributed by the Trustee to a successor Trustee, in accordance with paragraph a of Section 9 above.

- c. **Distribution on Termination.** If the Account is terminated for any reason by the Trustee, the balance held in each Account for the benefit of a Grantor, spouse of a Grantor, or Beneficiary or Beneficiaries shall be distributed by the Trustee to a successor Trustee or trustee, in accordance with Article IX, Section 9, of the IRA.

### 11. Fees, Expenses, and Indebtedness

- a. **Payment of Fees and Expenses.** The annual maintenance, termination, and other administration fees shall be charged by the Trustee in accordance with the Trustee's published fee schedule in effect at the time the Trustee's services are provided, the Grantor acknowledging that such fee schedule may be amended by the Trustee from time to time. A portion of the fees collected by the Trustee may be shared with the financial institution that introduced the Grantor's Account. Any administrative expenses, including fees for legal and/or accounting services incurred by the Trustee at the request of or necessitated by the actions of the Grantor or designated Beneficiary or Beneficiaries, including, but not by way of limitation, the directions of investment of Trust Account assets in an investment that causes the Trust Account to realize unrelated business taxable income within the meaning of Section 512 of the Code, which are over and above the services set forth in the fee schedule shall be paid by the Grantor and the Grantor hereby covenants and agrees to pay the same. The Trustee's fees and expenses shall be automatically debited to the Trust Account unless the Grantor chooses to pay the fee in a timely manner before the Trust Account has been so charged and fees or other administrative expenses that are not paid by the Grantor when due may be charged to the Trust Account. The Trustee reserves the right to liquidate any assets of the Trust Account to collect any charge for which payment may at any time be past due. In the event of Account termination by the Grantor or the Trustee for any reason, the Trustee shall

## Trust Agreement for Self-Directed Roth Individual Retirement Accounts

be entitled to receive the full termination fee, along with the full, nonprorated current year maintenance fees, regardless of the date during the year that the Account is terminated. Such amounts will be automatically charged against the IRA at the time the Grantor terminates the IRA. Any reimbursement of fees charged against an Account will be recorded as a contribution to the Account and reported to taxing authorities accordingly. Specific fee details are provided in the current fee schedule available from the Trustee or from the financial organization that has introduced your Account to the Trustee.

- b. **Taxes.** Any taxes of any kind whatsoever that may be levied or assessed upon any Trust Account or that the Trustee may otherwise be charged with the responsibility of collecting shall be paid from the assets of the Trust Account involved.
- c. **Brokerage Commissions.** The Account will be charged brokerage commissions and other securities transaction-related charges for the transactions in the Trust Account in accordance with the Trustee's usual practice.
- d. **Indebtedness.** The Grantor shall pay any debit balance or other obligation owing to the Trustee on demand.

### 12. Miscellaneous

- a. **Prohibited Transactions.** No Grantor, spouse of a Grantor, or Beneficiary shall be entitled to use a Grantor's Account, or any portion thereof, as security for a loan or borrow from the Account. Neither the Trustee, the Grantor, nor any other person or organization shall engage in any prohibited transaction, within the meaning of Section 4975 of the Code, with respect to any Grantor's Account.
- b. **Prohibition Against Assignment of Benefits.** Except to the extent otherwise required by law, none of the benefits, payments, or proceeds held in an Account on behalf of any Grantor, spouse of a Grantor, or Beneficiary shall be subject to the claims of any creditor of such

Grantor, spouse of a Grantor, or Beneficiary, nor shall any Grantor, spouse of a Grantor, or Beneficiary have any right to anticipate, sell, pledge, option, encumber, or assign any of the benefits, payments, or proceeds to which he or she is or may be entitled under the IRA.

- c. **Applicable Law.** The IRA shall be construed, administered, and enforced according to the laws of the State of New York, except to the extent preempted by federal law. All contributions to the Trust Account shall be deemed to take place in the State of New York. The terms and conditions of the IRA shall be applicable without regard to the community property laws of any state.
- d. **Liquidation of Assets.** If the Trustee must liquidate assets in order to make distributions, transfer assets, or pay fees, expenses, or taxes assessed against a Grantor's Account, and the Grantor fails to instruct the Trustee as to the liquidation of such assets, assets will be liquidated in the following order to the extent held in the Account: (1) any shares of a money market fund or money market-type fund, (2) securities, (3) other assets.

The Trustee shall not be liable for any losses arising out of or as a result of assets liquidated in accordance with the provisions of this Agreement.

- e. **Purpose of Forms.** Form 5305-R is a model Trust Account Agreement that meets the requirements of Section 408A of the Code and has been automatically approved by the IRS and further revised for the SECURE Act of 2019. An Individual Retirement Account is established after the Adoption Agreement is fully executed by the Grantor and entered in the records of the Trustee and must be completed no later than the due date of the individual's income tax return for the tax year (without regard to extensions). This Account must be created in the United States for the exclusive benefit of the Grantor or his or her Beneficiary or Beneficiaries.
- f. **Identifying Number.** The Grantor's Social Security number will serve as the identification number of his or her Trust Account. An employer

## Trust Agreement for Self-Directed Roth Individual Retirement Accounts

identification number is required only for a Trust Account for which a return is filed to report unrelated business taxable income. An employer identification number is required for a common fund created for IRAs.

**g. Contributions to a Trust Account for a Spouse.**

Contributions to a Trust Account for a spouse must be made to a separate Trust Account established by the spouse.

**13. Arbitration.** This Agreement contains a pre-dispute arbitration clause, which will survive the termination of this Agreement and the Account. By signing an arbitration agreement, the Grantor and the Trustee agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their awards.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, will be incorporated into this Agreement.
- The arbitrator shall have no authority to award punitive damages or any other kind of damages not measured by the prevailing party's actual damages.

**IT IS AGREED THAT ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS**

**AGREEMENT, OR THE BREACH THEREOF, OR THE ACCOUNT WILL BE SETTLED BY ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THE RULES OF THE ARBITRATION WILL BE THOSE IN GENERAL USE BY THE AAA, EXCEPT AS MODIFIED BY THIS SECTION OR OTHERWISE AGREED TO BY THE PARTIES. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATION WILL BE BEFORE A SINGLE ARBITRATOR AND WILL BE HELD IN THE CITY OF NEW YORK, NEW YORK. THE PREVAILING PARTY WILL BE ENTITLED TO RECOVER ITS REASONABLE ATTORNEYS' FEES AND EXPENSES OF LITIGATION, INCLUDING EXPERT COSTS, IN ANY SUCH ARBITRATION.**

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

**14. Administration of SECURE Act Provisions.** As required by Article IX, to comply with the SECURE Act, your IRA shall be administered by class of beneficiary. The Trustee expects the IRS to clarify the rules that apply to each class of beneficiary, in accordance with the following principles:

- a. **Eligible Designated Beneficiary.** An "Eligible Designated Beneficiary" is any individual designated beneficiary who is, the surviving spouse, a child of the deceased Grantor under the age of majority, disabled or chronically ill, or any other person who is not more than 10 years younger than the deceased Grantor. Distributions by Eligible Designated Beneficiaries must be taken in a manner generally consistent with Article IV of the Agreement above.
- b. **A Designated Beneficiary Other Than an Eligible Designated Beneficiary.** Distributions must generally be taken by the end of the 10th year following the Grantor's death.
- c. **No Designated Beneficiary.** Distributions must be taken in a manner generally consistent with Article IV of the Agreement above.

# Roth Self-Directed Individual Retirement Account Disclosure Statement

This Disclosure Statement provides information regarding your Roth Self-Directed Individual Retirement Account (“IRA”) established with TIAA, FSB (“Trustee”). The Internal Revenue Service (“IRS”) requires us to send you this information. You should review it carefully, as well as the Self-Directed Trust Agreement and Adoption Agreement to make sure you understand the legal requirements for IRAs. *TIAA, the Trustee or any affiliate or agent do not provide tax or legal advice, therefore you should consult a lawyer or personal tax advisor regarding your particular situation to avoid unintended or adverse tax consequences. IRS Publication 590A, “Contributions to Individual Retirement Arrangements (IRAs)” and IRS Publication 590B, “Distributions from Individual Retirement Arrangements (IRAs),” contain more information on IRAs generally.* Additionally, information about Roth IRAs can be obtained from any district office of the IRS.

## Right to Revoke

You can revoke your Roth IRA any time within seven calendar days after it has been established by mailing or delivering a written notice of revocation to the following address:

TIAA  
C/O TIAA Brokerage  
8500 Andrew Carnegie Blvd.  
Charlotte, NC 28262

Your written notice will be deemed mailed on the date of the postmark (or if sent by certified or registered mail, the date of certification or registration), if it is deposited in the mail in the United States in a properly addressed envelope, or other appropriate wrapper, first-class postage prepaid. Upon revocation, you will receive a full refund of all monies paid. If you have questions, please call **800-927-3059** between the hours of 8:00 a.m. and 7:00 p.m. (ET), Monday through Friday.

## Establishing a Roth IRA

Your Roth IRA is a trust account established for the exclusive benefit of you and your beneficiaries, which is given favorable tax treatment by meeting specific requirements of the Internal Revenue Code (Code).

The IRS has approved various forms to be used in establishing Roth IRAs. Form 5305-R has been

approved as a Roth IRA trust agreement, which meets the requirements of Section 408A(a) of the Code. Except as amended to conform to the changes to the Internal Revenue Code enacted in the Setting Up Every Community Up for Retirement Enhancement (“**SECURE**”) Act of 2019, this Self-Directed Trust Agreement for Roth Individual Retirement Accounts (“**Agreement**”) incorporates the language from this form and relies on the IRS’s approval of this language in offering Roth IRAs that meet the requirements of Code Section 408A(a). The IRS approval goes to the form of the Roth IRA and does not represent a determination on the qualification of the Roth IRA in operation. As the IRS updates Form 5305-R and Treasury Regulations and IRS guidance is issued on the SECURE Act provisions, the Trustee will administer your IRA to conform to such developments.

A Roth IRA will be established upon execution of the TIAA Roth IRA Adoption Agreement by you. The Trustee reserves the right to amend the Roth IRA Agreement as necessary to maintain the tax-qualified status of your Roth IRA and as described in the Agreement. Securities and mutual fund investments fluctuate in value and are not guaranteed. Therefore, your IRA earnings and values are not projected.

The assets in your Roth IRA are nonforfeitable, although the value of your Roth IRA will fluctuate depending on its investment performance. It is important to note that (i) your Roth IRA does not constitute a bank deposit or

## Roth Self-Directed Individual Retirement Account Disclosure Statement

represent an obligation of the Trustee or its affiliates; (ii) your IRA is not guaranteed by the Trustee, its affiliates, the Federal Deposit Insurance Corporation or any other governmental agency; and (iii) the IRA investments are subject to investment risk, including the possible loss of principal.

### Contributions to Your Roth IRA

**Annual Contributions.** Contributions generally must be made in cash. Subject to income eligibility described below, you may be able to make an annual contribution to your Roth IRA of up to \$6,000 (effective for 2020) each year or 100 percent of your compensation for the year, whichever is less. Cost of living adjustments may be made to the contribution limit. Individuals who turn age 50 during a tax year may make an additional annual catch-up contribution of up to \$1,000 for that tax year and subsequent tax years. The limit applies to the total amount of contributions that you make to all of your IRAs for the tax year, not including rollover contributions. Generally, compensation includes amounts that you receive for the performance of services, and does not include investment income. Contributions in excess of the limit are subject to an excise tax (see **Tax Issues** section, later).

The amount of annual contributions may be limited depending on your AGI. In 2020, your eligibility to contribute to a Roth IRA is phased out for AGI of \$124,000–\$139,000 for individuals filing single returns, for AGI of \$196,000–\$206,000 for married couples filing joint returns, and AGI of \$0–\$10,000 for married couples filing separate returns. The maximum annual Roth IRA contribution is reduced proportionately for AGI that exceeds the applicable dollar amount. The applicable dollar amount for individuals is \$124,000, \$196,000 for married couples filing joint returns, and \$0 for married individuals filing separate returns. Married individuals filing separate returns who have lived apart at all times during the past year are treated as individuals for purposes of determining AGI limits for contributions.

You are not required to make Roth IRA contributions for any tax year. Annual contributions can be made at any age. Contributions that are made for a tax year must be

made by the due date for your tax return for that year without regard to extensions—generally, April 15th of the following year.

**Rollover Contributions.** You may roll over or transfer assets from one Roth IRA to another Roth IRA. Distributions from a designated Roth account in a 403(b) or 401(k) plan, or a deferred compensation plan of a state or local government (section 457(b) plan) may also be rolled over to a Roth IRA.

You also may be able to convert your Traditional IRA to a Roth IRA by rolling over your Traditional IRA assets to your Roth IRA. Distributions from a 401(a), 403(a), 403(b) or 401(k) plan, or a deferred compensation plan of a state or local government (section 457(b) plan) may also be converted and rolled over to a Roth IRA. If you convert a pre-tax amount to a Roth IRA you will owe taxes on any amounts not previously taxed for the tax year of the conversion.

The Trustee reserves the right to determine whether a rollover contribution or transfer to your Roth IRA will be acceptable and whether to require a rollover contribution or transfer to be made in cash or to accept assets in kind. Absent another instructions from you, assets received in cash shall be invested in the TIAA Brokerage Bank Sweep Account. You have the right to move funds to other available investments at any time.

Spouses receiving distributions from a deceased Grantor's employer retirement plan or from an IRA are eligible to take advantage of the same rollover rules as Grantors by rolling over the proceeds into their own Roth IRA.

**Conversion Contributions.** You may contribute all or any part of an eligible rollover distribution from a Traditional IRA, SEP IRA, SAR-SEP IRA, SIMPLE IRA, or a qualified plan (401(k), 403(b), or 457(b)) to a Roth IRA ("conversion contribution") within 60 days of receipt of the distribution or through a trustee-to-trustee transfer. In this case the one-rollover-per-year rule does not apply. You will be subject to income tax on the taxable portion of any conversion contribution, but the premature distribution penalty does not apply to amounts properly converted. Assets held in a SIMPLE IRA may be converted to a Roth IRA only after the expiration of the two-year period beginning on the date your



## Roth Self-Directed Individual Retirement Account Disclosure Statement

employer first made contributions to your SIMPLE IRA plan maintained by your employer and as more fully described in section 72(t)(6) of the Code. This taxable portion is the amount that would have been included in your income if you had actually taken a distribution from such IRA (the "conversion amount"). If you are under age 59½, you will be subject to a 10% early withdrawal penalty on any amounts distributed from your IRA and not converted to a Roth IRA within 60 days.

**Recharacterizations.** If you make a contribution to a Traditional IRA, you may later be able to treat that contribution as having been made to a Roth IRA. This is called a recharacterization. In order to recharacterize a contribution, you must transfer all or part of the original Traditional IRA contribution to a Roth IRA in a trustee-to-trustee transfer by the due date for your tax return (including any extension) for which the Traditional IRA contribution was made. If the transfer is timely made and reported, and includes any net income attributable to the contribution, you may elect to treat the original contributions as having been made to the Roth IRA. If you have rolled over an eligible employer sponsored-retirement plan assets to a Roth IRA, you may recharacterize the rollover amount along with net income attributable to a Traditional IRA. As of January 1, 2018, a conversion of a Traditional IRA to a Roth IRA is no longer permitted to be recharacterized as having been made to the Traditional IRA.

**Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell Education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under the provision is considered nontaxable basis in your Roth IRA.

**Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account ("HSA"), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA

funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e. single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution for that year. You may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, for further information.

### A Roth IRA for your spouse

If you meet the eligibility requirements, you may contribute to your own Roth IRA, and also to a separate Roth IRA for your spouse based on your compensation or earned income, regardless of whether your spouse has any compensation or earned income in the year for which the contribution is made. The permissible amount of your contributions will depend on your combined annual income. To make a contribution to a Roth IRA for your spouse, you must file a joint tax return with your spouse. Your spouse must set up a different Roth IRA, separate from your Roth IRA, to which you contribute.

If you and your spouse work, you may each establish your own Roth IRA and contribute to it in accordance with the rules discussed in this Disclosure Statement. Joint accounts are not permissible.

For 2020, you may each contribute up to \$6,000 (\$12,000 total), \$7,000 if you are age 50 or older (\$14,000 total), or 100 percent of your combined compensation if less, provided you file a joint tax return. If you file separate tax returns, each of you would be limited to a contribution of \$6,000 (\$7,000 if you are age 50 or older) or 100 percent of your respective compensation for the year, if less.

If your spouse is not employed, your spouse may establish an IRA and contribute up to \$6,000 (\$7,000 if he or she is age 50 or older) or 100 percent of your joint compensation (reduced by your own IRA contributions for the same year); whichever is less, provided you and your spouse file a joint tax return.

Your Roth IRA annual contribution limit is reduced by the amount of any contributions that you make for the same year to a Traditional IRA. Likewise, the spousal Roth IRA annual contribution limit is reduced by the amount of any contributions you make for the same year to a Traditional IRA maintained for your spouse.

### Distribution Requirements

Generally, benefits from your Roth IRA should not begin before: (a) age 59½ (unless you die or are disabled or meet the qualified first time home buyer exception) and (b) the end of the five-year holding period applicable to the contributions or rollovers. In contrast to the required distribution rules applicable to a Traditional IRA, benefits from a Roth IRA are not required to begin by the April 1 following the year you attain age 72. However, your beneficiaries will be subject to required distributions upon your death.

### Future Rollovers or Transfers

You can withdraw all or a portion of the assets in your Roth IRA and deposit them in another Roth IRA. Assets transferred to another Roth IRA will be subject to the provisions of that IRA. IRA assets may be rolled over once every 12 months, beginning on the date of receipt. The once-a-year limitation does not apply in the case of a conversion from a Traditional IRA to a Roth IRA. Also, the once-a-year limitation applies only when you take a withdrawal and redeposit the assets yourself, not when assets are transferred directly from one Roth IRA to another. You may transfer assets via a trustee-to-trustee between Roth IRAs at any time without limitation.

### Tax Issues

Contributions to a Roth IRA are not deductible. When making a contribution during the period from January 1 through April 15 of any year, it is important that you indicate the tax year for which the contribution is made—the prior year or the year in which the contribution is made. Unless the Trustee receives an indication from you to the contrary, it will treat any amount it receives as a contribution for the tax year in which it is received. If you contribute more than the permissible amount for any year and you fail to withdraw the excess and the earnings on the excess contribution, you are subject to a six (6%) percent excise tax on the excess contribution for each tax year that it remains in the Roth IRA. Any dividends or growth of investments held in a Roth IRA generally are exempt from federal income taxation if the distribution is qualified as discussed below.

To be tax free, a withdrawal from your Roth IRA must meet

two requirements: (1) you must have had a Roth IRA open for at least five years before the withdrawal, and (2) at least one of the applicable conditions must be satisfied. The applicable conditions are as follows: the distribution is made after you have reached age 59½, on account of your death or disability, is being used to cover eligible first-time homebuyer expenses, or is a qualified disaster distribution (see **Qualified Disaster Relief** section, later).

To the extent that distributions are taxable, they will be taxed in the year distributed. The tax treatment of a withdrawal depends on the character of the amounts withdrawn. All of your Roth IRAs are treated as one, and amounts withdrawn are considered to come out in the following order.

1. All annual contributions
2. All conversion amounts (on a first-in, first-out basis)
3. Earnings

An early distribution (before age 59½), including any amount deemed distributed as a result of a prohibited investment or transaction, is subject to a ten (10%) percent income tax penalty on the taxable portion of the distribution, unless it is:

1. Rolled over into another Roth IRA,
2. Made on account of your death or disability,
3. One of a series of substantially equal annual (or more frequent) payments over your lifetime or joint lifetime with your beneficiary (or based on your life expectancy or the joint life expectancy of you and your beneficiary),
4. Made to pay medical expenses that are deductible for the tax year (i.e., in excess of ten (10%) percent of adjusted gross income if under age 65),
5. Made to pay health insurance premiums after your separation from employment if you have received unemployment compensation for 12 consecutive weeks,
6. Made for qualified first time home buyers to pay for qualified acquisition costs of up to \$10,000,
7. Made to pay for qualified education costs for you, your spouse, or any child or grandchild of you or your spouse,
8. Made on account of an IRS levy,

## Roth Self-Directed Individual Retirement Account Disclosure Statement

9. the distribution is a qualified reservist distribution, or  
 10. the distribution is a qualified disaster distribution.

Other exceptions may be applicable under certain circumstances and special rules may be applicable in connection with the exceptions enumerated above. Taxable distributions are subject to withholding, generally at a rate of 10 percent, unless you specifically ask the Trustee not to withhold taxes from your payment.

There is one additional time when the ten (10%) percent penalty tax may apply. If you convert an amount from a Traditional IRA to a Roth IRA, and then make a withdrawal that is treated as coming from that converted amount within five years after the conversion, the ten (10%) percent penalty applies (unless there is an exception). Taxable distributions are subject to withholding, generally at a rate of 10 percent, unless you specifically ask the Trustee not to withhold taxes from your payment. You must be eligible to elect out of withholding. A rollover from a Traditional IRA to a Roth IRA is treated as a taxable distribution.

**Saver's Credit for Roth IRA Contributions.** You may be able to receive a tax credit for your Roth IRA contribution. You are eligible for credit if you are: age 18 or older; not a full-time student; and not claimed as a dependent on another person's tax return. The maximum annual credit is \$1,000 per year, or \$2,000 if married filing jointly. Eligibility for the credit, which is a percentage of the contribution amount, is determined by your AGI as indicated in the chart below, as well as other requirements. To determine your credit amount, multiply the applicable percentage below by the amount of your contributions that do not exceed \$2,000 (\$4,000 if married filing jointly).

### 2020 Saver's Credit (Based on a \$2,000 contribution)

Married Joint Filers (AGI)	Heads of Households (AGI)	All Other Filers (AGI)	Credit Rate	Maximum (AGI) Credit
\$0-\$39,000	\$0-\$29,250	\$0-\$19,500	50%	\$1,000
\$39,001-\$42,500	\$29,251-\$31,875	\$19,501-\$21,250	20%	\$400
\$42,501-\$65,000	\$31,876-\$48,750	\$21,251-\$32,500	10%	\$200
Over \$65,000	Over \$48,750	Over \$32,500	0%	\$0

The Saver's Credit can be taken for your contributions to a Roth IRA. Rollover contributions (money that you moved from another retirement plan or IRA) aren't eligible for the Saver's Credit. Also, your eligible contributions may be reduced by any recent distributions you received from a retirement plan or IRA.

**Qualified Charitable Distributions.** If you are age 70½ or older, you may take a tax-free Roth IRA distribution of up to \$100,000 per year and have these distributions paid directly to certain qualified charitable organizations. Special tax rules may apply. For further information you may wish to obtain IRS Publication 590B, *Distributions from Individual Retirement Arrangements*, from the IRS or [www.irs.gov](http://www.irs.gov).

**Prohibited Investments.** You cannot invest your IRA assets in life insurance contracts. Nor can your IRA assets be commingled with other property except in a common trust fund or common investment fund which satisfies the requirements of Code section 408(a)(5). The Code also prohibits IRA investments in collectibles (as defined in Code section 408(m)), except as is otherwise permitted by Code section 408(m), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion. Any such investment will be treated as a distribution to you in the year of the investment, and may be subject to additional taxes and penalties.

**Prohibited transactions.** If you or a beneficiary engage in a prohibited transaction with your Roth IRA as described in Code section 4975 (such as borrowing or pledging your IRA), your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year.

### Beneficiaries of your IRA

**Omitted Children.** Unless your Roth IRA beneficiary designation provides otherwise, a beneficiary designation designating your "children," or the "children" of any other person as a class and not by name, will include all of your children or all of the children of such other person, as the case may be, whether born or legally adopted before or after the beneficiary designation is made.

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Unless your beneficiary designation provides otherwise, if you designate an individual who is your child, and if you have a child born or legally adopted after the date on which the Trustee accepts your Roth IRA beneficiary designation, your afterborn or after adopted child will be entitled to receive a share of your Roth IRA otherwise transferable to any of your children who is (are) named in the beneficiary designation, computed in the manner prescribed by applicable law. In such event, your Roth IRA assets otherwise transferable to your children named in the beneficiary designation will be reduced in the proportion that their shares bear to each other. If you did not designate any of your children in the beneficiary designation as your beneficiaries, then any child of yours, who is born or legally adopted after the date on which the Trustee accepts your beneficiary designation, will not receive any share of your Roth IRA. The Trustee, however, has no obligation to transfer Roth IRA assets in the manner and as provided in this Section. The fact that the Trustee is not so obligated does not affect the ownership interest of any after-born or after-adopted child in Roth IRA assets.

**Documents Required upon Request for Transfer of Roth IRA Assets.** To transfer your Roth IRA assets to the beneficiaries you have named in your approved beneficiary designation in your Roth IRA Adoption Agreement, the Trustee must timely receive (a) the appropriate form(s) requesting a transfer of IRA property; (b) any certificate or instrument evidencing ownership of the Roth IRA; (c) a certified or authenticated copy of your death certificate issued by an official or agency of the place where the death occurred showing the fact, place, date, time of death, and the identity of the decedent; (d) a certified or authenticated copy of the death certificate of each deceased named beneficiary, issued in the manner set forth above in item (c); (e) a certified copy of the court order appointing the legal representative of your estate or of the estate of a deceased beneficiary when such legal representative made the request for transfer of Roth IRA assets; (f) a certified copy of the trust instrument which designates a trustee as a beneficiary of the Roth IRA, if applicable; (g) a certified copy of relevant birth certificates; (h) an inheritance tax waiver from relevant states that require it; and (i) such other documents as the Trustee may require, in its sole discretion. Further, prior

to distributing any Roth IRA assets to or for the benefit of any beneficiary, the Trustee may, in its sole discretion, require any and all beneficiaries or any such beneficiary's legal representative to sign any document it may deem necessary or appropriate to effect the transfer of Roth IRA assets including, but not limited to, an indemnification agreement in favor of the Trustee to the extent of the value of the Roth IRA assets received by each such beneficiary.

The Trustee may rely on, and has no duty to independently verify (a) any representation of facts made under oath or affirmation regarding the identity and personal information of named and unnamed beneficiaries received from any beneficiary, or beneficiary's attorney in fact, or the legal representative of your estate or of the estate of a deceased beneficiary; and (b) copies of death certificates received from any of the foregoing persons. A certified or authenticated copy of any report or record of a governmental agency, domestic or foreign, certifying that you or a beneficiary is missing, detained, dead or alive, and the dates, circumstances, and places disclosed by the record or report, in a form acceptable to the Trustee in its sole discretion, may be substituted for the death certificate referenced above.

**No Obligation on Trustee's Part.** Notwithstanding any provisions in your Roth IRA Adoption Agreement or any other document governing the terms of your Roth IRA, the Trustee has no duty to determine any fact or law that would (a) cause your beneficiary designation to be revoked, in whole or in part, as to any person because of a change in marital status or other reason; (b) qualify or disqualify any person to receive a share of your Roth IRA; or (c) vary the distribution of your Roth IRA. Further, the Trustee has no obligation (a) to attempt to locate any beneficiary or the lineal descendants of any deceased beneficiary, or to determine whether a deceased beneficiary had lineal descendants who survived you; (b) to locate a trustee or custodian, obtain the appointment of a successor trustee or custodian, or discover the existence of a trust instrument or a will that creates an express trust; (c) to notify any person of the date, manner and persons to whom a transfer of IRA assets will be made under the beneficiary designation, except as may otherwise be provided in the IRA Adoption Agreement, any other document governing the terms of

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your IRA, or applicable law; (d) to question or investigate the circumstances of your death; or (e) to determine the age or any other facts concerning any beneficiary. The possibility that a beneficiary may disclaim, in whole or in part, the transfer of any interest in your Roth IRA will not require the Trustee to withhold making the transfer to such beneficiary in the normal course of its business.

**Change or Revocation of Beneficiary Designations.** You may change or revoke your beneficiary designation with respect to your Roth IRA at any time during your lifetime, by fully completing and submitting to the Trustee a form acceptable to the Trustee in its discretion. Any subsequently submitted beneficiary designation, which the Trustee accepts, automatically revokes your prior beneficiary designation. This revocation takes effect when your subsequently submitted designation becomes effective, unless you have expressly provided otherwise in your subsequent designation. The effective date of any change to or revocation of a beneficiary designation is the date on which the Trustee accepts your beneficiary designation. A beneficiary designation may not be changed or revoked by, and the Trustee will not give effect to any proposed change or revocation made in, a verbal request or in your estate planning documents, including your pre-nuptial agreement, post-nuptial agreement, Last Will and Testament, a trust of which you are a grantor, or any other document you may have signed, except a properly submitted Form. The Trustee will honor a beneficiary designation or change or revocation of a beneficiary designation, which a conservator, an attorney-in-fact, or other legal representative duly appointed to represent your interests may make on your behalf, if the instrument, including court order, which gives the authority to such person to represent your interests specifically authorizes such person to take such action for you. Prior to implementing such action, the Trustee may require assurances from such conservator, attorney-in-fact or other legal representative in such form as the Trust Company deems appropriate in its sole discretion.

**Legal Recourse.** If the Trustee needs assurances regarding any matter related to the proposed transfer of your IRA assets following your death based on your

beneficiary designation, the Trustee may, in its sole discretion, seek judicial determination as to its proper course of conduct, which determination will be binding on all parties claiming an interest in your IRA. All expenses, which the Trustee incurs in such respect, including reasonable attorneys' fees and courts costs, will be borne by the IRA assets in such manner as the Trustee determines, in its sole discretion. If any claimant files a lawsuit against the Trustee with respect to any proposed or completed transfer of IRA assets to beneficiaries following your death, the Trustee will be entitled to recover its reasonable attorneys' fees and court costs incurred in such lawsuit from such claimant and out of the property in the IRA, in such manner as the Trustee determines, in its sole discretion.

**Notification of Claim Adverse to Proposed Transfer.**

Following your death, the Trustee will have no duty to withhold making a proposed transfer of your Roth IRA assets to your named beneficiary(ies) based on its knowledge of any fact or claim which is or may be adverse to its proposed transfer unless, before such transfer, the Trustee receives a written notice from a claimant which sets forth: (a) the assertion of a claim of beneficial interest in the transfer which is adverse to the proposed transfer; (b) the name of the claimant and an address for communications directed to the claimant; (c) your name and the property to which the claim applies; and (d) a statement of the amount and nature of the claim as it affects the proposed transfer. The Trustee must receive such notice at a place and time and in a manner which affords it a reasonable opportunity to act on it before the proposed transfer is made. The Trustee will not be liable to any person for any damages resulting from its transfer of Roth IRA assets before it receives such notice, or after it received such notice but before it has had a reasonable opportunity to act on it. Following its receipt of any such notice by a claimant, the Trustee will nevertheless have the right to make its proposed transfer of Roth IRA assets unless it is restrained by a court order. Any such court order must be obtained no later than thirty days after the date the Trustee sends a notice to the claimant by certified mail or personal delivery at the address provided by the claimant in the claimant's notice, notifying the claimant that it may make the

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proposed transfer unless it is restrained by court order within thirty days after the date of such notice.

**Miscellaneous.** Your beneficiary designations and the transfer of your Roth IRA assets after your death are governed by the terms of the IRA Adoption Agreement and all other documents governing your Roth IRA, including these additional provisions, and by the laws of the State of New York in effect on the date of your death, without regard to the laws of conflict.

**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 Roth 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

list of disaster areas, qualification, requirements for relief, and allowable disaster-related IRA transactions, you may wish to obtain IRS Publication 590B, *Distributions from Individual Retirement Arrangements*, from the IRS or the IRS website at [www.irs.gov](http://www.irs.gov).

### Tax Reporting

Each year, the Trustee will send you a Form 5498, *Individual Retirement Arrangement Contribution Information*, to report the contributions you have made to your Roth IRA during the preceding year. It is your responsibility to file Form 8606 with your federal income tax return to report a conversion of a Traditional IRA to a Roth IRA or distributions from a Roth IRA. The Trustee will report distributions from your Roth IRA on Form 1099-R or other appropriate tax form.

It is your responsibility and, after your death, your beneficiary's responsibility, to file Form 5329, *Return for Individual Retirement Arrangement Taxes*, with the IRS to report additional taxes due on (i) excess contributions, (ii) premature distributions, (iii) insufficient distributions, and (iv) prohibited investments or transactions.



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